



# National Defense



Strategic Annual Journal / Issued by National Defense College/ Issue 08 – August 2021

## Using International Relations Theories in Policy

50

عام الخمسين

YEAR OF THE FIFTIETH

٢٠٢١

UAE

A Record of  
Achievements and  
a Preparation for  
a Brighter Future

**RAPID DIGITALIZATION:  
IMPACT ON UAE  
NATIONAL SECURITY  
AND DATA GOVERNANCE**

**Mansour Bin Zayed**

Attends the 8<sup>th</sup> National Defense College Graduation Ceremony





“The year of the 50th is a historic moment in our journey since the foundation of the United Arab Emirates in 1971. It is a celebration of the great will and the strong determination of our Founding Fathers to build our nation and the efforts of our people until; thankfully, our nation became one of the most developed and fast growing countries in the world.”

**Khalifa Bin Zayed Al Nahyan**



# Editorial



Major General Staff  
**Aqab Shahin Aqab Alali**  
 Commandant of the National  
 Defense College (NDC)

In 2021 the United Arab Emirates celebrates the 50th anniversary of its glorious union – a union embodying resolve, pride and resilience. Fifty years of the union have passed replete with successful achievements, which will continue into the future. The UAE's core values, as set by the noble Founding Fathers, ensure that the union is the true meaning of cooperation and solidarity for the country and its people. Today, as we celebrate this precious anniversary, we relive those everlasting messages of determination to overcome hardships with stoic patience and commitment to render the impossible as possible and to be prepared for a better future for all, by the will of Allah.

In keeping with the UAE Armed Forces' principle of promoting professional military education to equip its staff with knowledge to meet new challenges, a number of military colleges, institutes and schools were established. A primary military knowledge hub is the National Defense College (NDC), which affirms its commitment to these educational principles as it celebrates in June 2021 the graduation of the participants of the 8th NDC Course. This asserts the vision of the UAE's Founding Father Sheikh Zayed bin Sultan Al Nahyan, may he rest in peace, on the importance of science and highlights the critical role played by the NDC since its inception in 2012. Its mission is to prepare and qualify elite national leaders and equip them with the understanding and skills to overcome challenges by using cutting edge techniques and strategic analytical insights throughout the development and planning process.

The Editorial Board of the National Defense Magazine, in its eighth issue, congratulates the graduates of 8th NDC Course 2021-2020. The magazine has invited all course participants to share their research on a range of topics which will interest readers of this magazine. Today, the National Defense Magazine has become a platform for insightful articles, research papers, and studies submitted by senior state officials, leading thinkers, NDC faculty members, and course participants. Their views shed light on today's key events and uncertainties that impact UAE national security. These reflections underscore the NDC's curriculum and vision to be a beacon in developing strategic thought and a critical source of strategic and security studies.

The National Defense Magazine has become a nexus for critical strategic and security studies and proudly showcases its research output for participants and other readers to enrich their knowledge.

Finally, we wish that this year "Preparing for the Fiftieth" will be a resounding success and pave the way for decades of prosperity, harmony, and achievements.

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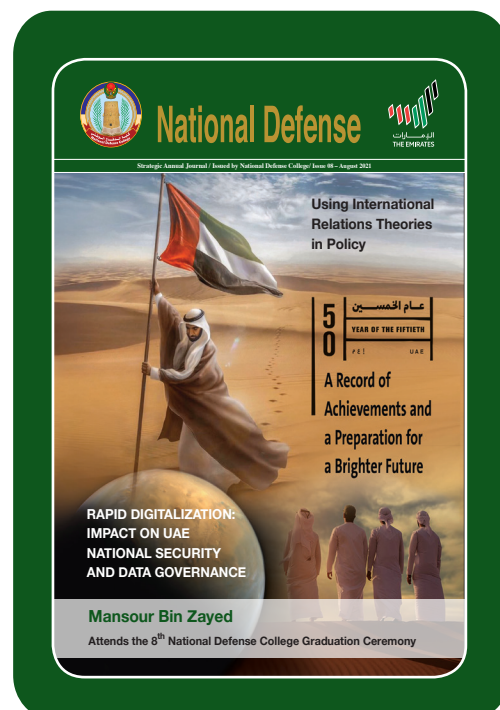




## A Record of Achievements and a Preparation for a Brighter Future

In celebrating its golden jubilee, the UAE as a young ambitious country has entered a new era after fifty years of building an exemplary state within a region still searching for the basics of the development process.

## Cover



## National Defense

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“The year of the 50th is a year celebrating fifty years that witnessed the fastest development process in the history of any country, the best development process in the region, and the noblest journey of building human capacities. It is also a year of preparation for the next fifty years. Fifty years full of goodness, deep impact, exemplary in building hope for the region and the world.”

**Mohammed bin Rashid Al Maktoum**



«We complete a phase full of exceptional achievements and begin a new era in which our ambitions embrace the sky. The challenge is greater, and the competition is more intense, but our will, ambition, and spirit of endeavor are stronger. Our people are the source of our strength, and creative people are welcome. We give a supporting hand to goodwill, cooperation, and peace efforts to all people of the world.»

**Mohamed bin Zayed Al Nahyan**

# Editor In Chief



Col. Staff Dr.

**Rashed Musabbeh Al Dhaheri**

Editor in Chief

Year by year, the UAE has blazed the trail for imagining possibilities to shape the future. The UAE's leadership has astutely provided the vision for the country's impressive achievements, plans, and ambitions. Today the UAE continues the journey initiated by its Founding Fathers towards an auspicious future for the country and the coming generations while working hard to realize its dreams with undaunted vigor.

The UAE's leaders wisely envisage the panoply of national objectives, which race towards the anniversary of the country's centenary under a mantle of glory, achievement and distinction among nations. The vision and aspirations established by the UAE leadership for the next fifty years of our glorious union are clear evidence that the UAE is resolutely moving towards the future with confident strides. Through its accomplishments over the past fifty years, the UAE seeks to make a difference that marks the country's unprecedented progress in such a short span of time. The journey initiated by the late founding leader Sheikh Zayed bin Sultan al-Nahyan, may he rest in peace, together with his founding brothers, may they rest in peace, has continued emphatically as shining testimony to the Founding Fathers' humanity, with the people's welfare as their primary goal. To achieve this noble goal, ambitions must aim high and transcend the borders of this country to ensure that its influence extends and reaches the world at large.

The wise leadership has announced that 2021 is the year of preparing for the next fifty years by realizing all the goals, dreams, and hopes for the future, not only by drawing up perceptions and developing plans, but also by working purposefully in a diligent manner to achieve progress and excellence in every arena.

Given this profound view of the future, the NDC Defense Magazine provides futuristic academic insights to inform a wide audience. Now celebrating its 8th edition, this 2020 2021 – issue highlights a wealth of topics that address current issues such as the 'Year of the 50th' and the UAE's achievements as well as the country's readiness for a brighter future, by the will of Allah.

The articles display a range of diversified proposed national strategies, programs, global systems, and applications, the aim of which is to have an active future outlook on key topics such as the Fourth Industrial Revolution, cybersecurity, and the unparalleled opportunities that rapid digitalization offers to government and the national economy. The magazine has also paid special attention to academic articles that explore a range of strategic, diplomatic, economic, and health topics, as well as the concepts of leadership and defense.



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UAE

# A Record of Achievements and a Preparation for a Brighter Future

In celebrating its golden jubilee, the UAE as a young ambitious country has entered a new era after fifty years of building an exemplary state within a region still searching for the basics of the development process. Today, the UAE's leadership and people are on the dawn of a new fifty-year phase with great expectations that this half century will witness an extension of the UAE's record of impressive achievements and seeking excellence in all fields to raise the UAE as the best country worldwide.











The past fifty golden years of development, modernity, and prosperity of its citizens and residents show that the UAE has made its people among the happiest on earth, which is the outcome of a half century's relentless efforts and not a matter of luck or coincidence. It is testimony to the unstinting commitment to overcome and adapt to real-life circumstances and harsh times. By doing so, achieving the aspirations and empowering the people of this bountiful land to realize their dreams has caught the imagination of the world. The hard work and perspicacity of the UAE people encapsulate a way of life and expression of loyalty to the country as a firm doctrine.

Allah has blessed the UAE with a dedicated and wise leadership that believes in its people and cherishes its homeland with intimate knowledge about every aspect of life in the Emirates. Since the UAE's foundation, the leadership sagaciously conserved its sovereign resources and instruments of power based on the understanding that unity is power and that disunion will only lead to conflict and weakness.







The journey towards union was the real beginning of establishing a state of unity and hopes for a better future while eradicating the archetypal perceptions of colonialism, marginalization, and injustice that had existed in the Arab region for decades, even after ending the divisive colonial era with its rivalries over hegemony and ideology. This journey has become a solid and successful solidarity experience fueled by a confluence of goodwill and high aspirations underpinned by the pressing need for mutual understanding and synergy to face common threats in the modern era.

Any discussion about the UAE and its accomplishments starts with the late Sheikh Zayed bin Sultan Al Nahyan, may Allah rest his soul in peace, the founder and architect of the UAE's internal and external achievements. His Highness worked with his brothers, the founding leaders, to set the pillars of the UAE's comprehensive development process in all facets of life. The fruits of this achievement are the veritable well-being and prosperity of the citizens and residents alike. This has rendered a total transformation in the people's lifestyle from abject poverty, enduring a harsh lifestyle into a bountiful,





prosperous standard of living which is the envy of the world.

Sheikh Zayed made the utmost of the resources that his land offered to support the development process by focusing all his efforts on nurturing the Emirati people before building the institutions of state and he was always striving for balance among all aspects of the development process. Moreover, the political and economic dimensions of the development process did not outweigh humanitarian and moral considerations. His Highness built a modern state that honors his legacy and bonds the present with its past while aiming high for the future, keeping up with the latest technological innovations, and believing in all possibilities to become the number one country worldwide.

Following the same steps and with the same determination of his father, His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the United Arab Emirates, may Allah protect him, has continued building a model nation and also set ambi-

tious goals. The most important target as the UAE currently celebrates its golden jubilee anniversary, is for it to be one of the best countries in the world and that by 2071, when the UAE celebrates its first centennial, it will be the top country worldwide. The key features that the UAE has focused on a series of pillars to achieve a permanent, sustainable development process are:

- Planning long-term strategically for top-most priorities such as food security and managing the state resources;
- Transforming government, which includes developing the government administration and governance systems, as well as shifting to electronic and smart digital services and the permanent availability of such services;
- Adopting creativity and innovation to achieve a knowledge-based, diversified, and flexible economy led by skilled Emirati talent and backed up by the best expertise in a way that guarantees the sustainable prosperity of the country and its people;
- Providing a safe and attractive environment







for people and investment to thrive by achieving the highest levels of security and safety and reducing crime rates to the lowest levels in the world;



- Strengthening the state's pillars of soft power by developing a comprehensive government system to create regional and international sustainable programs and policies covering all pillars of the state (economic, cultural, tourism, humanitarian, and community) focusing on human and cultural dimensions and building on the UAE's reputation, highlighting its distinctive cultural image, heritage, and identity, and supporting the population without discrimination;

Responding promptly and effectively to the regions in need of humanitarian assistance;

Building hard power by modernizing and equipping the armed forces with the latest training techniques and technology in terms of operations and armaments to ensure the state's achievements, stability, the welfare of its people, and the security of its borders.

The outcomes of this astute strategic approach and relentless efforts are reflected in the myriad examples of progress achieved by the UAE in all fields as evidence of the UAE's non-stop modernization process while keeping pace with or surpassing what has been achieved at the global level. In terms of political development and enhancing participation, the UAE has developed the electoral system for the Federal National Council (FNC), intending to allow the broadest segment of citizens to participate in the decision-making process. Moreover, the UAE has also supported women's empowerment by developing their unprecedented participation in the FNC by amending the provi-

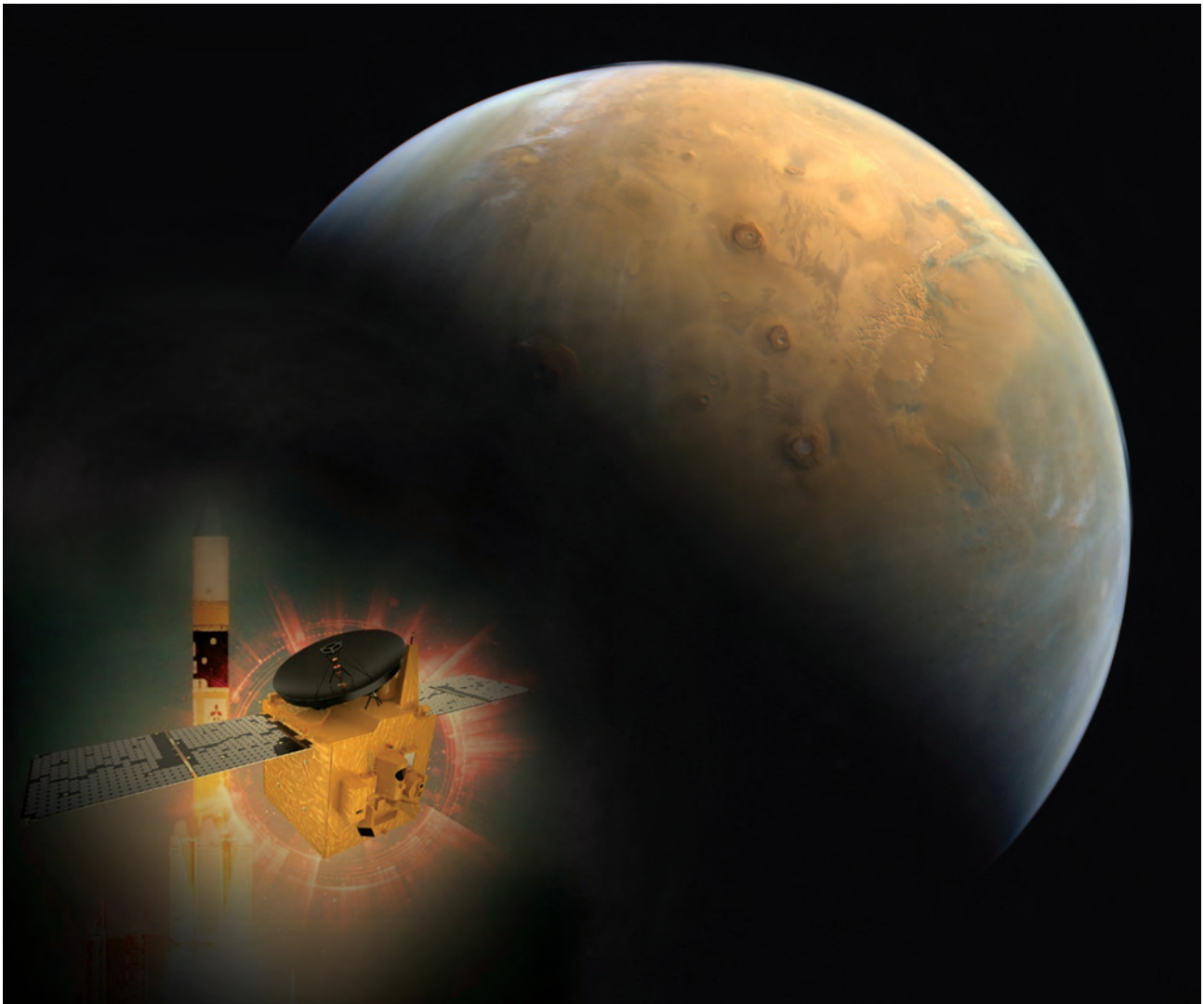


sions of Resolution No. (4) for 2006 of the Supreme Council of the Union and its Amendments as well as the Decision of the President of the State No. (1) for 2019 to amend Resolution No. (3) for 2006 and its Amendments stipulating that women's representation of each emirate must be at least 50% of the emirate's representatives in the FNC, and their participation in the government must be nine female ministers – representing 27% of the Cabinet. This indicates that the UAE will continue ranking first in the participation of Arab women in the decision making bodies and leadership positions.

Another milestone for the UAE is its accomplishment in the science and space exploration fields among the Islamic and Arab world when the UAE became the third country to explore Mars after the "Hope Probe" went into orbit around the Red Planet. The UAE, through the Mohammed bin Rashid Space Center, has also launched a program to train and qualify UAE national astronauts. The Center succeeded within an impressively short

period in producing the first Emirati astronaut to join the International Space Station. Furthermore, since the beginning of the Covid-19 pandemic, the UAE has achieved a great deal and led the way by providing support, medical aid, medicines, and preventive supplies to more than 136 nations around the world to combat the disease. In addition, the UAE has worked effectively on studying and detecting the virus's genome sequence, and contributed to vaccine trials, manufacturing, and distribution to countries around the world.

The UAE's manifold achievements are confirmed by the global indices of competitiveness, with five major international institutions ranking the UAE among the top ten in the world in 28 indicators of competitiveness in the financial and tax sectors for 2020. This ranking was supported by large-scale projects that clearly indicate the UAE's preparedness for the future and secure the best quality of life for its future generations such as the Food Technology Valley Project and the UAE Industrial





Strategy (Operation 300Bn) to increase the industrial sector's contribution to the GDP from 133 to 300 billion dirhams over the next decade.

Today, the UAE celebrates its fiftieth anniversary with a growing sense of unity, as an inspirational example of solidarity, maturity, security, safety, and happiness for its people despite the numerous regional challenges that have created conflicts and tensions, to the detriment of regional development. It is an experience that discarded all perceptions of extremism, fundamentalism, and narrow-mindedness. Instead, it was launched with an open mind and goodwill to people of all cultures, creeds and races to spread the values of peace and harmony while repudiating confrontation. This has been implemented by working with all peace-loving countries in the region to launch a new era that will end hostilities, hatred, and intolerance of others and instead be based on cooperation, solidarity for

the welfare and prosperity of the current and future generations.

The year of the fiftieth announced by His Highness Sheikh Khalifa bin Zayed Al Nahyan, the President of the UAE, may Allah protect him, is a new Emirati launchpad for the next fifty years for this young country. It confirms that the UAE leaders reject rash policies that have not undergone a deliberate planning and a measured outlook using a proactive approach of reflection to move forward courageously with high aspirations to turn dreams into exceptional reality. Such a reality will bring current and future benefits and ensure a blessed future to the coming generations of the UAE people who adhere to such aspirations, display absolute loyalty to the country, and live in harmony with the country's vision and its desire for excellence and achievement.

# Military Education Exchange Programs: An Important Soft Power Tool



Daniel Baltrusaitis, PhD.  
NDC Academic Dean

**In** a seminal article analyzing post-Cold War great power dynamics, Joseph S. Nye, Jr., Director of the Center for International Affairs at Harvard University, argued that the world was entering a phase of power dynamics where brute military force and industrial capacity would no longer dominate interstate relations. Nye observed that power, as evidenced in war, was losing ground to technology, education, and economic growth. He advocated for a shift from viewing power in a ‘hard’ way based on resource accumulation and military strength, to a concept founded on the capacity to influence state behavior through attraction. Nye coined the term ‘soft power’ to describe how a state could “achieve the outcomes it prefers in world politics because other states want to follow it or have agreed to a situation that produces such effects” (Nye 167 ,1990). Soft power ascribes the use of attraction rather than coercion to achieve foreign policy objectives through network and narrative building, rule and value promotion, and through cultural promotion in education and media.





Although often overlooked, the military is an important soft power tool for a state. In addition to its influence through traditional hard power capabilities, the armed forces have a broad range of ‘softer’ tools such as joint training, officer exchanges, and education assistance programs with other countries that provide important public diplomacy tools for cultivating the ‘attractive force’ between states. These programs not only use national culture and values to promote positive images of one’s country in foreign states through information and exchange programs, but also further seek to build long-term relationships to “create an enabling environment for government policies” (Nye 2008, 107). Military education programs provide an important path for developing these long-term favorable relations between states.

Political scientists Geoffrey Cowan and Amelia Arsenault consider that education is one of the most important soft power elements of a state. In their

analysis of U.S. public diplomacy efforts, they found that providing educational opportunities for foreign students provided a significant and lasting positive outlook for the U.S. and its policies long after students returned to their home countries (Cowan and Arsenault 2008, 10). According to Nye, successful foreign students become effective transmitters of the language and culture of the country where they had studied. Through long-term cultural immersion, students gain language proficiency while gradually appreciating the achievements and culture of the host country. Additionally, these students develop deep social networks in the host country, effectively forging valuable social connections between states after having studied abroad (Nye 2010, 120).

In her analysis of senior military education programs, Ann McGee determined that military education influences exchange students through three primary channels: through their information elements, which include overt discussions of cultural values



and ideals; their classroom elements, which result in relationship building; and the global alumni networks these programs can potentially create (McGee 2011, 3).

Research shows that U.S.-foreign government exchange programs seem to leave students with a lasting positive view of the United States due to their immersion in U.S. culture and values during course attendance. One research study concluded that academic exchanges aimed at mid-career professionals enhances “international communication which may indirectly reinforce the democratic values and orientations of program participants” (Miller 2006, 26). In her analysis on the influence of military education programs on human rights’ outcomes, Carol Atkinson discovered that international officer attendance in U.S. programs correlates well with improved human rights conditions in the sending states (Atkinson 2010, 16). This research suggests that military education exchange programs are effective at transmitting the values and culture of the host country to the intended audiences.

Another important aspect of military education highlighted by McGee is relationship building between military elites. Long-term formal exposure in the classroom, and informal interaction at social events, foster strong relationships between international students and their host country counterparts (McGee 2011, 19). According to a U.S. State Department report to Congress, military education and training “facilitates the development of valuable professional and personal relationships that have provided U.S. access to and influence in a critical sector of society that often plays a pivotal role...” (U.S.

Department of State 2017, II-2). Education, especially at the graduate level, provides important relationship-building opportunities since officers sent to exchange programs quite often become senior officials in their respective countries. The intensity and long duration of graduate educational programs for mid to high-level officers provides the opportunity for teambuilding that is unavailable in shorter training events. Education exchanges provide the opportunity to develop relationships, which can provide a favorable framework for state-to-state influence (Gilboa, 73). Collaborative projects such as decision-making exercises inherent in military education programs provide the depth of experience to develop stronger relationships between military senior officers and elites (McGee 2011, 113).

Finally, military education exchanges develop potentially influential alumni networks that facilitate communication between states. When President Hosni Mubarak was removed from office by the military in February 2011, Admiral Mike Mullen, then Chairman of the Joint Chiefs of Staff, asked American officers and alumni from U.S. military academies to reach out to the Egyptian officers who they had come to know over the years, showing the potential of alumni networks for unofficial communication and coordination. Unfortunately, few of the Egyptian officers responded to this outreach effort, demonstrating that these soft power efforts may not always generate the connections needed during a crisis (Entous 2013). This is most likely because the U.S. government does not expend enough effort to cultivate the alumni network generated by its professional military education schools (Thacker and Lambert 2014, 70).





This article shows that sponsoring military education exchanges represent an important soft power tool for states to influence regional and international partners. Exchange programs provide the opportunity for mutual understanding and political influence by functioning as an important public diplomacy tool. These programs typically build their influence by passing on norms and culture, developing long-term professional relationships, and harnessing alumni networks of military elites. According to former Chairman of the U.S. Joint Chiefs of Staff, Admiral Mike Mullen, “Security cooperation through PME [Professional Military Education] is an investment in the future of both the selected students and the nations being engaged” (Thacker and Lambert 2014, 71).

The UAE has successfully embraced the engagement value of military education. Many officers have benefited from exchange programs with the U.S., NATO, regional partners, and developing great powers such as China. These programs have not only transferred knowledge, but also have been important in developing long-lasting relations with officers from other countries. More importantly, the UAE is successfully expanding its capability to host international officers in its PME institutions to enjoy the soft power benefits of highlighting its position as an influential Gulf country.

The opinions expressed in this article are those of the author and do not reflect the views of the National Defense College, or the United Arab Emirates government.

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# Khalid Ibn al-Walid: A Worthy Case Study for Today's Leaders



## Too

often we look to the modern world, and to the western world, for examples of excellence in leadership. This is understandable in one sense: the twentieth century was widely seen as 'America's century', just as the previous century had been Britain's. Within that context, the wars that shaped those centuries were fought mainly by western states and most of the important scientific and technological developments that created our modern world were introduced and exploited by westerners. The leaders who have captured the public imagination have thus mainly been western figures.



Joel Hayward, PhD.  
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Yet the grand sweep of history shows us that other civilizations, societies and cultures have produced equally remarkable leaders. They may feature far less in leadership books, and few are as widely known and studied as their modern western counterparts, yet their leadership habits and skills, and consequent successes, are equally worth studying. Within Islamic history, there are countless political, military, social, cultural, and intellectual leaders whose lives can enrich our understanding of leadership.

Khalid ibn al-Walid, who died in 642 CE, was one such leader. Serving as a general for the Prophet Muhammad (sallallahu alayhi wasallam) and his first two successors, Khalid won no fewer than 100 battles against various Arab tribes and the Byzantine and Sasanian Empires, suffering only occasional setbacks and no defeats.

The earliest extant sources for Khalid's distinguished career include Al-Waqidi's *Kitab al-Maghazi* and *Futuh al-Sham*, Ibn Hisham's *Al-Sirah al-Nabawiyyah* and Al-Tabari's *Tarikh al-Rusul wa al-Muluk*. All are available for study in Arabic and in English translations. They paint a picture of a man imbued with drive, passion and natural martial aptitude who nonetheless lacked any life purpose or direction until he converted to Islam in 628 CE, after having initially fought against the new religion, including at the Battle of Uhud in 625. Khalid even led the artful cavalry flanking attack that ushered in the Muslim reversal at Uhud.

Once he came under the Prophet Muhammad's (sallallahu alayhi wasallam) astute mentorship, Khalid began to acquire the mental and emotional discipline and patience that he had earlier lacked. He became self-controlled, steadier, and more focused. By the time of the Prophet's (sallallahu alayhi wasallam) death in 632, Khalid had emerged







as Islam's premier general, a position he solidified during the Riddah Wars (632-633), when Khalid led expeditions for the Amir-of-the-Believers Abu Bakr and defeated the Arab tribes who had broken their oath of loyalty and deserted the Islamic polity. His skillful victory at Yamamah in 633, based on highly creative ideas and Abu Bakr's empowerment of Khalid to use his initiative, rather than strictly follow directives, ended the Riddah Wars and established ideal conditions for what became the great expansion of Islam.

Khalid's martial aggression was disliked by Abu Bakr and his successor, Umar, yet they could not argue against his continual successes. War is a tough and brutal business, and it sometimes requires forceful and uncompromising leaders. Khalid was the right man in the right place at the right time. When the Islamic spirit of dawah energized the ongoing suppression of rebellion along the Sasanian frontier, Khalid led a powerful force into Iraq, defeating the Sasanian forces at al-Hira, a regional capital. Khalid expertly negotiated the surrender himself, promising religious tolerance and no harm to religious buildings. In return, al-Hira agreed to pay massive amounts of tribute, between 60,000 and 90,000 silver dirhams, which Khalid sent back to Medina, allowing the Islamic polity to recover financially from the strains of the Riddah Wars.

While Khalid was supporting the spread of the Islamic polity's influence in Iraq, another Islamic army, led by 'Amr ibn al-'As, moved northwards

from Arabia into Palestine and Syria, which were the Byzantine Empire's southeastern provinces. When 'Amr's forces faced unusually stiff resistance, a deeply concerned Abu Bakr had no alternative but to order Khalid, then still in southern Iraq, to reinforce 'Amr in Syria. Khalid responded by leading between 500 and 800 handpicked men westwards across 500 kilometers of severely inhospitable and waterless terrain, arriving near Palmyra in only six days. How he accomplished this became the stuff of legends. Because of the acute scarcity of water, Khalid had around twenty camels increase their typical water consumption. He then sealed their mouths to prevent them from eating and consequently polluting the water in their stomachs. Then he had several of the camels slaughtered each day so that the men could drink the water stored in the camels' stomachs. This renowned march is as dramatically famous in Islamic military history as Hannibal's crossing of the Alps or Napoleon's march to Austerlitz are in western military history. It cemented Khalid's reputation as a general of profound élan and courage.

After defeating Byzantine auxiliary forces in a series of marvelously skillful battles, including at Bosra, Fahl, and Marj- al-Suffar, Khalid soon emerged as the best Islamic military leader in Syria. In short order he took Damascus and several other Byzantine cities or garrison posts. The distressed Byzantine emperor Heraclius ordered his commander Theodore Trithyrius to assemble a massive army of around 100,000 to smash Khalid's



force and retake lost territory. At this stage Amir-of-the-Believers 'Umar ibn Al-Khattab replaced Khalid with Abu Ubaidah ibn al-Jarrah, perhaps because Khalid's unequalled popularity had almost reached cult status. Khalid nonetheless remained the primary strategic thinker, and during a council of war, Abu Ubaidah affirmed Khalid's operational leadership. Khalid withdrew the Islamic army strategically to defensive positions, with his forces' backs to the desert, at the junction of the Yarmouk River within a defile known as the Deraa Gap.

Khalid's decision to withdraw from occupied areas and concentrate his troops for a decisive battle forced the Byzantines to concentrate their five separated formations. For centuries the Byzantines had avoided engaging in single pitched battles, and the concentration at Yarmouk created organizational and logistical difficulties that they struggled to overcome. Masterfully commanded by an aggressive yet cunning, patient, and ingenious Khalid, who constantly outsmarted and outfought his counterpart, The ensuing Battle of Yarmouk in August 636 was a total Muslim victory that ended Byzantine rule in Syria and earned its reputation as one of the most decisive battles in history.

Named "Sayf Allah" (the Sword of Allah) by the Holy Prophet (sallallahu alayhi wasallam) because of his military prowess, Khalid was a great hero at a time when the new Islamic civilization needed heroes, and is one of the best known Islamic warriors of all time. Historian Fred Donner described him as

"one of the tactical geniuses of the early Islamic period". Similarly, medievalist Hugh Kennedy stated that the Arabic narratives "give pride of place to Khalid as the commander who provided the most effective leadership" and that Khalid's reputation as a masterful general "has lasted through the generations, and streets are named after him all over the Arab world." Agreeing with both assessments, this article encourages readers to dig deep into the leadership beliefs and practices that enabled Khalid to achieve such excellence. He was a leader of the first order, with unusual aptitude, intuition, talent and capacity. Although not a gentle or intellectual man, he was paradoxically very meditative about the ways in which he undertook matters, learning quickly how to do things better each time and making mental notes of what worked or did not, so that he could repeat what succeeded and avoid what failed. We can learn much from Khalid ibn al-Walid.

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# Masters of Indirect Strategy



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## Basil

Liddell-Hart, the British strategist, is famous for his “strategy of indirect approach” outlined in 1929, and his

advocacy of mechanized warfare or blitzkrieg. Liddell-Hart’s ideas were influenced by his disenchantment with the misconduct of the

First World War. He witnessed the terrible devastation and killing caused by what he thought was a flawed strategy based on Clausewitzian doctrines that led to the brutality of trench warfare. His goal was to consider how war could be fought more cleanly, more decisively, more intelligently and, above all, as humanely as possible. In contrast with Clausewitz the strategist of “offensive war,” Liddell-Hart was a strategist of “defensive or limited war.”

Strategy without tactics is the  
slowest route to victory.  
Tactics without strategy is the  
noise before defeat

Sun Tzu



The only thing harder than getting a new idea into the military mind is to get an old one out.

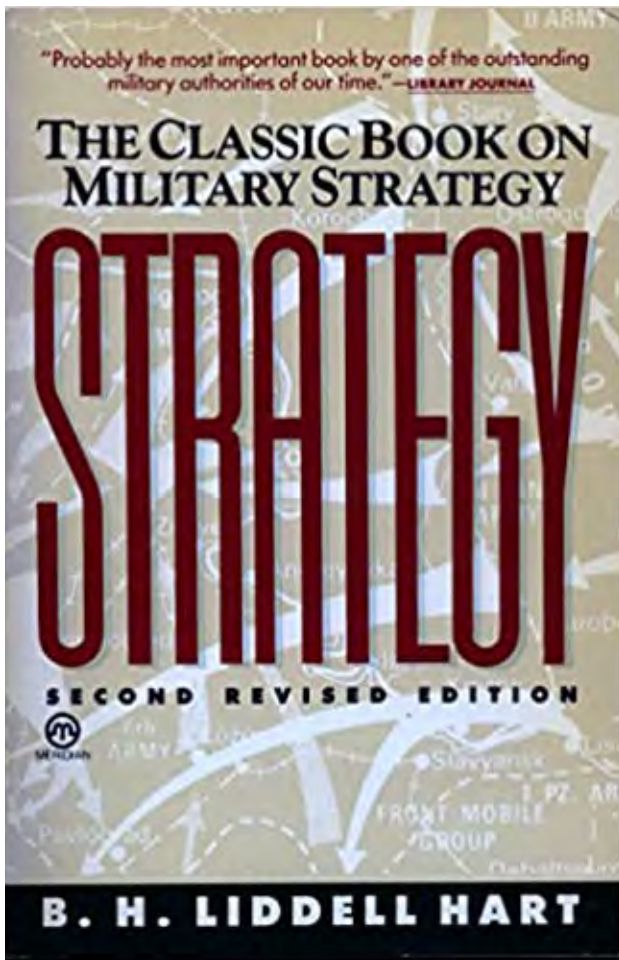
— B. H. Liddell Hart —

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Liddell-Hart's main conclusion was that "the strength of the enemy...is dependent upon stability or 'equilibrium' of control, morale and supply." He said, "In all the decisive campaigns, the dislocation of the enemy's psychological and physical balance has been the vital prelude to a successful attempt at his overthrow. This dislocation has been produced by the indirect approach." He crystallized the lessons of the history of war into two simple maxims: "The first is...no general is justified in launching his

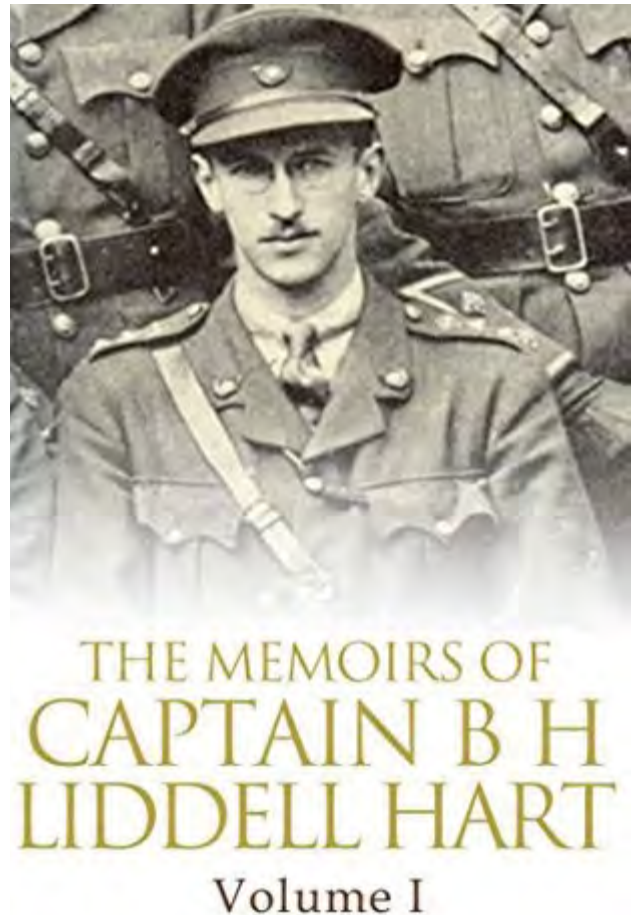
troops to a direct attack upon an enemy firmly in position." To do so is like knowingly hitting one's head against the wall. Second, "instead of seeking to upset the enemy's equilibrium by one's attack, it must be upset before a real attack is launched." As he said, "The soundest strategy is to postpone the battle, and the soundest tactics to postpone attack, until the moral dislocation of the enemy renders the delivery of a decisive blow practicable."





Liddell-Hart's definition of strategy is "the art of distributing military means to fulfil the ends of policy." The heart of military strategy is the battle of resolve between the two opponents: "In war the chief incalculable is the human mind, which manifest itself in resistance...[strategy's] purpose is to diminish the possibility of resistance." This struggle of wills and wits has brought strategists as far removed as Clausewitz, Liddell-Hart and Sun Tzu to place heavy emphasis on the psychological dimension of conflict.

Liddell-Hart was not the first strategist to consider the indirect approach – many of the maxims developed in his writings had been expounded by Sun Tzu in about 500 BC. Indeed Sun Tzu was the first to advocate an indirect approach: "In all fighting...indirect methods are needed to ensure victory." Sun Tzu's ideas contained many of the tenets of the indirect approach: deception, speed, avoidance of attrition, striking what is weak and vulnerable, emphasis on maneuver and, more importantly, attacking the enemy's will to fight. Sun Tzu's *The Art of War* is the oldest military work that outlines principles of war that are as relevant today as they were centuries ago. It teaches how to win with a minimum of fighting – by knowing the enemy,



deceiving the enemy and exploiting the enemy's weaknesses. Liddell-Hart had great respect for Sun Tzu, and called him "that great master, Sun."

Liddell-Hart claimed no originality for the concept of the "indirect approach," but rather drew the principles from the history of decisive military campaigns. He wrote: "In history, the indirect approach has normally consisted of a logistical military move directed against an economic target – the source of supply of either the opposing state or army...The chief objective is to undermine the opponent's will and to induce his collapse or dislocation." He advised against attacking an enemy who is on guard and repeating tactics that have gained you one victory. In short, a strategy requires a clear understanding of the objective, a detailed appreciation of the opponent's and one's own capabilities and a thorough knowledge of the likely operating environment.

Here there is a remarkable similarity between the views of Liddell-Hart and Sun Tzu. Sun Tzu summarized much of this argument in the following words: "If you know the enemy, know yourself; your victory will never be endangered. Know the ground, know the weather; your victory will be to-

tal." Like Liddell-Hart, Sun Tzu advised that battle should be avoided unless all considerations are favorable. The ultimate victory lies in inducing a surrender without striking a blow. He believed that it is more important to kill the enemy's courage than to kill the enemy's soldiers. Sun Tzu's *The Art of War* possesses an enduring beauty, both in its language and its simplicity. It lays out the basic principles for planning and executing a military campaign, examines the qualities of good leadership, and sets criteria for judging whether the political ends justify the military means. Sun Tzu wrote that "the best policy is to take the state intact; to ruin it is inferior to this. To capture the enemy's army is better than to destroy it. To subdue the enemy without fighting is the acme of skill. Those skilled in war subdue the enemy's army without battle. They capture his cities without assaulting them, and overthrow his state without protracted operations. They capture his cities without assaulting them, and overthrow his state without protracted operations."

History shows that very few countries have ever benefited from a long, protracted war (witness Vietnam, Afghanistan, Iran and Iraq). Hence, wars of attrition must be avoided. Accordingly, the perfect strategy would therefore be to produce a result without any serious fighting. The psychological action itself should be so effective that the enemy surrenders without any physical action being required. The psychological dislocation is caused by deception, surprise, speedy movement or the ability to impose threatening circumstances. "Psychological dislocation fundamentally springs from this sense of being trapped." Deception, surprise and speedy movement are the key to success in the psychological realm. It is not correct to attack an enemy's military strength alone, focus on economic targets and supply lines. Only when the physical and psychological dimensions are combined does the strategy become an "indirect approach." In short, the principles of surprise, flexibility, economy of force, mobility and morale are inherent to the successful application of indirect approach.

Liddell-Hart's advice on taking the line of least resistance or least expectation, is also similar to what Sun Tzu said: "Take advantage of the enemy's unpreparedness, travel by unexpected routes and strike him where he has taken no precautions." Sun Tzu stressed the need for the use of an indirect route to close with the enemy — gain an advantage by lulling your enemy into a false sense of security.

Sun Tzu identified the link between speed and surprise, and urged commanders to "appear at points which the enemy must hasten to defend; march swiftly to places where you are not expected." Both Liddell-Hart and Sun Tzu argued that speed, mobility and maneuver are the essence of warfare. For example, when the coalition forces swept past the Iraqi defenses with a lightening flank attack during the 1991 Gulf War, one US Marine Corps brigadier remarked: "This is simply pure Sun Tzu."

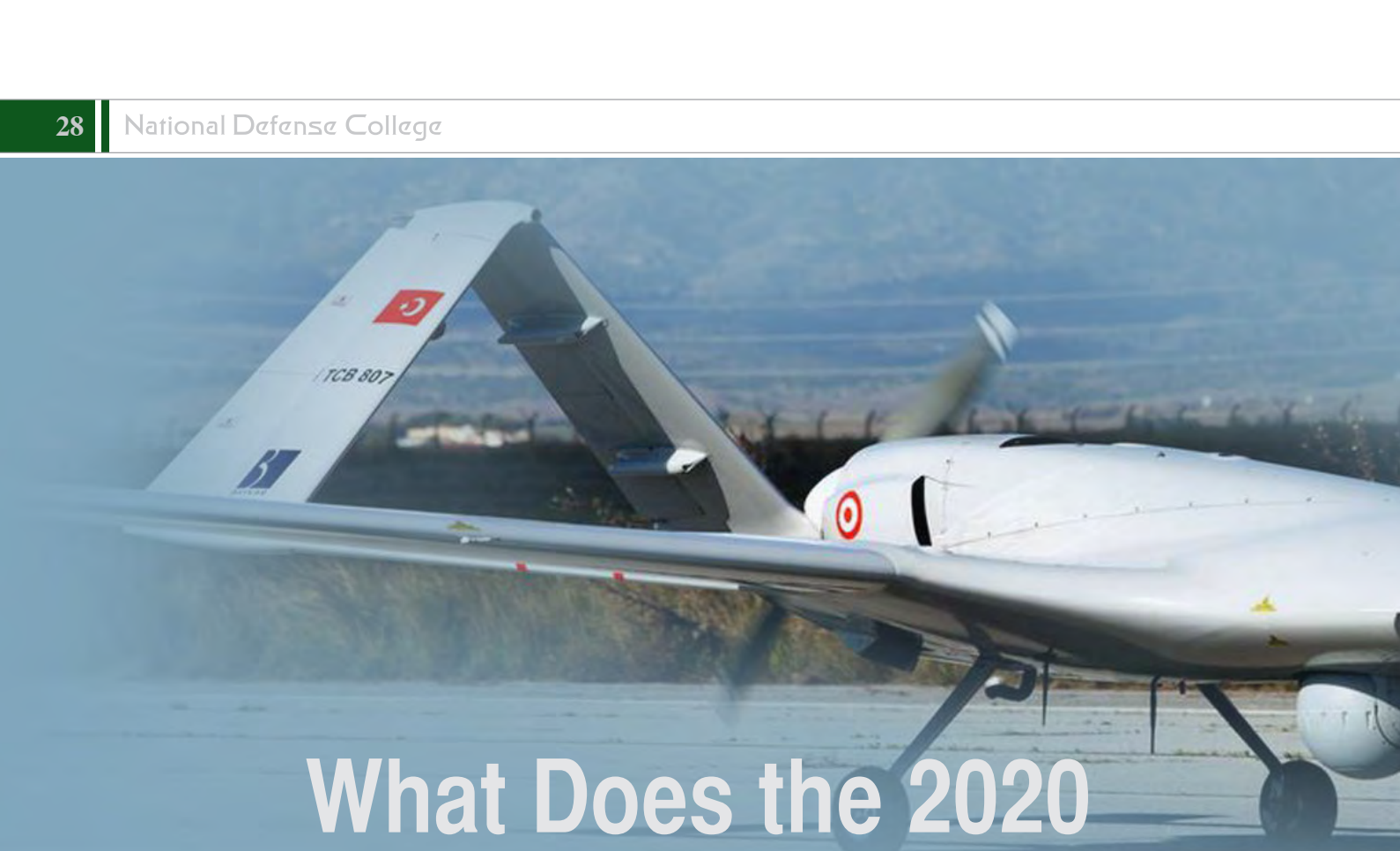
Finally, Sun Tzu's emphasis on deception highlights the significance of the acquisition and manipulation of information to one's advantage. Information warfare as a concept may be new but "denying your enemy knowledge of your plans and actions" is as old as warfare itself. Much like today's information warriors, Sun Tzu would have considered the enemy's electronic command and control centres a perfect target to cause maximum dislocation and deep penetration of the enemy's defenses (eyes and ears) to paralyze the "nerve system" of command.

The advent of nuclear weapons in 1945 has prevented total wars between states because the objective is no longer the total destruction or rout of the opponent in the Clausewitzian sense. Rather, it is minimum destruction, minimum bloodshed and partial defeat of the opponent. In the era of "limited wars with limited objectives," the strategy of indirect approach thus holds special relevance for military strategists.

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# What Does the 2020 Nagorno-Karabakh Conflict Tell us about the Future of Warfare?



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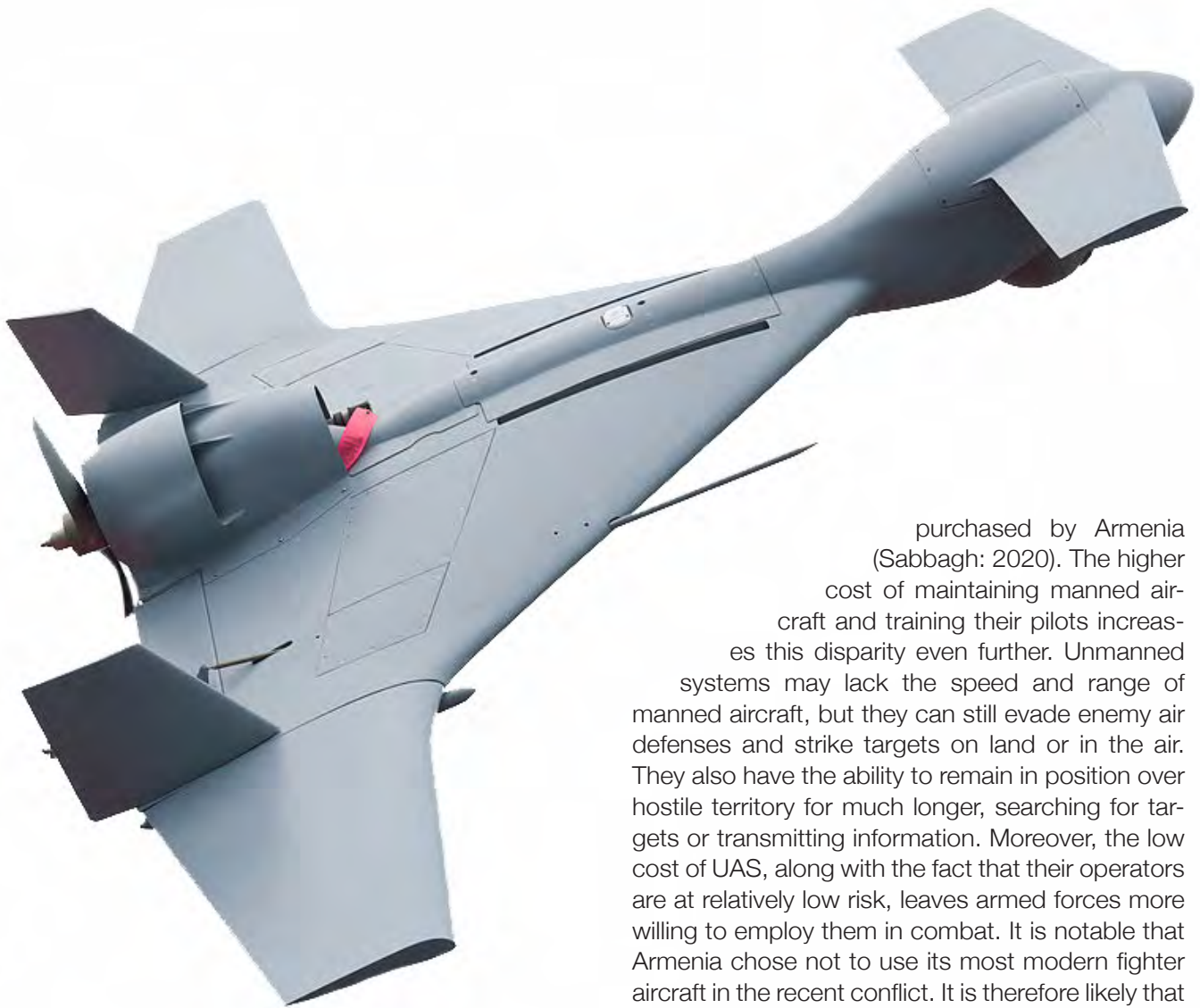
**On** 27 September 2020, heavy fighting erupted between the armed forces of Armenia and Azerbaijan over the disputed border region of Nagorno-Karabakh, controlled by Armenia since 1994. On 9 November, the two sides signed a Russian-brokered peace agreement that gave Azerbaijan control over approximately 40 % of the disputed territory, which it had captured during the conflict. The deal also stipulated the withdrawal of Armenian forces from the rest of the region, and their replacement by Russian peacekeepers. Greeted with celebrations in Baku and protests in Yerevan, the agreement was a reflection of an unequivocal military victory by Azerbaijan. In just over six weeks of fighting, Azerbaijani forces dislodged their adversaries from prepared defensive positions and destroyed as many as 200 Armenian tanks, 90 armored vehicles and 182 artillery pieces. (Fahim: 2020)



A key factor in Azerbaijan's victory was its employment of unmanned aircraft systems (UAS), commonly known as drones, in a variety of roles. The Azerbaijani armed forces fitted Soviet-era biplanes with remote control capabilities, and used them to attract fire from Armenian air defense systems, which were designed during the Cold War to detect manned aircraft, (Kellenborn: 2020). This fire allowed modern Azerbaijani UAS to identify and destroy these systems. This enabled attacks against Armenian land forces, supported and even executed by unmanned systems. Azerbaijani UAS provided identification and targeting data for strikes by artillery and manned aircraft against Armenian weapons and personnel. Azerbaijani UAS also attacked these targets directly.







purchased by Armenia (Sabbagh: 2020). The higher cost of maintaining manned aircraft and training their pilots increases this disparity even further. Unmanned systems may lack the speed and range of manned aircraft, but they can still evade enemy air defenses and strike targets on land or in the air. They also have the ability to remain in position over hostile territory for much longer, searching for targets or transmitting information. Moreover, the low cost of UAS, along with the fact that their operators are at relatively low risk, leaves armed forces more willing to employ them in combat. It is notable that Armenia chose not to use its most modern fighter aircraft in the recent conflict. It is therefore likely that increasing numbers of states and non-state actors will acquire UAS and seek to employ them in future wars. Given the growing expense and complexity of state-of-the-art fighter aircraft, even the best-equipped armed forces will use UAS in their place when feasible.

In addition to defensive positions, Azerbaijani UAS focused on Armenian supply lines. By targeting roads and bridges linking front-line units with rear areas, they deprived these units of reinforcements and supplies, reducing their ability to resist attacks by Azerbaijani ground forces. Unable to hold positions even in mountainous terrain that has traditionally favored the defender, Armenian units began to lose cohesion, forcing the government to accept an unfavorable peace (Gressel: 2020).

What lessons does the conflict in Nagorno-Karabakh offer about the conduct of future wars? First, for actors without the financial means to acquire a modern air force, UAS offer a relatively cheap and effective alternative. For example, at a price of less than two million US dollars, the Turkish TB2 system provided Azerbaijan with reconnaissance and strike capabilities at a fraction of the cost of the modern Russian fighter aircraft recently

But the Nagorno-Karabakh conflict may provide a misleading impression of the effectiveness of UAS. Azerbaijani operations appear to have been successful at least in part because Armenian ground forces were not adequately trained in dispersion and concealment tactics. Vehicles and personnel holding stationary positions or moving slowly in the open, often in massed formations, were easy targets. Ground forces can reduce their vulnerability simply by improving their passive defenses, using measures such as camouflage to limit their visibility from the air, and avoiding concentration in large formations. They can also take practical measures to limit their electronic and ther-

mal signatures, which allow UAS to identify them, (Shaikh and Rumbaugh: 2020). In addition, armed forces can take active countermeasures. For example, the American armed services are developing a variety of weapons that detect and disable enemy UAS. Some of these, like the US Air Force's High Energy Laser Weapons System, are relatively expensive and difficult to acquire for most states. But devices that use electronic signals to disrupt communications between an unmanned aircraft and its operator are cheaper and more portable. Because they disable the aircraft rather than destroying it in the air, they also carry less risk of collateral damage to non-combatants. It is therefore likely that armed forces will turn to electronic warfare as their primary method of countering UAS in the near term, (Gouré: 2019).

These countermeasures will complicate the task of armed forces employing UAS for offensive operations. But they will also encourage them to adapt. Specifically, they will rely less on remotely-controlled aircraft and more on loitering munitions. Sometimes referred to as "kamikaze drones", loitering munitions are capable of operating autonomously for hours at a time, identifying and attacking targets without direction from a human operator if necessary. Manufacturers of these weapons and the armed forces that employ them emphasize their ability to maintain human oversight over their operations, particularly the decision to use lethal force. But countermeasures that disrupt the communications link between the aircraft and its operator will make this oversight difficult to maintain. In such cases it may be necessary to allow these weapons to operate autonomously. Enabling autonomous strikes by loitering munitions carries significant risks. Artificial intelligence allows these weapons to identify specific targets, but at present it is less effective than a human operator in distinguishing between combatants and noncombatants, or in determining whether a strike against a military target might cause unintended civilian casualties, (Scharre: 2018). Even if inadvertent, such casualties could lead to an escalation of the conflict, as well as international condemnation.

Thus, while the recent conflict in Nagorno-Karabakh suggests that armed forces will increasingly turn to UAS as a relatively cheap and effective form of airpower, we should not assume that these weapons will make war safer or easier. Countermeasures that limit the effectiveness of

remotely-operated aircraft will encourage armed forces to rely on loitering munitions with autonomous capabilities. As a result, the speed of military operations will increase, but so too will the risk of civilian casualties and even the unintended escalation of wars.

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# Using International Relations Theories in Policy



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**During** the first course at the National Defense College, participants are introduced to the main theories of

international relations. These include realist, liberal and constructivist views of how states and non-states act in the international environment.

Often practitioners do not understand the utility and purpose of studying theories, as theories can be abstract and seen as detached from reality. However, whether they know it or not, everyone uses theories to interpret the world. Our beliefs and perceptions shape our assumptions about how or why a political event happens. A greater appreciation of theories in international relations provides a scientific framework for practitioners to better understand, assess and analyze the dynamics happening in their strategic environment and better predict how actors, whether state or non-state, could behave and react to policies, tactics and strategies. A systematic understanding of international relations can help participants clarify their assumptions about the international environment and what strategy options states have to secure their national interests.



Theories help explain why or how something happens; they predict how someone or something will act or react in the future. In the physical sciences, theories explain the rules and laws involved in natural phenomena. For example, the 11th century Arab physicist Ibn al-Haytham's empirical data from scientific experiments challenged conventional theories of optics and he proposed a new theory that vision happens when light is reflected from an object, then enters the eye, rather than the other way around. Ibn al-Haytham, who was an early proponent of the scientific method 400 years before European Renaissance scientists, helped discover a natural law of science and his theories significantly contributed to understanding optics and light. Scientists subsequently built on his theories and made advancements in many other scientific disciplines. In a way, we can thank Ibn al-Haytham's theories for our modern use of eyeglasses, photography, art, quantum mechanics, ophthalmology and astronomy. The point is that theory can have very practical uses when it is understood and properly applied.

There are similarities and differences between theories in the natural and social sciences. Theories in international relations are part of

the social sciences, regarding how societies and governments behave. Theories in social sciences have less predictability than the natural sciences because of human agency. While there is empirical evidence that there are patterns in human behavior and how societies and governments operate, there is inconclusive evidence as to what pattern a person, society or government will follow in a given circumstance. This is why theories might be able to correctly predict a certain pattern some times, but not predict the right pattern other times. For example, the U.S. diplomat and political realist George Kennan (1904-2005) correctly predicted in 1946, based on realist assumptions, the future Soviet behavior in Europe after World War II and proposed that the United States pursue a policy of containment and balance of power with the Soviet Union rather than cooperation, in order to protect US interests in Europe. Kennan's realist assumptions challenged conventional thinking at the time and in hindsight, there is broad agreement that Kennan's predictions proved correct. Kennan recognized the pattern, and proposed policies to secure US interests based on his understanding of the pattern.

On the other hand, liberal theories of international relations are largely credited for predicting the rise of globalization and international cooperation through economic interdependence and creation of international governmental organizations (IGOs) such as the United Nations, the World Trade Organization and the International Monetary Fund. Neoliberals, such as Robert Keohane, challenged realist assumptions about anarchy, sovereignty and



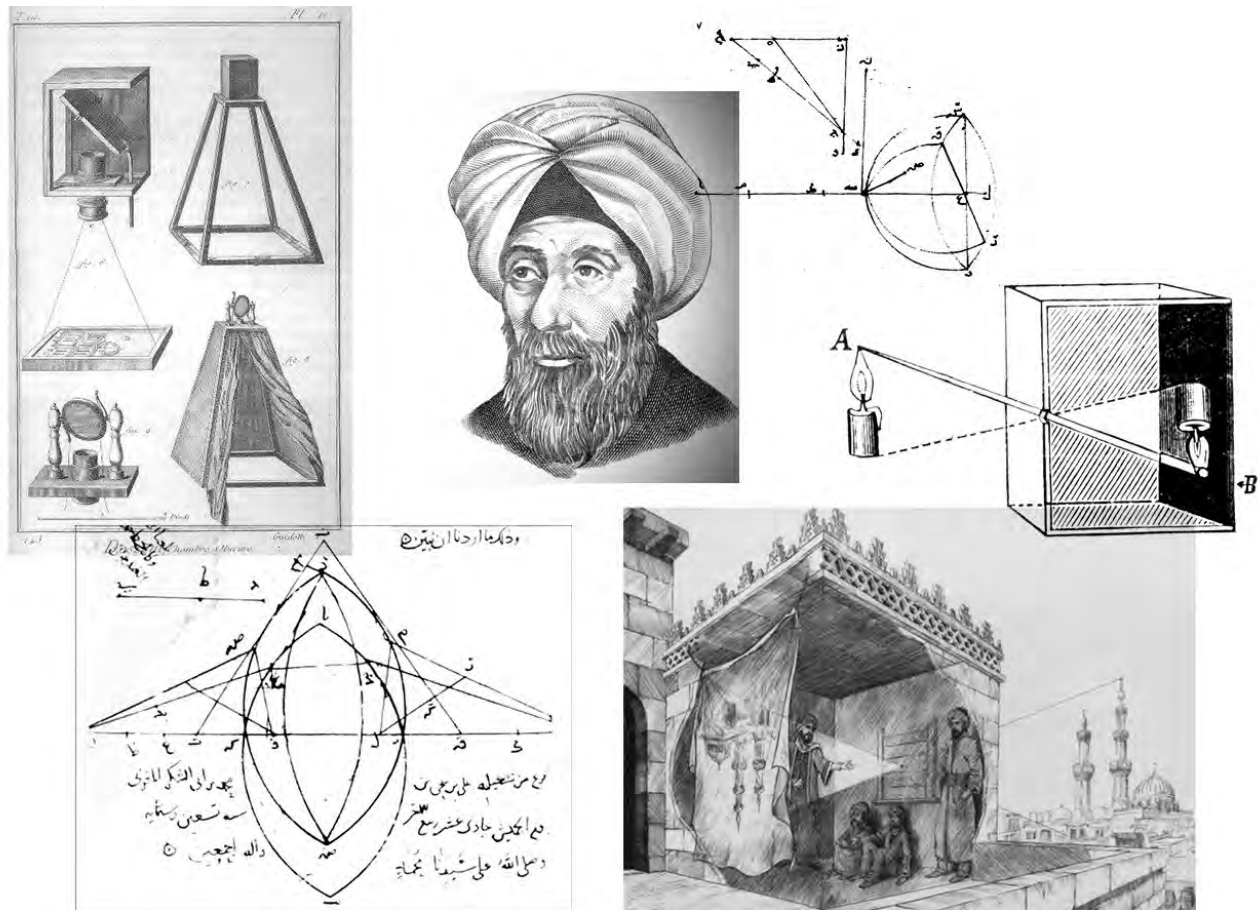




the power of economic interdependence with the successes of globalization and IGOs. For example, realists would not have predicted the rise of the European Union as an interdependent and powerful actor in international relations because they assume states will not seek the absolute gains that come from interdependence at the expense of relative gains that come from not giving up state sovereignty. This is not to say that neoliberal or realist assumptions about the international system are right or wrong, rather that each provides a certain lens from which to interpret international relations.

Knowing which theory to use to interpret the behavior of a state or an international actor is problematic and requires critical thinking. States have different options to choose from to advance or secure their interests, so some options might be better understood by realists, while others might be better understood by neoliberals or constructivists. As in the hand game of 'rock, paper and scissors' it is almost impossible to predict who will win because the player has three options to choose from and they will likely use the option that their opponent least likely expects. In a similar way, states and non-state actors behave in different patterns in the international environment. However, the more familiar an analyst is in detecting the pattern, the more clarity of thought they will have in their assumptions about what to expect and how to act.

The utility of theories in international relations for policy makers can be illustrated with the current policy problem of malign Iranian behavior in Arab countries. With the prospects of the United States reentering the Joint Comprehensive Plan of Action (JCPOA) with Iran, many Arab Gulf states do not know what strategy Iran or the United States might use. In a way, each side is playing 'rock, paper, and scissors' and is trying to anticipate what strategy each will use. Gulf policy makers can benefit from an understanding of theories of international relations to clarify their assumptions about what is driving Iran's malign behavior, how the United States and other stakeholders in JCPOA might act and the best strategy option for Arab Gulf states to adopt. The theories can help predict different patterns of behavior through different policy options. For example, part of a neoliberal theory assumes that economic interdependence between neighbors is a deterrent for escalation towards war. Neoliberals would likely predict that increasing economic interdependence with Iran will provide Iran more incentives to cooperate and benefit from cooperation rather than escalate tensions in neighboring countries. So a neoliberal policy option would likely include increasing economic interdependence with Iran in order to decrease its malign activities in the region. However, realists would most likely predict that more economic interdependence with Iran might give it more relative power and increase its



disruptive behavior by providing it with more economic resources to fund its regional proxies. So a realist policy option would probably include maintaining strict sanctions on Iran and increasing military capabilities to gain an advantage in the region's balance of power. While these are not the only two options, both patterns have played out in the past. For example, in 2003, Libya rolled back its nuclear weapons program in exchange for economic interdependence with the West. Many would argue that the lifting of economic sanctions options proposed by neoliberals worked and so Libya became less of a security threat. On the other hand, many realists would tend to argue that Iran increased its malign activity in the region after sanctions were lifted in 2015 and that economic interdependence with Iran will increase its hostile behavior in the region. While there are many similarities and differences between Libya in 2003, Iran in 2015 and the current status with Iran in 2021, theories of international relations can provide analytical frameworks to help policy makers recognize patterns and clarify their assumptions about what they are seeing.

In conclusion, similar to the game of 'rock, paper and scissors', you might not be able to predict what strategy option your opponent will use, but theories of international relations can help pol-

icy makers better understand the patterns of different policy options and how to best adapt their strategy to the situation. Theories can have practical application.

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# Society, Culture, and Narrative in Intelligence Analysis

**Over** the past twenty years, security operations have increasingly become population-centric, as winning over the population is viewed as essential to a political or military victory. The experiences of the U.S. in Afghanistan and Iraq, Russia in Ukraine and Crimea, and the UAE in Yemen have reinforced the role of the population in that “each side aims to get the people to accept its governance or authority as legitimate.” (Department of the Army ,2006 1.1) Coalition Counterinsurgency (COIN) doctrine also states that “the central mechanism through which ideologies are expressed and absorbed is through narrative.” (Department of the Army 1.14 ,2006) Through narratives, collective cultural identities are formed, actions and consequences are linked, and the actions of others are interpreted. (Department of the Army 1.14 ,2006) In a population-centric conflict, where each side aims to gain legitimacy, success or failure

may depend on which side better understands and manipulates the population’s narratives.



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Society is the totality of learned practices among a structured community of people bound together by similar learned traditions, institutions, or nationality that distinguish themselves from other communities. Culture is learned values, beliefs, knowledge, behaviors, norms, and roles that provide meaning and guidance for social interactions within society and shapes how society views outsiders. Culture shapes and maintains society by creating and maintaining shared practices of social interac-



tion within society. Hence, a society is a structured community of people bound by a similar culture that distinguishes it from other societies. One of the primary means through which society maintains and learns its culture is through narratives.

In common usage, there is no distinction between story and narrative. In narrative theory, however, a story is part of the narrative. A story is the sequencing of events; it is the 'what' of a narrative. Narrative, however, is the sequencing of events, the meaning attached to the events, and how the events are told. A narrative is the 'what, why, and how' of a story, leading to understanding the structure, function, and power of narratives. First, narratives are temporal, in that they represent a sequence of events — narratives organize time. Second, narratives are interpretive in that they create meaning. Third, narratives are social in that they occur in the context of narrators and audiences. A narrative is a social practice that sets the boundaries of the discourse by plotting past, present, or future events, agents, and actions in a meaningful way. A slight change in the arrangement of the characters, events, and setting can change the meaning of the narrative. The slight





narrative differences are what distinguish cultures and societies. The dominant cultural narratives of a society shape their perception of the world.

### Insights for Intelligence

A common concern in intelligence analysis is cognitive bias, such as mirror imaging (Witlin 2008). A narrative approach reveals how cognitive biases can enter into the analysis. From a narrative approach, an intelligence analyst gathers data on an operational environment (setting), agents within that environment (characters), and their actions (events) within that environment. The analyst creates meaning from this through an analytical process often based on experience (personal narratives), academic or institutional training (institutional narratives), or cultural narratives held by society. Cognitive bias enters

when the analyst assumes the adversary has plotted the characters, events, and setting in the same way the analyst's institution or society does. A more effective analysis, especially when trying to understand a different society, requires that the intelligence analyst understands how an adversary narrates the world and its events.

Narrative Case Study: Tale of Two Countries – the US and Iran

US decision-makers' institutional and cultural narratives regarding the US-Iran relationship provide an example of how narrative can impact intelligence analysis. For the US, the narrative begins with the 1979 hostage crisis and emphasizes the continuous efforts of Iran to destabilize the region with radical Islam and support for terrorism. The Iran-Contra Affair, Iranian involvement in Lebanon, sponsorship of terrorism, and subversion of US efforts in Iraq and Afghanistan are all examples in the US narrative of the problems created by Iran. The evaluation of this narrative within the US is that Iran is an adversary to democracy, moderate Islam, and stability.

The Iranian narrative starts twenty-six years before the US narrative. The Iranian political and cultural narrative begins with the US overthrow of Iranian

Prime Minister Mossadegh and the return to power of the Shah. In the Iranian narrative, the US is constantly trying to undermine the Islamic Republic of Iran. US support for Iraq against Iran, downing the Iranian Airbus, US-sponsored sanctions, and efforts by the US to undermine the regime are all examples in the Iranian narrative of the problems created by the US. The evaluation of this narrative is that the US is anti-Islamic revolution, anti-democratic, and seeks to deny Iran its role in the region.

Most US military and policy analysts are familiar with the US narrative as this narrative has been institutionalized in their respective communities. The result is that Iran's nuclear development program is understood as another attempt by Iran to destabilize the region. Applying the Iranian narrative to understanding the nuclear issue provides an alternate understanding. The evaluation contained within the Iranian narrative is that the constant rhetoric from the US of regime change, coupled with the knowledge that the US does not talk about regime change with nuclear states, may have led the Iranian government to the conclusion that possessing nuclear weapons is the best way to ensure their survival. Considering the Iranian narrative, the nuclear issue is not about threatening other states but preventing the US from threatening Iran.

This paper discusses the important role that narrative has in maintaining a society's culture by creating meaning for its members. Narrative does this by giving meaning to the actors and their actions inside the society and beyond that society. The capacity of narrative to give meaning to people, places, and events is a form of power. Narrative power is evident in shaping a society's perception, framing new events, and creating causation. The effectiveness of intelligence analysts depends on their understanding of the society and culture of the population in the operational environment. A narrative approach enriches this pursuit of understanding and effectiveness.

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# Gulf States and Great Power Rivalry



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**Over** the last several decades, and especially during the last five years, there has been a sustained increase in the escalation of strategic rivalries between the great powers. These were originally centered in Asia and did not extend to other regions. However, more recently, rivalries have started to take on more systemic dimensions and have spilled over to reach the Indian Ocean Region (IOR) including the Middle East and Africa. A crucial issue for smaller states in the IOR is how to best position themselves so as to avoid taking clear sides in these rivalries, while, at the same time, not irritating the great powers. Such an approach requires skillful diplomacy as well as an understanding of how other states in similar situations have been able to navigate the geopolitics of great power rivalries. This article is divided into three key parts. Firstly, it provides a background on various strategies that small states can deploy when dealing with more powerful states. Secondly, it gives several examples of how states have been successful in maneuvering in the growing Sino-American rivalry. Finally, it concludes with an analysis of how Gulf states can take advantage of the situation.



### Options for Small States

Even though they are not as influential as great powers, small states do have options on how they interact with these powers. The three most common responses from small states are based on strategies of hedging, band wagoning, and balancing. The decision of a small state to 'hedge' against a more powerful state is a common approach. With this strategy, a state will have both cooperative and confrontational relations with the larger state, while maintaining deeper ties with that state's rival. Specifically, a strategy of hedging requires a state to maintain close ties in areas such as trade, while also adopting a strategy that has elements of confrontation. For example, in the context of a rivalry, a small state may rely on one power for its security, while depending on another power for economic prosperity. Such a system is common in East Asia.

The concepts of 'band wagoning' and 'balancing' are also frequently employed. States tend to 'band wagon' with a threatening state. In this context, they are willing to join the more powerful state believing that this offers them greater protection. In terms of 'balancing', states tend to balance with other states to either offset power relations

(the balance of power) or they balance against real or perceived threats (the balance of threat). In the context of the balance of power, a smaller state may choose to ally with one rival over the other if it wants to offset power relations. The balance of threat is less concerned with the power dynamics of international relations and is more focused on states allying with others if they feel threatened by a third state. In other words, states balance when they feel threatened.

A key concept that also must be taken into account is that even though they are not as powerful as larger states, small states do not lack 'agency'. That is, they have free will and thus, the ability to make their own decisions. While their small size may limit their ability to extract significant concessions from larger powers, they are not powerless.

### Small States and Great Powers

The case of Vietnam over the past 60 years provides an interesting empirical example of how a small state can employ multiple strategies in its relations with great powers involved in strategic rivalries. In the 1960s and 1970s, Vietnam was engaged in a bitter war with the United States. Hanoi actively



courted both Chinese and Russian assistance to counter the Americans, in this case protection from Washington. Interestingly, this took place during the Sino-Soviet split, but Beijing did not object to Soviet arms flowing to Vietnam through China.

In the aftermath of the Vietnam War, the geopolitics of Vietnam changed dramatically. While Beijing had assisted Hanoi with hundreds of thousands of support personnel during the anti-American War, in the late 1970s, Hanoi balanced against China with the USSR. This directly led to the 1979 Sino-Vietnamese War. Considering that Vietnam shares a common border with China, it could have band wagoned with Beijing, however, the balance of threat best explains the Vietnamese leader's decision to join with Moscow.

The post-Cold War environment presents another interesting geopolitical situation for Hanoi. China is Vietnam's largest trading partner, but Hanoi is employing a hedging strategy with Washington against Beijing. China and Vietnam are engaged in a festering dispute in the South China Sea that heavily influences bi-lateral ties. On one hand, Hanoi is happy to cooperate with Beijing on the economic front, however, this cooperation is offset with a more confrontational hedging strategy that sees Vietnam reach out to the U.S. This situation is both an example of 'hedging' and the 'balance of threat.'

### Implications for the Gulf

Gulf states have been able to forge strong ties with multiple great powers. As Asian powers become increasingly reliant on foreign sources of petroleum, it is helpful for GCC members to deepen their engagement with Asian states. At the same time, traditional powers continue to serve as a main sources of security in the region. As emerging great power rivalries show no signs of abating, it is important for GCC states to work closely with each power and to stay as neutral as possible in these rivalries. The rising Asian powers are cognizant of their interests in the region. For example, Chinese analysts admit that China is an economic power in the region, but is not a major provider of security in the Gulf.

The current situation may offer the best of both worlds for Gulf states as it suits their economic and security needs. A policy of hedging or balancing could alienate one of the great powers



and may not be in line with the long-term strategic interests of any of the states. A strategy of band wagoning may bring short term gains, but may not be as helpful in the long-term, especially as priorities change.

### Conclusion

Overall, small states are not as vulnerable to great powers as one might think. Great powers have enormous resources and high levels of state capacity, but they have multiple priorities that are complicated by changes in leadership as well as frequent bureaucratic infighting about the state's strategic interests. Gulf states do not lack 'agency' and need to realize that there are multiple options for their approaches to great power rivalries. This 'agency' dimension provides them with the ability to make informed decisions on what is in their best interests. Importantly, smaller powers in the region



should not feel compelled to openly join one side or the other in the current strategic rivalry. Maximizing the economic, security and political benefits of the current global order is a way for regional states to meet their strategic goals, while also maintaining a level of neutrality in the ongoing rivalries.

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# Characteristics and Security Dilemmas of Small States



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# “The

strong do what they can and the weak suffer what they must” – Thucydides’ renowned dictum has shaped the logic of the international security order for millennia, where small states were seen not only as weak, but also as largely irrelevant actors in shaping political processes. However, the days when small states

played only a marginal role in international politics have long gone. The dramatic increase of the number of small states in the international system, as well as the growing importance of international organizations have significantly altered the dynamics of international politics. These shifts have presented new opportunities to small powers to exercise their influence and play a more prominent role in the international arena. With the increased focus on the role of small states in this new world order, questions have arisen as to whether such diverse groups of actors share common characteristics; or whether states with diametrically different systems of governance, economic strength, military capabilities or regional context actually exhibit the similar patterns of behavior. Although these marked variations preclude ‘one-size-fits-all’ types of prescriptions for their statecraft, there are still significant commonalities that small states share while forming their security choices. Given the greater role small states are playing in the international system, this article will discuss the characteristics as well as security choices of small powers.







Before discussing the common characteristics, however, defining the concept of ‘smallness’ bears consideration, as the term ‘small state’ suffers from various misinterpretations and misunderstandings. The reason for this confusion partly rests on disagreement on what type of criteria – quantitative or qualitative – should apply to accurately portray the concept of ‘smallness’. There is a broad consensus that quantitative criteria alone, such as the size of territory, population or economy do not provide full clarity, as there is always a high degree of relativism involved in defining ‘smallness’. Hence, to overcome this gap, a number of prominent scholars, while defining small states, have adopted a qualitative approach focused on perception of these states’ relative power. Notably, Rothstein defined small powers as states which recognize that they are not able to obtain security by use of their own capabilities, and thus, they fundamentally rely on the aid of external actors. In a similar vein, Keohane, characterized small states based on the perception of limited influence; namely, when a state’s elite does not expect to make an impact on the international system either by acting alone or in a small group. Although applying perception-based, qualitative criteria brings more clarity in understanding the concept of ‘smallness’,

this approach also suffers from a high degree of subjectivity. Thus, combining quantitative and qualitative characteristics help to more accurately capture the nature of a small state. To this end, as Henrikson rightly points out, “small states must be small in quantitative terms but must also ‘feel’ and act small”.

Small states vary considerably in terms of political system, governance, economic development, natural resources, military capabilities or geo-strategic context. These fundamental differences notwithstanding, small states share a common dilemma of a ‘power deficit’ in the international system. To overcome this dilemma, small states in general share similar characteristics. To certain degree, they exhibit similar pattern of behavior for upsetting the ‘power deficit’. To start with, small states are strong advocates of international law and a rules-based international system. This is because they face greater security risks in comparison to larger powers, as a norms-based international system provides them with more security and stability. Furthermore, small states favor international organizations and, more broadly, show preference to multilateral cooperation. As Thorhallsson rightly points out, “small states generally prefer multilat-

eralism as both a path to influence and a means to restrain larger states". In terms of gaining more influence, international organizations also enable small states to be on an equal footing with larger powers. And finally, small states are strong advocates of free trade regimes. While all actors benefit from free trade, smaller states, with more limited domestic markets, are far more dependent on trade for their economic prosperity. Hence, advocacy of international law and a rules-based order, commitment to international organizations as well as support for free trade regimes are the common characteristics shared by most small states, notwithstanding their capabilities, form of governance or strategic context.

Another important characteristic of small states is availability of limited options to address their insecurities. Traditionally, small states have restricted strategic choices; "they can either engage with great powers, balance against potential threats, develop hedging strategies or stay neutral". A strategic option of engaging with great powers, in the literature of small states, is labeled as 'bandwagoning', whereby a weaker actor, in order to minimize security risks, willingly subordinates itself to a larger and more powerful state. For example, a number of newly independent states that emerged from the collapse of the Soviet Union, such as Armenia and Belarus, chose to pursue the strategy of 'bandwagoning' vis-à-vis Russia. Their inherent internal weaknesses, unavailability of reliable allies in the region and close proximity to the emerging threat were the main driving factors behind their strategic choice. In contrast, the Baltic nations, as they also emerged from the demise of the Soviet Union, chose an alternative strategic option of 'balancing against potential threat' to address their insecurities. Unlike Armenia and Belarus, the Baltic states were able to pursue successful integration processes with regard to the North Atlantic Treaty Organization (NATO) and European Union because of the maturity and strength of their domestic institutions as well as the availability of reliable partners in the region. Hence, the domestic factors and a regional dynamic were the main driving factors behind such diametrically opposing choices of small states that emerged in the same historical context.

Yet another alternative policy option, favored by small states, is a strategy of neutrality, whereby small powers try to avoid taking sides in great power competition. For instance, Serbia, situated

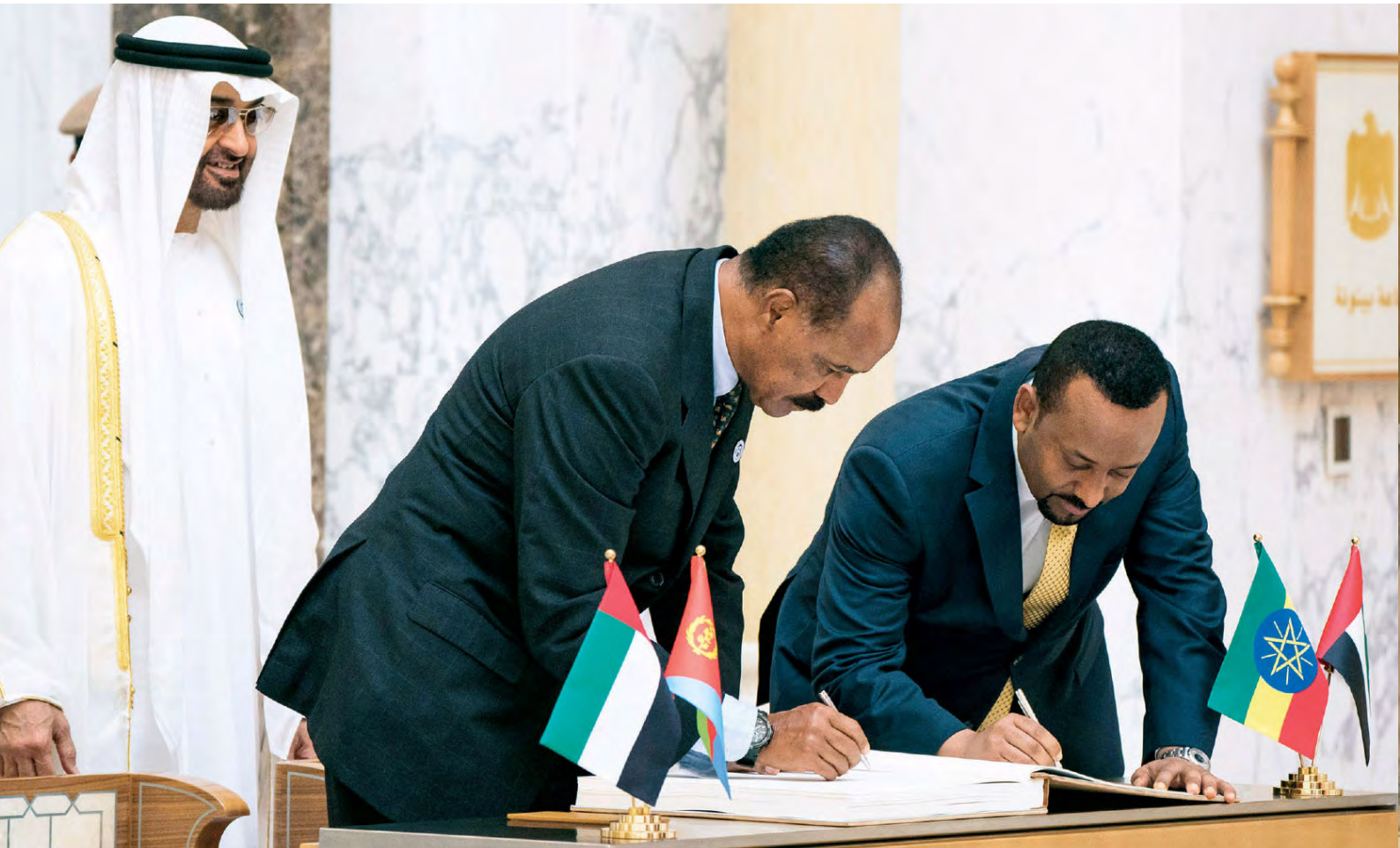
at the crossroads of the great powers, attempts to minimize its security risks by adopting a strategy of neutrality. Belgrade considers its decision to declare military neutrality, reflected in its 2019 National Security Strategy, as a balancing act enabling Serbia to avoid taking sides in the unfolding great power rivalries. Finally, another policy option that has gained considerable traction recently, is the strategy of 'hedging'. From Sherwood's perspective, "This strategy aims to avoid one particular policy – balancing, bandwagoning or neutrality – and seeks to reduce the potential risk in relation to regional powers without confronting either of them." The gradual transition to a multipolar international system, followed by heightened tensions between the major global powers, deepens the fears of small powers to get entrapped in this confrontation, and thus, makes hedging an even more appealing option. The UAE is a relevant example. For years now, the UAE has pursued a multi-vector foreign policy enabling the Emirates to develop close strategic ties with all major global powers, such as the US, China and, Russia, simultaneously. As the transition to a multipolar international system continues, the strategy of 'hedging' appears to be gaining even more traction among small states.

In closing, while small powers in the modern era tend to play a more significant role than before on the global stage, appreciating the characteristics as well as the security choices of small states acquires particular importance, as this pattern is likely to be a feature of 21st century international relations and political dynamics.

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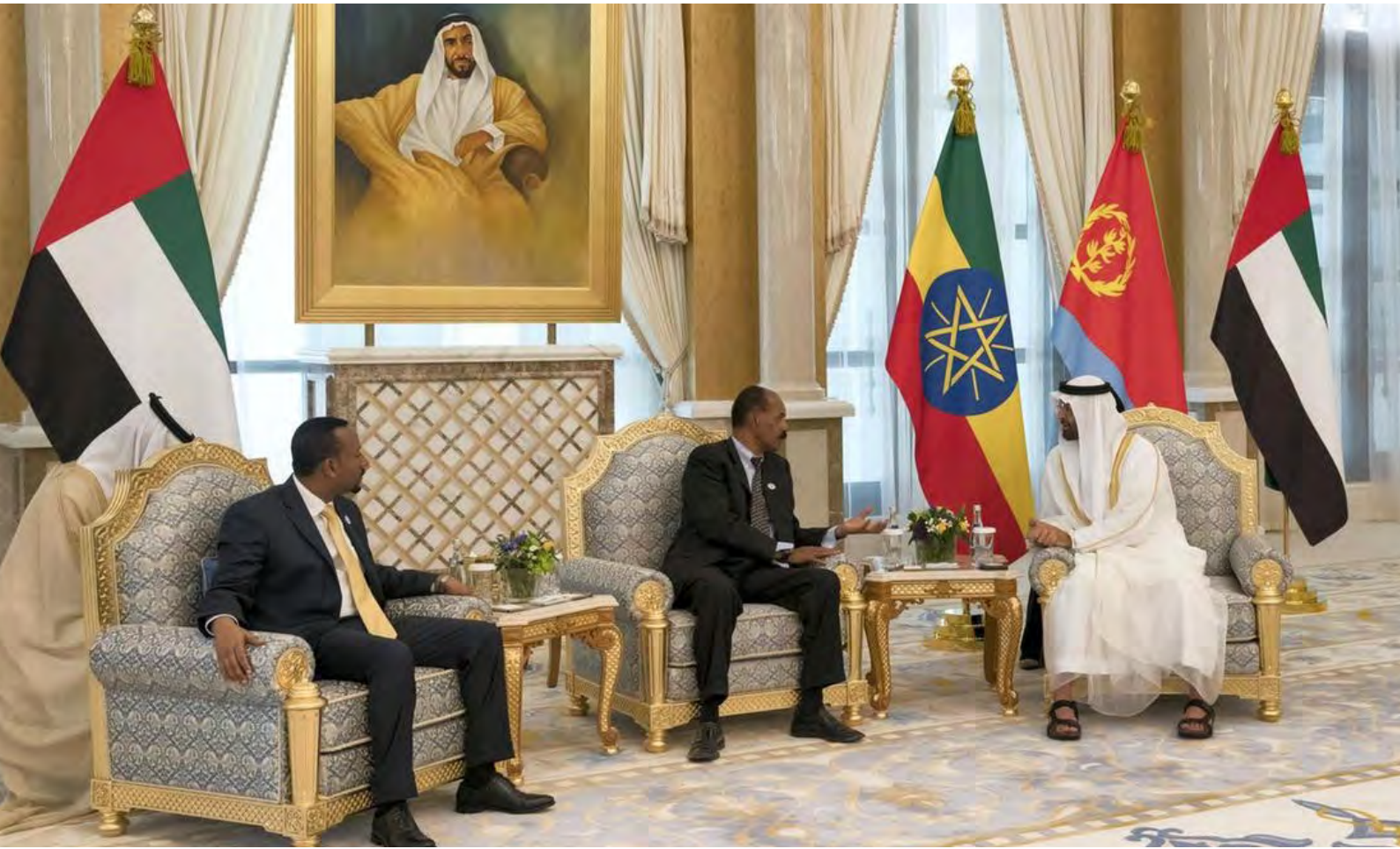




# Appreciating UAE Diplomacy in Ethiopia and Eritrea: The Intersection of Foreign Policy Analysis and The Theory of Negotiations



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**A**s the UAE marks its first fifty years, the nation has much to be proud of. Pro-active and forward-looking diplomacy on questions of international peace and security is no exception. For an ambitious country, it could not be otherwise. As the seventeenth century French diplomat, François de Collières, famously remarked, “The fate of the greatest states often depends upon the good or bad conduct of negotiations.” The UAE’s 2018 brokering of a peace agreement between Ethiopia and Eritrea over a longstanding border dispute was widely praised as a diplomatic triumph. To help appreciate the reasons for this achievement, it is useful to turn to the International Relations theory of Foreign Policy Analysis (FPA) and some established tenets of effective negotiations.

### Foreign Policy Analysis

In discussions of international affairs, we sometimes anthropomorphize or “black box” states as unitary rational actors. However, the UAE, like all states, is a dynamic entity whose destiny and role in the international arena is decided by real people, acting in real time. The theory of Foreign Policy Analysis (FPA), therefore, focuses our attention on the human decision makers that commit the diplomatic and other resources of the nation state (Hudson 2014: 3-4).

In the context of the Ethiopia-Eritrea rapprochement of 2018, the pivotal roles of Ethiopian Prime Minister Abiy Ahmed and Eritrean President

Isaias Afworki have been well documented. So too have the diplomatic interventions of the former US Assistant Secretary of State for Africa, Donald Yamamoto, and the UN Secretary General, Antonio Guterres (Asiedu 2019: 4-7). Yet the outcome would not have been possible without the personal mediation and shuttle diplomacy of H.H. Mohammed bin Zayed and senior UAE diplomats. Within days of Abiy Ahmed signaling his intent to honour the 2002 Permanent Court of Arbitration Ruling on boundary demarcation (Permanent Court nd), His Highness led a high-level delegation to Addis Ababa to shore up international support. Two weeks later, the Crown Prince met with Isaias Afworki in Abu Dhabi (Khan 2018). The Joint Declaration of Peace and Friend-





ship between Eritrea and Ethiopia was signed days later. On 24 July, the two countries' leaders were invited to Abu Dhabi for a tripartite summit with their UAE host. Each was awarded the Order of Zayed for his peace efforts. As His Highness remarked on the occasion, "The UAE congratulates Ethiopia and Eritrea on this historic agreement and hopes that this move will open further opportunities and development across economic, cultural and social sectors between the two nations" (Dennehy 2018).

### Theory of Negotiations

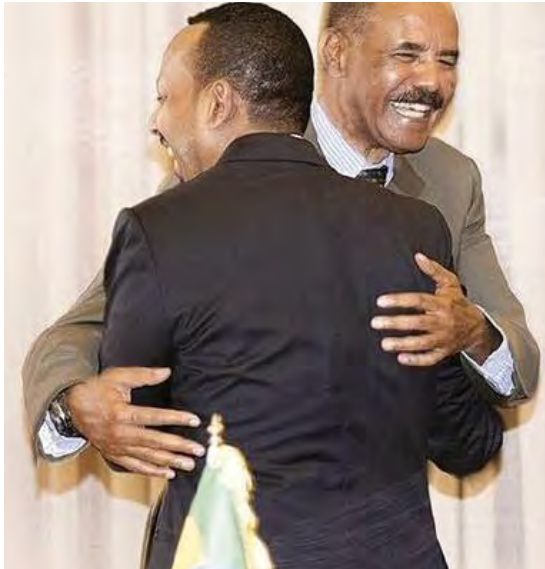
While FPA encourages an appreciation of the individuals behind foreign policy decisions and outcomes, the rich body of negotiations theory likewise is instructive in identifying the reasons for the Emirates' 2018 diplomatic success. Two dimensions are particularly instructive: 'ripeness' and 'mediation'.

Ripeness (attributed to William Zartman) refers to the readiness of a conflict for resolution. It has three aspects: "mutually hurting statement, a formula for a way out, and a valid spokesperson for each side" (Yassine-Hamdan and Pearson 2014: 22). All three were present in the Ethiopian-Eritrean case and UAE diplomats leveraged each one to positive effect. First, the inter-state border dispute had dragged on for 18 years as a 'frozen conflict' since the end of the 1998-2000 border war. The consequences included family separations, cultural isolation, and lost bilateral and international opportunities for trade, investment and tourism (Asiedu 2019: 7). Recognizing that the time was ripe to break the impasse, His Highness took the occasion of the aforementioned Abiy and Afworki meetings to announce Emirati investment as an incentive for peace. In Ethiopia's case, the approach

amounted to an injection of \$3 billion in aid and foreign exchange assistance (Khan 2018). Second, fortunately there was a formula already in place to resolve the border issue. As mentioned earlier, in 2002 the Permanent Court of Arbitration had adjudicated the case as part of the December 2000 Algiers Peace Accord and ruled in Eritrea's favour. Prime Minister Abiy acknowledged the court's decision in June 2018 with American and Emirati encouragement. Third, while President Afworki had been Eritrea's leader for some time, Prime Minister Abiy was newly appointed in April 2018. His charisma and optimism had captured the imagination of many in Ethiopia, helping to solidify his position as national spokesman and deal-maker able to work with respected statesmen such as H.H. Mohamed bin Zayed (Asiedu 2019: 6).

The second aspect of negotiations theory applicable to the case at hand – mediation – aligns directly with the role assumed by the UAE leadership. While there is no single definition of mediation, we may conceptualize it as the 'third side' to a two-sided conflict (to borrow a phrase coined by William Ury) where a third party intervenes to broker peace. So, using this frame of reference, we may see the UAE leadership as the 'third side' to the Ethiopian-Eritrean agreement.

The attributes of a successful mediator have been variously broken down. One analysis, however, is exceptionally germane to appreciating the reasons for UAE diplomatic success. It identifies three key characteristics of a successful mediator: impartiality, leverage and status (Yassine-Hamdan and Pearson 2014: 22-23). Impartiality means essentially that both sides will be treated, and be seen to be treated, equally with their concerns duly



taken into consideration; even the perception of favouring one side over the other can lead to failure. The aforementioned diplomatic counsels between H.H. Mohamed bin Zayed with Prime Minister Abiy and President Afworki underscore the pains taken to ensure that the UAE's impartiality was respected throughout the negotiation process. Second, the UAE has the economic levers to back up well-intentioned diplomatic statements. One study puts it this way: "Unlike developing countries that may not have the resources to define a clear road map ... the UAE is a wealthy country that can afford to design a framework for action" (Guéraiche 2019: 98). Coupled with the previously cited \$3 billion earmarked for Ethiopia, the UAE leadership pledged to Asmara greater investment in agriculture, manufacturing, and infrastructure including the development of port of Assab on the Red Sea (Khan 2018). In this context, the UAE's 'resourced diplomacy' was able to move the parties beyond positional-based bargaining on a narrow border issue to 'integrative' or 'win-win' negotiations, where each would realize broader benefits from a peace agreement. Third, the stature and credibility of the H.H. Mohamed bin Zayed as a trusted interlocutor in the eyes of both parties was critical. The broad diplomatic approach which His Highness spearheaded was summarized by Dr. Anwar Gargash, then Minister of State for Foreign Affairs, speaking to the backdrop of the July 2018 tripartite summit: "Our foreign policy is clear and transparent, which is based on credibility. First, our policy is Arab whose objectives are moderation, stability, counter-terrorism, development and common progress. Those objectives make the UAE a welcome partner in the region" (Al Zarooni 2018).

## Conclusion

Reference to FPA and established best

practice derived from the comprehensive body of knowledge on the conditions for successful negotiations are the reasons for one of the UAE's most notable diplomatic achievements of the last decade. As successful as the 2018 negotiations were, however, they did not end with the peace accord in July of that year. Indeed, another established precept of negotiations theory is that the final stage is not closing the deal, but rather implementing the agreement (Hames 2012: 10). The onus to deliver remains with the two parties.

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# From Petro-state to Electro-state: A Renewable Blessing for the UAE?



**The** oil industry has not only been the engine of an extraordinary tale of prosperity in Abu Dhabi and the United Arab Emirates (UAE), it is also a source of exceptionalism, power and international influence. Today, what makes a country an energy power is pivoting swiftly. The global hydrocarbon industry is undergoing a transition with the risk of seeing oil companies that fail to adjust becoming stranded because of three inter-related economic bifurcations.

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First, there is the realization that fossil fuels are not scarce but abundant, primarily because of declining demand. As *The Economist* noted in September 2020, the Covid-19 pandemic has unveiled a dramatic glimpse into a future where demand for oil falls instead of rising. British Petroleum warned that oil demand may have peaked in the early 2020s, starting earlier than expected an era of oil glut. OPEC has acknowledged the end is in sight—albeit still a couple of decades away. Petro-states are now confronted with rising deficits and investors have fallen out of love with oil companies. For example, Exxon Mobil Corp., a world-leading oil company included in the US stock market index of the Dow Jones Industrial Average since 1928, was removed from it in August 2020—with now only one oil company remaining in the Index—Chevron Corporation. There will still be fluctuations in oil prices, but these realities are symptomatic of the imperative for oil majors and exporters to engineer new opportunities and reinvent their reputation in order to avoid a downfall as suffered by the Nokia company.

Second, there is a growing consensus in most countries that the world should shift away from fossil fuels in order to contain climate change. This is not a hollow fantasy. It is already happening as the result of deliberate political decisions. For instance, the UK

passed its Climate Change Act in 2008, becoming the first country to undertake legally-binding commitments in the fight against climate change, and is leading today in de-carbonization. It has reduced its carbon emissions by 44% from its 1990 level, without sacrificing economic growth. Germany's carbon emissions are 29% less over the same period. On this global issue, the UAE, a still diversifying economy, has committed to scale down its emissions by 23.5% for 2030 compared to 2016.

Third, the 21st century will be powered by electricity. Electrification is the reality of the energy system already in the making, with a growing share of energy used in the form of electricity directly from emissions-free processes (such as solar, wind or hydrogen) instead of the combustion of fossil fuels. Today, running against the declining oil tide, investors are exuberant about the 'electro' economy. The shape of the new energy system is already in sight. The share of renewable electricity (solar and wind power) could jump from 5% today to 25% in 2035, and 50% by 2050 worldwide. It contributed over 40% of the increase in primary energy in 2019. Cleaner natural gas will occupy an important place in the energy mix, especially with the growing frenzy for hydrogen which accounted for some 6% of world's natural gas demand in 2019. Current and future increases in energy use will occur to the detriment of oil and coal.

As regards civil nuclear energy production, a staggering innovation of the 20th century, it is stagnant, particularly in advanced economies. Currently, nuclear represents only a modest 5% of the world's primary sources of energy. In fact, repeated failures to deliver on time and skyrocketing costs for new nuclear plants, caused by low labor productivity and uncontrollable soft costs (engineering design, purchasing, planning, scheduling, estimation and cost control) are discouraging new nuclear projects in Europe, the U.S. and elsewhere.

It is worth noting that the global energy transition seems to have entered a tipping point with now every major economy, including the USA, China, Japan, the UK, Germany, France, South Korea, India, betting on the hydrogen revolution. For instance, Japan's fully integrated energy plan aims at consuming about 10 million tons of hydrogen yearly by 2030, higher than the production of 30 nuclear reactors. China already dominates both the battery-powered electric vehicle (EV) market and the solar panel mar-





ket at about 60%. It is now rolling out the infrastructure for the world's largest hydrogen-powered EV fleet of one million cars, over the current decade.

Now could be the last window of opportunity for economies to harness the energy transition and realign decisively to achieve first-mover advantage in the unfolding electricity-powered economy. For, it is the primary engine for economic prosperity and structural transformation in Abu Dhabi and the UAE, Abu Dhabi National Oil Company (ADNOC) is at the forefront, together with Mubadala Investment Co., the holding company ADQ (formerly Abu Dhabi Developmental Holding Company) and international partners for the renewal of the energy export-led transformation of the country.

With a logic of continuity and change, upstream ADNOC is expanding its oil production capacity to reach five million barrels a day by 2030 and has launched Murban Crude Futures, in a push to reap more benefits in a falling oil market. This is also leading to expansion midstream (pipeline infrastructure) and in downstream activities (with the world's largest refining and petro-chemicals complex in Ruwais by 2025).

Participating in the hydrogen value chain is clearly a matter of urgency, as the world is about to witness the rise of hydrogen demand—used for power generation, and with the subsequent roll-out of a dense network of hydrogen transport and refueling stations. With Noor Abu Dhabi the largest single-site solar energy facility in the world; the UAE market a regional lead in the penetration of electric vehicles; and plans to increase ADNOC's annual production of hydrogen from about 300,000 to above



500,000 tons in the near future, the UAE is well positioned to leap ahead in the era of the 'electro' economy. Abundant natural gas and oil reserves as well as the ability to produce at low cost enable the UAE to be a competitive player in the hydrogen market and create a prosperous new energy era. In that regard, hydrogen development in the UAE needs to penetrate new areas such as transport, power generation, and buildings.

Sheikh Mohamed bin Zayed, in a 2017 address at ADNOC, underscored the need for expanding strategic partnerships that enhance the UAE's competitiveness and long-term growth. Now is the time to seize this opportunity and make the UAE self-reliant in the low-carbon transition: firstly as a petro-state and secondly as an electro-state in the foreseeable future.

As shown with the Covid-19 vaccine development and manufacturing, China is a country that the UAE should collaborate with and resolutely enter global value chains of the green electricity economy which will redefine the future of the world's energy system and open lucrative trade avenues. As an example of the dynamics at play, in Norway about 75% of sales of new passenger cars were plug-in electric vehicles for the year 2020. Likewise, the UAE should invite key players in the electric mobility industry, such as Tesla, Toyota and others, to move beyond simply opening showrooms in the UAE. They might be interested in making the UAE an industrial hub in their production chain, not just a part of their distribution network.

The infrastructure to become a major player in the 21st century 'electro' economy is an existen-



tial concern for the UAE. The “Made in UAE” mark should usher an era of diversification with strategic investments in hydrogen, fuel cell technology, solar panels, as well as a hydrogen-powered and battery-powered auto industry sector. With the accompanying “Make it in the Emirates” plan to boost viable light and heavy manufacturing and take their contribution to the UAE’s economy to Dh300 billion, this augurs well for the future.

Being in the elite club of countries that have successfully reached Mars, the UAE has legitimate claims to blaze the trail in defining the world’s energy future. Nonetheless, the journey to capitalizing on a perceived blessing for the UAE will not be without hurdles. However, mistakes are an integral and unavoidable component of any well-crafted and well-performing economic structural transformation policy programme. Policy makers should be prepared to offer solutions and adjustments to recognize and correct technical and market-driven anomalies in the 21st century’s revolutionary and high stakes transition from the petro-economy to the electro-economy.

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# GCC-ASEAN relations: a -30 year journey of friendship in search of commonality

## The

he end of the Cold War period and the dawn of the current era of globalization have yielded a proliferation of regional organizations. Over the past 30 years, the lexicon of both international trade and security jargon has come to include a myriad of institutional acronyms such as GCC, NAFTA, APEC, ECOWAS, ASEAN, SARC, MERCOSUR, CARICOM and so on. This nascent 'regionalization of world politics' and the institutions therein have not only changed the way nation-states see themselves, but the machinery through which they choose to engage, both within their own regions and a mechanism they used to manage trade and security relations within wider geographical contexts.



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While the relative success and/or failure of regionalisms and its intuitional progeny vary from place to place, we can say that every region has at least one regional organization acting in the service of boosting either trade and/or security relations. The logic behind regionalism is straightforward and embedded in a liberal-institutionalist assumption that codes of conduct and norm creation incentivize cooperation with regions. The GCC and ASEAN regions are two important regions on the world stage that get relatively little comparative attention from either scholarly and/or practitioner communities. As we enter the third decade in bilateral ties between the GCC and ASEAN, there is a need for both organizations and regions to think more deeply about each other.

### Regionalisms in context

The Arabian Gulf and Southeast Asian regions are very different to be sure. The Arabian Gulf is geographically small, ethno-culturally and religiously homogenous and on a per capita basis very wealthy. The Southeast Asian region on the other hand is vast, ethno-culturally and religiously diverse, populous and contains states at very different levels of development. Despite these differences, we see in both blocs the utility of regionalism via the creation of regional organizations and similar trends. In the Gulf region, the Gulf Cooperation Council was formed in 1981 in the wake of the Iranian revolution and the ensuing Iran-Iraq war. The *raison d'être* of the organization was to foster collective actions and find common points of view amongst 'like' states that had a common interest in checking the



influence of an emerging Islamic Republic of Iran. From its foundation as a collective security organization, the GCC has expanded into broader project and served as an agent of norm creation and fostered a sense of the common identity and regional consciousness within the region. In this sense, we can say that the development and evolution of the GCC reflects a burgeoning political maturity within the region and desire to find common identity beyond previous colonial bonds. Despite issues over the past decade and with Saudi Arabia playing a leading role, the GCC embodies Gulf regional identity and is the topmost body through which the Gulf speaks to the world.

The Association of Southeast Asian Nations was formed in 1967 in the midst of the Cold War and was the last in a succession of US-backed Cold War institutions within the region and has been the most enduring. At that time of ASEAN's creation, the region was rife with rivalry and simmering internal Marxist insurgencies. Initial attempts at creating a pan-regional grouping - through bodies US-backed institutions such as SEATO or regional integration agendas via MAPHILINDO failed. ASEAN was a different sort of project to the extent that it: a) had a less obvious super power footprint; b) adopted a consensus approach to decision making and c) its actions were to be guided by the principal of non-interference within the community. ASEAN started with a limited uptake but as conflicts died down and states became more engaged and outward-looking they saw the utility in a regional organization that could normalize and regulate codes of conduct within the region and create a venue both literal and metaphorical for the states of the region to resolve inter-state issues. While the organization is maligned by some as a 'talk-talk fest' that achieves little, it has succeeded in both containing inter-state conflicts within the region and to some degree in representing the collective voice of Southeast Asian states on the world stage.



Within both Southeast Asia and the Arabian Gulf regions we see some common points, both operationally and politically. Politically, within both regions there is a view amongst smaller states that larger states control the bloc's agendas. In the GCC some smaller states have argued that Saudi Arabia dominates the bloc's agenda, while in Southeast Asia there is a perception that Singapore, the wealthiest ASEAN

member, exerts undue influence. Organizationally, both organizations were created, at least in principle, on the premise that few demands are made in terms of ceding state sovereignty to the regional organization; that the organizations themselves are vested with little independent decision-making power (i.e. weak secretariats) and that both operate on the basis on consensus and non-interference.

### Expanding inter-regional cooperation

There are deep points of connectivity between states in both regions. Labor migration in particular is a common issue that underscores economic relationships in both regions. The need is mutual: poorer ASEAN states desperately need remittance income and GCC states need affordable and reliable sources of manual laborers and domestic helpers. In cultural, religious and economic spheres there are also points of bilateral connectivity. Saudi Arabia funds many religious institutions across the ASEAN region, including the Islamic and Arabic College of Indonesia (LIPIA) in Jakarta and the now closed King Salman Center for International Peace in Kuala Lumpur. Over the past 20 years, Kuwaiti, Saudi and Qatari financial institutions have expanded into the ASEAN region's burgeoning Islamic finance sector. And more recently, Qatar provided Malaysia and Indonesia with large amount of financial assistance to aid newly arrived Rohingya refugees and asylum seekers.

Despite the deep bilateral links between states in both regions (particularly between GCC and Muslim-majority Southeast Asian states), the inter-regional links at the organizational level are com-



paratively under-developed. To a large degree, this reflects the extent to which states in both regions have a preference for bilateral relationship and the comparative weakness of both ASEAN and GCC secretariats. That being said, as both regions look to diversify their relationships away from traditional alliances and actors, there is perhaps growing awareness that inter-regional engagement has been overlooked. For example, at the GCC-ASEAN foreign ministers meeting held at the sidelines of the UNGA 2019, it was agreed that more inter-regional dialogue was needed and that there were points of convergence on which the two regions could develop.

### Moving forward

As the longer established entity, ASEAN offers the GCC and states in the Gulf region, an interesting perspective on regionalism and regional identity. Of course, the regions are different, but ASEAN has succeeded to a degree in spite of the complex pluralism of views within its own community. ASEAN's trajectory over the past 60 years shows that effective regionalism does not have to depend on agreement of every issue or even similar perceptions. On a more practical level, there are ways in which leaders might strengthen ties between these two important regions. While inter-regional engagement is perhaps not the most appropriate venue to discuss or address every issue, there are problems faced by both regions where increased inter-regional dialogue might be useful. These include inter-regional working groups on moderation and countering the appeal of violent extremism; trans-national / non-traditional security problems that impact both

regions (such as human trafficking); finding common inter-regional positions on labor migration and creating a more orderly labor migration system. While many scholars and politicians question the utility of regionalism and regional organizations in our current era of increased great power competition, bodies such as the GCC and ASEAN not only help create more peaceful regions, but are also venues where smaller nations can communicate common agendas and speak with a louder voice on the international stage.

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# “Digital Sovereignty”, Emerging Technologies and the Curious Case of Oliver Taylor: What AI and Quantum Computing Mean for Contemporary National Security Dilemmas



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**Who** is Oliver Taylor and why does he care so much about Palestinian activism? A recent investigation revealed that while Oliver Taylor, a budding journalist and University of Birmingham student, had published a half dozen articles in newspapers such as The Jerusalem Post, Oliver Taylor does not exist. Oliver Taylor was the product of a Generative Adversarial Network (GAN). GANs are artificially intelligent

neural networks capable of producing hyper realistic online personas or so called ‘Deep Fakes’ without the direction of human computer programmers. GANs produce these personas as the product of a ‘generator’ which attempts to convince a ‘discriminator’ that its image is real as shown in the research conducted by Google. Together with social bot nets and vishing (i.e. fake voice profiles) these profiles are referred to as Synthetic Media as Bateman discovered. While this may seem innocuous for a university student/journalist, what if this same technique were used to produce audio or video from a world leader as was done for Russian Federation President Vladimir Putin before the 2020 US Presidential Election.

What Oliver Taylor's case reveals is that as competition for who will control these emerging technologies heats up, a technological arms race has emerged. We see both state (i.e. China and US) and non-state actors (i.e. European Council) enunciating strategic concepts such as 'Digital Sovereignty'; 'Strategic Autonomy', as denoted by Michel and Burrows and 'Critical Infrastructure', 'Data Privacy' and 'Cyber Sovereignty', as stated by Hong. Critical Infrastructure, Data Privacy, Digital Sovereignty and Strategic Autonomy refer to attempts by states to "reassert their authority over the internet and protect their citizens and businesses from the manifold challenges to self-determination in the digital sphere" as divulged in the research of Pohle. Whereas Cyber Sovereignty refers to refraining from "influence... in state's information space" and the regulation of the internet by "an international forum such as the United Nations International Telecommunications Union" as stated by Lindsay. These strategic concepts are indicative of two processes: 1) the increasing rivalry between regions of the world concerning the nature of internet regulation and 2) a potential decoupling of political and economic processes that has been referred to as a Re-territorialisation and Fragmentation of the internet as shown by Pohle.

Moreover, what has become apparent is that dealing with challenges from emerging technologies, such as detecting GANs-created deep fakes, requires more than new programs. It requires a new mindset: one that realizes that the volume, velocity and variety of threats and challenges are increasingly interconnected; one that sees not just the actions of actors like nation states or international governmental organizations but their interactions; and, one that sees the non-linear patterns present and understands that this behavior cannot be traced to a single source. It is emergent. This realization leads to a natural conclusion: emerging technologies require emergent strategies.



### Developing Emergent Strategies: The role of integration and innovation

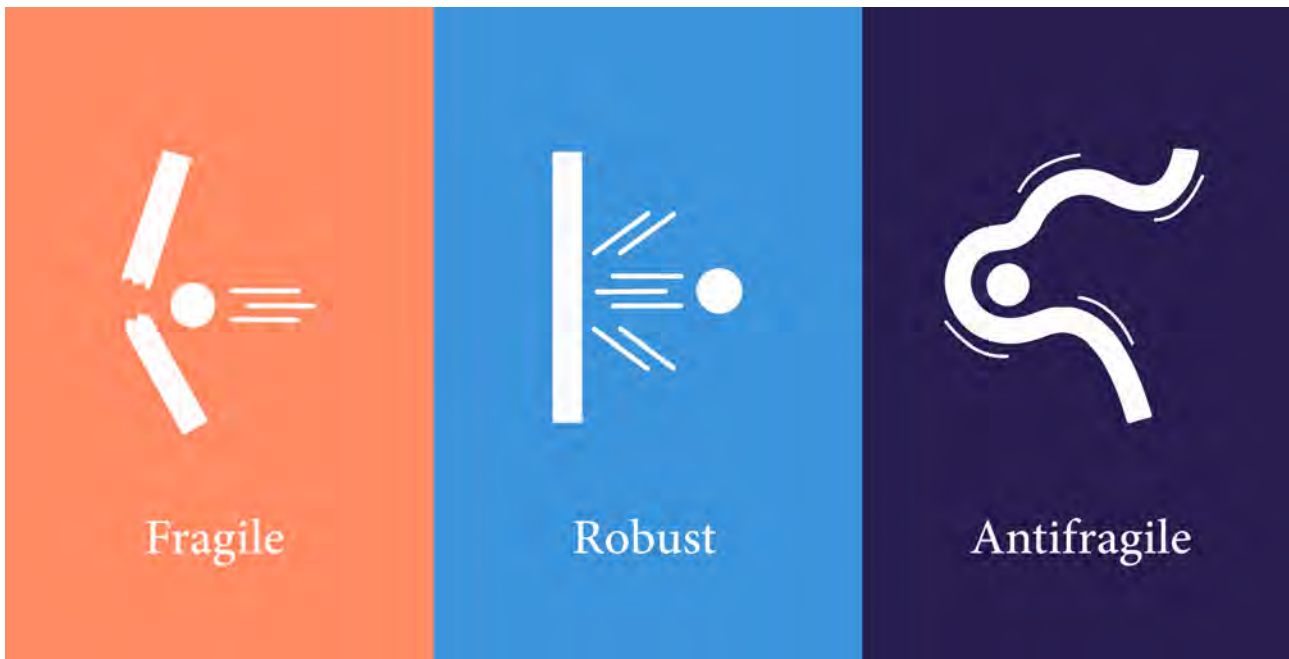
As national security dilemmas become increasingly volatile, complex, uncertain and ambiguous, strategic leaders must develop the critical thinking skills that allow them to integrate emerging technologies in innovative ways. How can these emergent strategies be created? First, decision makers must focus their attention on the strategic implications of the widespread adoption of these technologies and not merely the technical details.

Focusing attention begins with a risk assessment of how likely it is for a particular scenario to occur using a cutting edge technology such as Quantum Computing or Artificial Intelligence (AI). Far from being merely worst case scenarios, cases like Oliver Taylor's are becoming more common. As demonstrated by the escalating use of AI in misinformation campaigns regarding Covid-19 vaccines or the 2020 US presidential election.

What each of these examples reveals is the so-called 'dual use' nature of cutting edge technologies such as AI. What can be used to enhance efficiency of government efforts to defend itself can also be used for malign purposes. Moreover, when two of these technologies are combined their impact is magnified. For example, when AI is enhanced with the exponentially increasing processing power







provided by quantum computing, the combination gives rise to so-called Quantum Artificial Intelligence (QAI) as denoted by Taylor. QAI provides a combination that can be used both to create vaccines at unprecedented speed and to break the encryption of secure military communications.

### Challenges of QAI

For strategic leaders, the challenges of emerging technologies such as QAI can be categorized into three areas. 1) Digital Security; 2) Physical Security and 3) Political security as noted by Brundage.

According to Brundage, digital security refers to, “The use of AI to automate tasks involved in carrying out cyberattacks”. This could include a variety of uses but generally refers to the ability and the scale of attacks which would be possible given the time needed for human beings to initiate them.

Physical security refers to, “The use of AI to automate tasks involved in carrying out attacks with drones and other physical systems” as divulged by Brundage and Crino. Among the various targets include cyber-physical systems such as autonomously driven vehicles or the use of swarms of drones in a coordinated attack against physical targets such as military platforms (e.g. aircraft carriers) or critical infrastructure such as energy production facilities as also made known by Brundage and Crino.

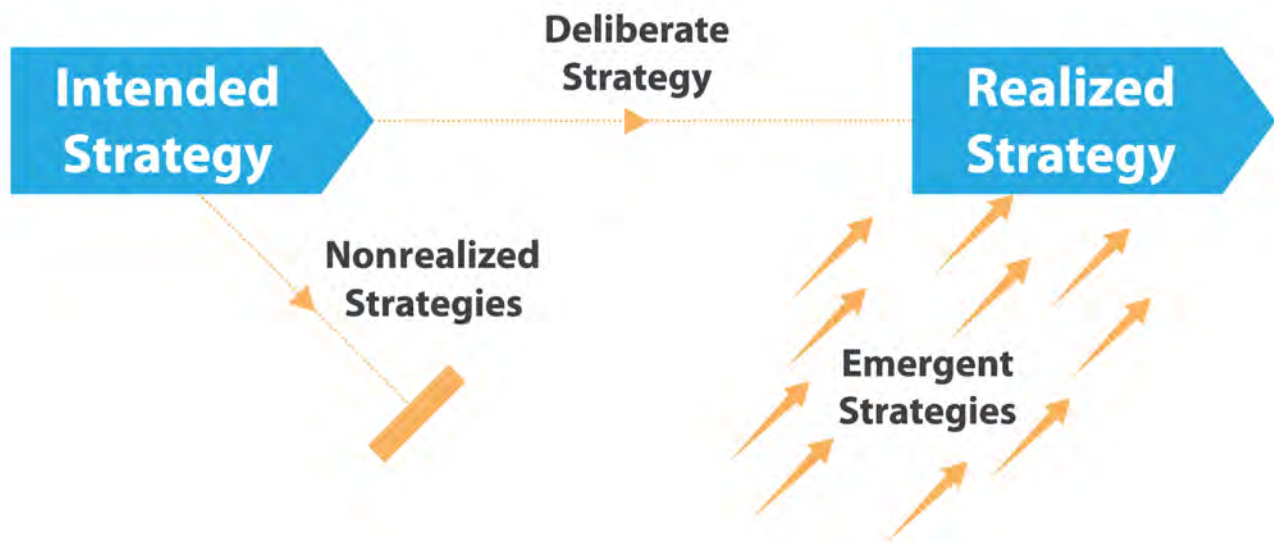
Political Security refers to, “The use of AI to automate tasks involved in surveillance (e.g. analyzing mass-collected data), persuasion (e.g. creating targeted propaganda), and deception (e.g. manipulating videos)” as indicated by Brundage.

Common to all these challenges for strategic leaders is the integration or fusion of large amounts of data from a variety of sources in real time. QAI provides the promise of being able to move “beyond the buzzwords” of big data as exposed by Van Puyvelde’s research. QAI does this as it improves the strategic decision makers’ ability to deal with the increasingly sophisticated challenges and threats such as synthetic media (i.e. deep fakes) produced by GANs.

### Implications of Quantum Artificial Intelligence: Moving “Beyond Disruption”

Despite its promise, the combination of cutting edge technologies presents challenges that are disruptive in every sense of the word —especially with regard to their ability to bring disorder to established areas of policy such as defense or the economy. If strategic decision makers are to move “beyond disruption” as advocated by Shultz, Hoagland, and Timbie, they will have to recognize the “fragility” of 20th century governance frameworks to exogenous forces such as technological change, pandemics and natural disasters. When combined with the “intense compression of time” as made known in the research of Shultz, Hoagland and Timbie, nation states are increasingly vulnerable to challenges such as synthetic media. Dealing with cutting edge technologies requires strategic decision makers to develop models of decision making that display “antifragility” as depicted in the research of de Bruijn, Größler and Videira.

- How can strategic decision makers develop “antifragile” models of decision making? Here are five key guidelines:
- Understand the limits of what technologies can and cannot do



- Realize that humans are still the key to dealing with and using QAI or other technologies
- Appreciate that changing mindsets and processes are actually means and not ends
- Use the principle of platform agnosticism (i.e. assess capabilities that help achieve strategic objectives rather than adopt specific hardware or software)
- Remember that change is the only constant.

### The Nascent “Revolution in Quantum Military Affairs”

Given the ‘dual use’ nature of these technologies, strategic decision makers must prepare for the impact of QAI on their operating environment as indicated by De Derian and Wendt. For example, how will strategic decision makers deal with the impact of quantum computing on encrypted communications? Decision makers also need to analyze the impact of networks involved in research on emerging technologies such as the funding and fielding of QAI and follow-on technologies. This is especially true with regard to the impact of non-state actors on a state’s strategic objectives. One example of this is the recent opening in May 2021 of Google, Inc.’s Quantum Artificial Intelligence Lab which integrates, research on hardware and software for quantum computing and artificial intelligence. Finally, strategies must proactively address emergent threats such as synthetic media by collaborating with academic and private sector groups that have subject matter expertise in technologies such as QAI. Addressing these challenges will make cases like Oliver Taylor’s a little less curious. Allowing strategic decision makers to move beyond the disruptive impact of this latest national security dilemma thus increases their digital sovereignty.

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- Fragility refers to how a system such as the nation-state system which “suffers from the variability of its environment beyond a certain preset threshold”. Examples include spread of disinformation on social media or the spread of the novel Corona Virus-19. (Taleb 2012)
- Antifragility refers to the ability of a system to “gain from volatility and disorder and show an improvement in behavior when subjected to large and implausible changes in parameters.” (de Bruijn, Größler and Videira 2020)
- This term of art comes from De Derian and Wendt (2020) in a special issue of the journal *Security Dialogue* entitled “Quantizing International Relations”.



# The Role of Peacetime Civil-Military Cooperation in National Defense: Examples from History



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**Total** Defense is a military doctrine that entails aligning all the resources of the state towards national defense. In wartime, this becomes the rule rather than the exception. However, some nations pursue total defense doctrine in peacetime on a continuous basis. One example of this is Singapore. The small peninsular nation

has seen military incursion from Indonesia and claims from Malaysia over its territory in the past. Whether justified or not, despite these incursions and claims Singapore has been able to maintain its territorial integrity and sovereignty by gearing up all its national resources towards defending the country against foreign adversaries. Military service is compulsory for all Singaporean nationals and second-generation permanent residents when they turn 18 years of age. The UAE is similar to Singapore in several respects. It has a small geographical size compared to neighboring countries, high GDP per capita, the need to maintain strong defensive capabilities owing to regional threats, and a small population. The UAE is more prone to regional conflict spillover effects than Singapore since the Middle East has remained a highly volatile region in recent decades. Having introduced the concept of total defense, the next section will discuss a historical case study on the role of civil-military cooperation in defense production.



### The Luftwaffe's production Capabilities during World War Two

After its defeat in the First World War and the signing of the Treaty of Versailles in 1919, Germany was under severe restrictions in terms of military equipment production. The airplane had proved its worth as flying artillery during the First World War, and any next war could not be fought without a strong air force. The Germans were determined to overturn the treaty of Versailles which they deemed unnecessarily harsh and thus unjustified. Erhard Milch was the managing director of Lufthansa Airlines when Adolf Hitler came to power in Germany in 1933. As a civilian business leader, Milch had the skills and experience required to run a fleet of aircraft, whether civilian or military, and Hitler offered him to work at the newly (but secretly) created Air Ministry. The goal was to recreate a German Air Force that would be stronger and larger than the air arms of enemy militaries. It is worth noting that in the early days, airpower was an arm of the Army just like the artillery, cavalry, or infantry. The initial success of the German Luftwaffe against adversar-

ies in the Second World War inspired other nations, including Great Britain, Russia, and the United States, to harness the full potential of air power. Therefore, there are important lessons to be learnt in how the civilian administrator and businessman Erhard Milch managed to create one of the most potent air forces of the Second World War under the supervision of World War 1 fighter ace Hermann Goering.

The UAE already leads the world of aviation through its very successful full-service carriers Emirates Airlines and Etihad Airways as well as its low-cost carriers such as FlyDubai and Air Arabia. Expertise in terms of operational, financial, technical, and personnel management of large aircraft fleets is already available in the country. Through closer cooperation between civilian airline operators and the UAE Air Force commanders, a much better combat readiness can be developed to face any future challenges to the nation's safety and security. On the production front, the UAE is still almost entirely reliant on imports of aircraft and spare parts

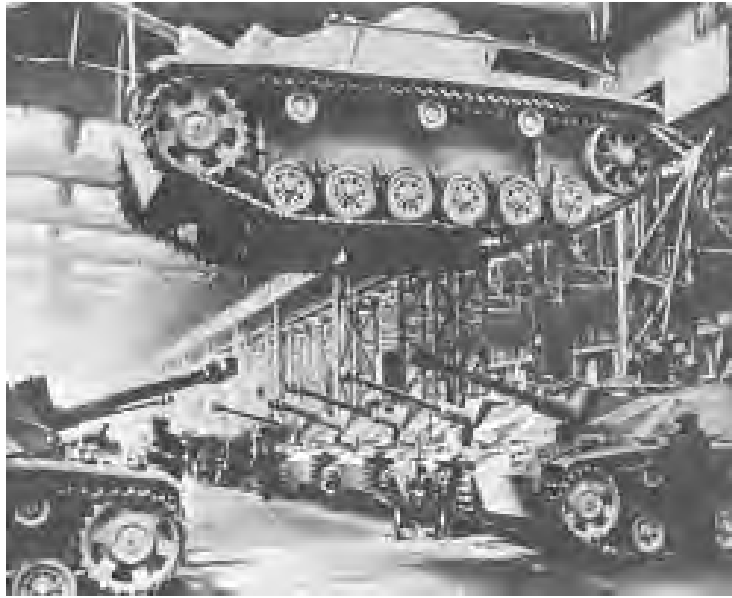


to meet its urgent needs. In the scenario of a future conflict, the country should at least seek to achieve indigenous production capabilities for small aircraft components that need frequent replacement. An interesting case study from the business world is that of Boeing's fasteners crisis

back in 2007-2008, which led to production delays of its 787 Dreamliner. When it comes to a machine as complex as an aircraft, every small part counts. Accordingly, the UAE Air Force or government agencies could formulate a plan to encourage local production of most commonly replaced aircraft parts within the country - preferably by civilian airline operators.

### Guderian's Panzers and the German Tank Production Capabilities in the Second World War

When it comes to recounting the most illustrious tank commanders of the Second World War, German officers top the list with names such



as Heinz Guderian, Fritz Bayerlein, and Erwin Rommel. The most successful Allied land forces commanders such as Montgomery, Patton, and Eisenhower only rank secondary to their German counterparts, and achieved their results largely through emulation. Among these names, Guderian is considered the

founder of the German Tank program - known as the Panzer Corps. It is noteworthy that Guderian started training his tank crews in fighting tactics using wooden tanks - because of the terms of the Versailles treaty that forbade the Germans from having a tank army of their own. This points to the idea of 'think big but start small'. The German Panzer Corps became battle winners when they swept through France at the start of the Second World War at lightspeed occupying the country within a few weeks. The German military strategy of blitzkrieg, or 'lightning war', was originally proposed by Carl von Clausewitz in the 19th century.



But what about Porsche? When one hears of Porsche it never occurs to the common mind that the legendary sports cars manufacturer is named after Professor Ferdinand Porsche - the automotive engineer who designed and built Panzers for the German Army during the Second World War. Porsche is one vivid example of the wonders that civil-military cooperation can achieve in terms of defense production. Even today, there are a handful of countries that export automobiles globally - Japan, Germany, France, the UK, and the United States - all of whom were belligerents during II World War. Even industrial powerhouses such as China and India have failed to achieve automobile exports at a level comparable to nations that were involved in World War Two.

The UAE already has a strong market for luxury and sports cars. Though the market is entirely import-based and local manufacturing of parts is almost non-existent, developing such an industrial capacity could aid the country's military production capabilities in the long run. Investing in manufacturing will also help reorient the UAE economy towards exports as well as meeting spare parts needs indigenously. Closer cooperation between the automobile sector and the national defense department responsible for procuring and maintaining land warfare assets such as tanks could generate mutual benefits.

## DARPA

When writing about civil-military cooperation for defense production, one cannot miss out mentioning DARPA - the Defense Advanced Research Projects Agency in the United States. DARPA's modus operandi is that it floats seemingly impossible technological projects to private and state universities across the country and provides funding to teams that are selected to work on these projects. DARPA's projects push the boundaries of science and technology with one single aim - to arm the US military and its allies with defense (and attack) technologies of tomorrow. In other words, DARPA makes science fiction a reality - in many cases. 'Swarm' technologies are one such area DARPA works in - meaning a group of autonomous robots communicating with each other sent out to achieve a mission (almost) entirely on their own without human supervision. In such areas, the UAE has already made strides by acts such as creating a

Ministry of Artificial Intelligence (AI). Nevertheless, in case of an all-out war, AI will need to work alongside more traditional military hardware - where the UAE is almost entirely dependent on imports.

## Conclusion

Serious threats to national security remain. The Houthis have attempted to launch attacks using the latest technologies such as coordinated autonomous drones. One such attack was successful in halting production at Saudi Aramco's plants in Abqaiq and Khurais in September 2019, resulting in a 5.7 million barrels a day loss to Saudi oil production. Since threats are so close to home it becomes a necessity rather than a choice to reorient all available national resources towards Total Defense. This is possible through closer cooperation between the business world, where Dubai has already established itself as a regional and global hub, and the military. Such collaboration can benefit both sides by reducing the country's imports and achieving ready access to key materials and resources in the event of war.

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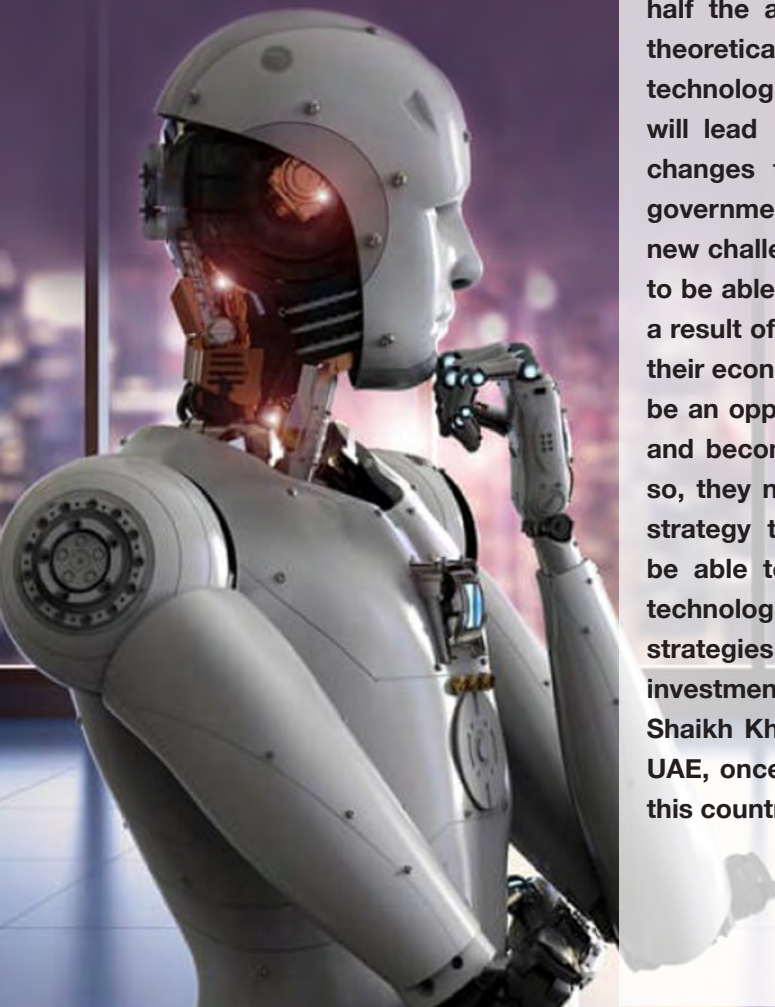
# “Human Capacity Development for the Fourth Industrial Revolution (4IR)”



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**According** to a 2017 study by McKinsey & Co, “about

half the activities people are paid to do globally could theoretically be automated using currently demonstrated technologies” (McKinsey & Co, November 2017). This will lead to substantial workplace transformations and changes that need to be taken into consideration by governments around the world. Countries are faced with a new challenge, which is to adapt their industrial strategies to be able to cope with the new dimensions introduced as a result of the Fourth Industrial Revolution (4IR), otherwise their economies will be left behind. This challenge can also be an opportunity for those countries which take the lead and become the pioneers in the 4IR race. In order to do so, they need to put in place a comprehensive industrial strategy that will help elevate their current policies to be able to survive the new complexities and emerging technologies introduced by the 4IR. At the heart of such strategies, ‘people’ should be one of the key pillars, as the investment in humans is the real driver for success. In fact, Shaikh Khalifa bin Zayed Al Nahyan, the president of the UAE, once said that, “Human capital is the real wealth of this country, before and after oil.”





In September 2017, the UAE government launched its Strategy for the Fourth Industrial Revolution, which will support the UAE vision of having a competitive knowledge based economy and to become a hub for adopting the Fourth Industrial Revolution's technologies. Adopting such a progressive strategy will transform the way sectors currently operate and how they will benefit from automation and artificial intelligence (AI), which will improve productivity and efficiency. However, it is expected that low skilled jobs will be eliminated since they will be replaced by automation.





According to an article published on the 'Career Addict' website, there are many jobs that will disappear by 2030 due to automation such as travel agents, cashiers, mail carriers, bank tellers,

and even fast food cooks. Most of these jobs in the UAE are performed by expatriates right now. Thus, having the right planning in place will help to minimize the importing of low skilled workers



from outside the country whose skills will not be needed in the coming years. Moreover, the Covid-19 pandemic has made it clear that we urgently need to rethink about how we are going to change our ways of working to be more effective in the post-pandemic era. Hence, the UAE needs to have the right human capital development programs in place to ensure that the UAE National workforce is going to be ready to fulfil the expected employment gaps. Below are some of the possible options for the UAE to address this potential challenge:

The first option is to develop a comprehensive human capital development plan for the 4IR, which includes clearly allocated budget and owners. This will require to start by reviewing the expected workforce trends for the UAE in the near future in both technical and non-technical jobs. Then, we need to look at the potential gap in the graph between the expected supply and demand. Finally, we should develop a roadmap for closing the gaps and other factors such as benchmarking and looking at best practices.

The second option is for the UAE is to develop and implement a National Retraining Scheme that supports workers to re-skill especially in the relevant areas of 4IR. Such a program can help support the UAE Nationals who will step up to fill employment opportunity vacancies that will be created in the future due to automation; by enrolling in retraining schemes we give Emiratis a further chance to compete in the emerging areas. Part of this initiative is also to have a program for driving up digital skills, which will support UAE Nationals with relatively low digital skills to enrol in free-of-cost digital training. This option needs to utilize online learning platforms to reach out to as many UAE Nationals as possible who would be interested in joining these programs without having to worry about logistics issues. The UAE can utilize existing online learning platforms such as “Coursera” to support this initiative since this platform specializes in providing online learning courses in partnership with over 200 of the leading universities and companies around the world. They have also an established partnership program with governments to help provide their citizens with essential skills for the future of work upon which the UAE can capitalize.

The third option is for the UAE is to establish a partnership framework with the private sector, especially the high tech companies which will be the hub for the 4IR. The aim of this partnership is to

incentivize these companies to train and develop UAE Nationals through providing them with on-the-job training (OJT). Once they complete their OJT requirement, the trainees can be considered for job opportunities in the host companies in case there were any suitable vacancies, or they can apply for jobs elsewhere. Furthermore, the UAE can benefit from this partnership framework by engaging the private sector in the education domain. For instance, why not invite some of these top companies to become partners with local universities and be more engaged with their research programs? In addition, they can support by advising on education curriculum and policies. This will support enhancing the quality of education and exploring the students to the relevant and up-to-date topics of 4IR.

Hopefully, by having a solid Human Capacity development program, the UAE will be in a better position to adapt its workforce to the changes presented by the 4IR. His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister of the UAE and Ruler of Dubai once said that, “We believe that science, technology and innovation represent the roadmap for building future generations”. His words highlight the importance of investing in Human Resources Development and ensuring that the Emirati workforce will be ready for the challenges of the future.

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# Virtual Currencies



## Globalization and the rapid advances in information and communication technologies (ICTs) have

transformed the way governments, businesses, and individuals work and interact with each other over the past few decades. ICTs have the potential to disrupt current markets and to open up new possibilities for industries. ICT has contributed to the advent of disruptive technologies such as artificial intelligence (AI), blockchain, and virtual currencies (VCs).



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The European Banking Administration (EBA) defines VC as a “digital representation of value that is neither issued by a central bank or public authority nor necessarily attached to a fiat (conventional) currency, but is accepted by natural or legal persons as a means of exchange and can be transferred, stored or traded electronically”. VCs are digital versions of monetary value, which operate mainly on a blockchain but are not recognized as legal tender.

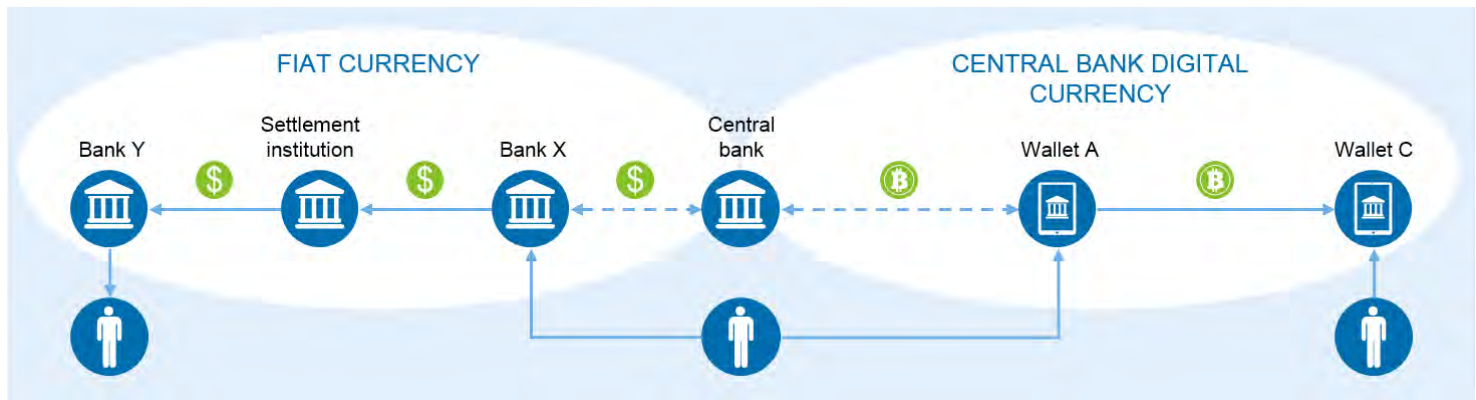
There are currently 5,392 VCs available in the international markets. The World Economic Forum predicts that by the end of 2027, 10% of the world's GDP will be registered and processed on the blockchain (World Economic Forum 2018, 8). The total market capitalization reached one trillion dollars at the beginning of 2021. At present, most VCs, unlike fiat currencies, are not regulated by a nation-state. Without a fiscal and monetary policy framework, financial stability is seriously threatened.

In March 2018, the G-20 finance ministers and central bank (CB) governors stated,

“... Crypto-assets raise issues with respect to consumer and investor protection, market integrity, tax evasion, money laundering, and terrorist financing. Crypto-assets lack the key attributes of sovereign currencies. At some point they could have financial stability implication.”

The absence of a regulatory framework allows VCs to operate and circulate undetected, which terrorist groups can use for their benefit. Various terrorist groups such as Al-Qaeda, the so-called Islamic State of Iraq and the Levant (ISIS), and Hamas use VCs for fundraising and to receive supporters' donations. VCs are used for buying foreign currencies in places that forbid the purchasing of foreign currency, taking funds out of sanctioned countries, allowing global payments, buying narcotics online, and paying sex workers. The FATF





has warned that VCs' global reach poses potential anti-money laundering (AML) and counter-terrorist financing (CTF) risks. In 2019, criminals laundered \$2.8 billion, up from \$1 billion in 2018, through one VC, Bitcoin. Many countries have embraced VCs as a way to bypass and avoid sanctions, such as Iran. In 2019, Iran held talks with eight countries to circumvent US-led sanctioning through VCs.

Although VCs have created several challenges, they also provide opportunities. Turpin claims that VCs have a substantial economic advantage over traditional money and payment means and that regulators must evaluate these benefits and establish proper regulations. Kathy Doyle stated, "virtual currency is the next disruptive force to hit payments, banking, financial markets, retail and so many other industries".

Regulators and policymakers worldwide have recently become gradually interested in incorporating VCs into the field of regulation. It is notable that, because of the decentralized and transitional aspect of VCs, several countries have taken measures towards domestic control of VCs despite their global nature. VCs' increasing adoption likely influences efforts to regulate VCs. The G20 appears supportive of the FATF's strategy and attempts, as with the leaders' statement on 1 December 2018, "We will regulate crypto-assets for AML and CFT in line with FAFT standards and will consider other responses as needed".

Three regulatory approaches have evolved in reaction to the rise in VCs' acceptance. The first approach is to prohibit or significantly reduce VCs usage. The second approach is to wait and see how other states react and issue warnings. Most states in this group do not prohibit VCs, but restrict their usage by the financial institutions and do not define these currencies' legal standing. The third approach is to adopt measures to regulate VCs. Countries such as Switzerland and Japan have

taken the regulation approach, whereas China has resorted to banning VCs.

Switzerland has desirable regulatory frameworks on VCs. Switzerland has become one of the world's pioneers with nearly 850 blockchain and VCs operating companies. VC regulations seek to improve regulatory clarity and eliminate obstacles to the use of blockchain technologies.

Japan was the first nation to officially define VCs (Global Legal Insights 2021). Several laws in Japan comprise the VCs' regulatory framework. Japan's regulatory framework for VCs has accelerated the expansion of the Japanese VCs sector. The Japanese approach can represent a step forward in consumer safety without imposing additional burdens on regulators. By determining how VCs exchange service providers would be governed, the Japanese government has paved the way for the formation of consumer protection measures and supported VCs transactions and payments.

China has taken the approach of banning the use of VCs. It restricted the banks from using VCs as currency, raising worries about money laundering and the risk to financial stability. China's government took this approach to prevent risk to the public and protect the currency's legal standing. However, and introduced a central bank digital currency (CBDC) called the digital Yuan. China believes that issuing the CBDC will help reduce the problem of private currencies and the threat of financial instability.

China is the first global economy to launch a CBDC. China may gain a competitive advantage by being the first major economy to issue a government-sponsored digital currency. This would contribute to China internationalizing the Yuan, enhancing China's status as the world pioneer in financial technology, and expanding China's global footprint.



As China inches closer to launching the world's first sovereign digital currency, many G20 states claim they are studying the notion. Nowadays, 80 percent of central banks worldwide are focusing on developing a digital currency. However, China's restrictive approach to VCs is not recommended, as the restrictive approach dampened local Chinese trading, China could be considering a new legislative approach for VCs, moving away from absolute prohibition and toward a regulated market. Multiple analysts argue that China's current ban is not permanent and that the state will soon lift the ban on VCs.

The UAE has established itself as the primary financial hub of the MENA region. Industry players and observers are carefully watching how the UAE's regulators will proceed in relation to the new and emerging asset class of VCs. With the correct approach, the UAE has the potential and opportunity to bolster its position as the MENA region's primary financial hub and become a key player in the VC industry.

In conclusion, although most countries are hesitant to take the forefront on VC regulation, UAE leadership and intervention are needed to guarantee the sustained efficacy of established regulations and provide customer and investor security in this emerging VC sector. Regulating the VCs' environment in the UAE will ensure the transparency, accountability, reliability, and efficient operation of financial markets. It will enhance the domestic sector's operation, including an efficient and clear standard of regulation and supervision. It will prevent administrative arbitration and will foster fair terms of competition. It will ensure that risks are adequately managed and monitored, and it will enhance customer protection. Regulation of VC structures will allow regulators in the UAE to track illegal

acts that they may be incapable of monitoring. It is essential for the UAE to formulate its own VC regulatory framework while still engaging in an international dialogue to develop a global VC standard a regulatory framework across jurisdictions. The International Monetary Fund (IMF) proposes that governments worldwide have their own VCs. Therefore, it is crucial for the UAE to have its sovereign digital currency. This will help the UAE to move towards an almost cashless society.

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# RAPID DIGITALIZATION: IMPACT ON UAE NATIONAL SECURITY AND DATA GOVERNANCE



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**The** world is going digital with a Big Bang, and the present unprecedented pandemic situation is favoring rapid digitalization more than ever before. Digitalization is critical for any country's progress. Countries are adopting new digital technologies in various fields to show off their competitiveness. New emerging technologies such as Artificial Intelligence (AI), Big Data, Blockchain, Internet of Things (IoT), Augmented Reality, Drones, Robotics, and so on are being adopted by various nations to upgrade their critical infrastructure.





### UAE Goes Digital

The UAE started its effort in going digital way back in 2000 when it set up Dubai Internet City (DIC), an IT hub where global ICT companies set up regional offices and budding entrepreneurs established themselves. Now, owing to the Covid -19 situation, the UAE has been compelled to use digital technology in every field. The UAE boasts being the first Arab nation in launching 5G network; the transformation to Internet Protocol Version 6 (IPv6), and being ranked first in Government Electronic and Mobile Services (GEMS) Maturity Index according to a report issued by the United Nations Economic and Social Commission for Western Asia (ESCWA). This indicator measures progress at the national level in achieving the transition to digital services. The adoption of AI by the UAE government has helped tackle the spread of Covid-19 to a certain extent. Police used smart helmets equipped with thermal cameras to detect those infected with Covid-19 in a safe manner.

Having said that, the question arises, are we prepared for the challenges that come with rapid digitalization? Needless to say, the global digital revolution has enormous benefits while also posing new cybersecurity challenges. The main factors of rapid digitalization that can be a challenge for national security are the new emerging technologies such as AI, Robotics, Drones, IOT, Blockchain, which the traditional data policies and regulations that govern the use of these digital technologies need to keep pace with.

### Digital Regulatory Authority in the UAE

The UAE has a number of data protection laws and regulations in addition to other laws that contain privacy-related requirements. There is no specific or principal data protection legislation covering all of the UAE currently, although a patchwork of other laws provides some privacy rights and prohibits

certain actions, including the disclosure of data obtained electronically in an unauthorized manner. Data privacy and protection are addressed across many separate regulations not specifically focused on data protection. Certain free zones have their own data protection laws applicable only to their respective confines, such as the Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM), and the Dubai Healthcare City (DHCC).

There are sector-specific laws for Health, Banking, Insurance, and so on. Each stakeholder has their requirements when it comes to cybersecurity. For example, the government's goal at the federal level focuses more on protecting values and the status quo, and their interest is to protect the critical information infrastructures and keep the network operational. Meanwhile, the general public is concerned about individual security and privacy protection. As stakeholders vary, the Cybersecurity requirements differ, and data policy gets fragmented. The list of cyber regulatory bodies in the UAE comprise the Telecommunications and Digital Government Regulatory Authority (TDRA), UAE aeCERT, Standard Information Security Policy (SISP), Dubai Information Security Regulation (ISR) standards and Abu Dhabi Digital Authority (ADDA). Each regulatory body has its way of data policy formulation, keeping in mind Signals Intelligence Agency (SIA) guidelines. Even though the UAE government has shown great commitment to integrating AI in its day-to-day operations, it has not enacted any specific law addressing AI.

### Generations of Digital Regulatory Framework

The Global ICT Regulatory Outlook 2020 from ITU publications points out that the UAE still follows the G3 regulatory framework (separate regulatory agency but autonomous in decision making), and is expected to step up the ladder in the next two years following major reforms. It also asserts that a collab-



orative regulatory approach with shared perspectives and common responsibility is the key to win the race of rapid digitization. It states different generations of a regulatory framework, namely, G1, G2, G3, G4, and G5.

## RATIONALE FOR GENERATIONS OF REGULATION

Source ITU

	1. Regulatory Authority	2. Regulatory Mandate	3. Regulatory Regime	4. Competition Framework
G1	• Consolidated with policymaker and/or industry	• Business as usual	• Doing as we have always done	• State-owned monopoly
G2	• Separate agency	• First wave of regulatory reform	• Doing more	• Liberalization
G3	• Separate agency, autonomous in decision-making	• Advanced liberalization of ICT sector	• Doing the right things	• Partial Competition
G4	• Separate agency with enforcement power	• Adjacent issues become core mandate	• Doing the things right	• Full competition
G5	• Separate agency with enforcement power	• Active collaboration across the board	• Doing things together	• Intra-modal competition

### Unified Cyber Regulatory Authority is the need of the hour

A Unified Digital Policy Framework at the federal level would help implement a comprehensive legal and regulatory framework for all types of digitalization to secure existing and emerging technologies against cyber threats. This approach helps to outline a vision, basic principles and establishes an institutional mechanism. It would guide all allied policies such as AI, cybersecurity, and data privacy, as well as education, healthcare, and so on.

The International Telecommunication Union (ITU), a specialized agency of the United Nations responsible for all matters related to information and communication technologies strongly suggests a collaborative regulatory framework to keep pace with rapid digitalization. It also mentions that such a unified regulatory approach must engage a broad, diverse range of stakeholders in informed, evidence-based rulemaking and decision-making, with both social and economic impact in mind.

Rapid digitalization has raised demands for a more consolidated and unified cyber regulatory framework, which would prevent

possible conflicts between regulations and be legally binding. It thus reduces the difficulty to understand which regulations are applicable in which situation given the number of organizations or government entities and agencies involved.

The increasingly common and rapid cross-border data transfers between the emirates or between other countries require standard, comprehensive, and easy-to-follow guidelines that could be understood and managed by any organization. Now that rapid digitalization has become the norm globally in the new pandemic era, where most operations have gone online, it is high time that a single Regulatory Authority manages data policymaking but decentralizes the law enforcement aspect.



This single Regulatory Authority should collaborate with the different emirates, federal organizations, and law enforcement agencies and institute automated processes so that data policies can be adhered to. This will allow to narrow the gap between cybersecurity and rapid digitalization. The emergence of new technologies such as cloud computing, IoT, and 'Big Data' makes it necessary for regulatory authorities to work together and



keep connected so that it becomes easier for policymakers to formulate data policies as per the new emerging technologies.

### Conclusion

The UAE, similar to most countries, is embracing the concept of data digitalization. The initiative aims to improve intelligence gathering and sharing of critical information to enable various security organizations to act accordingly. It is a major shift from traditional methods and an effective way of dealing with emerging threats to national security. However, the extent to which these can be used effectively depends mainly on good data governance, an effective digital regulatory framework and an efficient data regulatory authority.

A Unified Digital Regulatory Authority would formulate a Unified Digital Policy Framework for the whole of the UAE in contrast to the current fragmented set-up. This would make UAE data protection policies more internationally compatible and easier to follow by every organization – local, regional or global. A Unified Digital Regulatory Authority would formulate a Unified Digital Policy Framework for all the UAE and would help balance government surveillance requirements towards data protection and make the UAE a cyber secure nation.

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