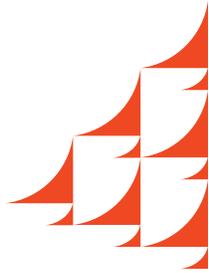




The Arab Gulf States
Institute in Washington
Building bridges of understanding



UAE Security Forum 2020:
Resilient Economies, Resilient Societies
Conference Report



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UAE Security Forum 2020: Resilient Economies, Resilient Societies

Conference Report

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The Arab Gulf States Institute in Washington (AGSIW), launched in 2015, is an independent, nonprofit institution dedicated to providing expert research and analysis of the social, economic, and political dimensions of the Gulf Arab states and key neighboring countries and how they affect domestic and foreign policy. AGSIW focuses on issues ranging from politics and security to economics, trade, and business; from social dynamics to civil society and culture. Through programs, publications, and scholarly exchanges the institute seeks to encourage thoughtful debate and inform the U.S. foreign-policy, business, and academic communities regarding this critical geostrategic region.

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About This Report

This report is based on the presentations and discussions during the UAE Security Forum 2020, "Resilient Economies, Resilient Societies," held December 15-17, 2020 virtually due to the coronavirus pandemic.

This report was prepared by Amélie Mouton, a journalist based in Abu Dhabi and the regional correspondent for the Belgian newspaper La Libre Belgique.

For more information and videos from the forum, visit www.uaesf.org.

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Foreword

It gives me great pleasure to present to you the final report of the UAE Security Forum 2020, “Resilient Economies, Resilient Societies,” held virtually December 15-17, 2020. We see the ideas in this conference as confirming the idea that a country’s national security is not only based on a capable military and the rule of law. It must also take into account policies needed to secure the long-term well-being of the population.

I was delighted that, despite coronavirus-related restrictions, our team at AGSIW put together the fifth iteration of this forum, which again demonstrated the vital convening role AGSIW plays, bringing together U.S., Emirati, and other regional partners to find creative solutions to some of the most pressing challenges to their shared interests.

Such challenges for the Gulf Arab countries have the potential to interfere with social stability, economic activity, and the success of major economic transformations critical to their prosperity. In 2020, there was no bigger challenge than the social and economic disruptions brought on by the coronavirus. The pandemic has disrupted daily lives, shuttered businesses, and devastated the tourism and hospitality industries. It has also demonstrated that human concerns, such as health care, access to food and water, and natural disasters amplified by climate change, can have similarly devastating effects on political and economic stability as more traditional security concerns.

That is why AGSIW brought together academics, policymakers, and practitioners to examine current mitigation efforts and recommend policy solutions that will assist with the recovery from the pandemic and help build resilience to a broad range of future shocks and stresses. We aim to use the findings in this report to guide our own work in this field and inform regional governments and the private sector.

I would like to thank our supporters and partners who make the work of AGSIW possible. I hope you find this report informative and useful, and I look forward to the next iteration of the UAE Security Forum in 2021.



Ambassador Douglas A. Silliman
President, Arab Gulf States Institute in Washington



Ambassador Douglas A. Silliman, President, AGSIW

Executive Summary

On December 15-17, 2020, the Arab Gulf States Institute in Washington held its fifth UAE Security Forum, with the theme “Resilient Economies, Resilient Societies.” Convened virtually, the forum brought together a diverse group of practitioners, researchers, and representatives from nongovernmental organizations. Discussions focused on the social and economic disruptions of the coronavirus pandemic in Gulf Arab countries. While traditional approaches to Gulf security emphasize political and military factors, forum speakers highlighted human security issues, reflecting the way in which the pandemic’s tangible implications for public health showed how problems that are not related to the political or military aspects of security can also seriously threaten the foundations of Gulf Arab countries and their rentier economic structures.

Gulf Arab states’ reactions to the coronavirus outbreak were comparatively more efficient than those of many other countries. Their responses demonstrated leadership and a capacity to act quickly and implement appropriate medical protocols. Yet, to improve preparedness for health crises, progress is still required in developing health-care data analytics and increasing capacity in the field of mental health. Another fundamental lesson of the pandemic has been the value of global cooperation and solidarity. For instance, Gulf countries have provided assistance to multiple international initiatives and participated in vaccine trials. Such international engagement will be indispensable in the years to come due to the high probability of new viruses and pathogens emerging as well as the high degree of interdependence in medical supply chains.

The pandemic also created economic challenges in the Gulf. It directly impacted the tourism and hospitality industries, and it prompted a global decline in oil demand and prices, with significant impact on regional economies. In this way, the crisis reinforced the urgency for Gulf economies to become less dependent on oil and gas revenue. As governments are opting for leaner, more streamlined public spending, approaches to economic recovery should be strategic. Gulf states should prioritize high performing entrepreneurs and firms in the allocation of recovery funding. They should pay attention to small and medium-sized enterprises, since they represent an important segment of the overall economy but tend to receive a very small percentage of governmental loans. To encourage the economic recovery of the private sector, governments across the region have tended to favor monetary stimulus measures by boosting liquidity in banks or deferring loan repayments. They should better balance this with fiscal stimulus measures, which would inject more cash into the accounts of firms and consumers. Additionally, they could also promote increased regional economic integration. While a common market and a unified customs regime are already in place, there is still plenty of work to be done, for example, to further harmonize customs processes.

Most Gulf countries are investing in the knowledge economy to advance long-term economic diversification. Education is set to play a key role in this transformation. Over the past 50 years, Gulf countries have built a robust higher education system, with a high percentage of young people receiving a university education, with women leading the way. Ensuring a diversified higher education system is key in the creation of the complex intellectual and technical ecosystems necessary for the full development of a knowledge economy. Governments

should also resist pressures to overly align education with the immediate needs of the labor market. Because job markets are constantly evolving, overly rigid efforts at alignment are likely to stifle innovation and adaptive capacities among students.

One direct effect of the coronavirus pandemic for education was the extremely rapid development of digital teaching technologies. In many other sectors, as well, new technologies can offer promising answers to various human security issues. For instance, they can help with increasing local agricultural production – an important issue considering the Gulf's reliance on foreign food supplies, the security of which was a concern at the beginning of the coronavirus outbreak.

Finally, since climate change-related challenges are becoming more pressing, Gulf Arab countries should take them into account in their economic revival plans. Global decarbonization efforts will inevitably reduce the demand for oil, thereby affecting state budgets in the Gulf. Climate change will also impact the region directly with rising average temperatures and more intense periods of drought that will increase already swelling local energy demands. Coronavirus recovery packages should therefore include measures targeting sustainability and energy efficiency.

Key Findings and Recommendations

- Discussions around Gulf security have traditionally focused on political and military threats, regime stability, and the free flow of oil and gas. The coronavirus pandemic has shown that human concerns, such as health care, access to food and water, and natural disasters amplified by climate change should also be taken into account in discussions about security, as they can threaten the foundations of Gulf Arab countries and their rentier economic structures.
- While Gulf Arab states reacted comparatively efficiently to the coronavirus outbreak, to improve preparedness for health crises, progress could be made in developing health-care data analysis and increasing capacity in the field of mental health.
- Gulf countries have contributed to multiple international initiatives since the beginning of the pandemic, by offering donations and logistical support and participating in vaccine trials. Such international engagement will be valuable in the years to come due to the high probability of new viruses and pathogens emerging as well as the high degree of interdependence in medical supply chains.
- The coronavirus crisis reinforced the urgency for Gulf economies to become less dependent on oil and gas revenue. As governments are opting for leaner, more streamlined public spending, they should prioritize high performing entrepreneurs and firms, pay closer attention to small and medium-sized enterprises, and better balance monetary stimulus measures and fiscal stimulus measures.

- Ensuring a diversified higher education system is key in the creation of the complex intellectual and technical ecosystems necessary for the full development of a knowledge economy. Gulf countries should resist the pressures to align education with the immediate needs of the labor market, because this can significantly limit innovation.
- The coronavirus pandemic also prompted positive developments, such as the acceleration of the digital transformation of schools and universities. This creative response to the crisis can serve as a basis to extend educational outreach to new or remote populations.
- New technologies and research can offer promising avenues for food security. For instance, they can help to increase local agricultural production – a critical issue considering the Gulf's reliance on foreign food supplies.
- Because climate change will create further economic and environmental challenges, Gulf states need to recalibrate their energy mix. Coronavirus recovery packages represent an opportunity to include measures targeting sustainability and energy efficiency. These measures will benefit the environment, create jobs for youth, and accelerate economic diversification.

Introduction: Redefining Security

“Gulf security is first and foremost human security.”

– Emma Soubrier, Visiting Scholar, AGSIW

Security in the Gulf is traditionally discussed in relation to regime stability, territorial integrity, or oil and gas flows. Under this rubric, a safe country is one that combines protection from external and internal aggression with a stable system of law and order. Political and military tools remain crucial in the Gulf, as reflected in robust military spending. Yet, the recent coronavirus pandemic increased awareness that governments also need to focus on other security concerns. According to Arab Gulf States Institute in Washington Visiting Scholar Emma Soubrier: “Gulf security is first and foremost human security.”¹

The United Nations defines human security as protection against “widespread and cross-cutting challenges to the survival, livelihood and dignity” of a population.² Policymakers and researchers in the Gulf have at times overlooked these concerns, in part because of the legacy of Cold War security studies, which emphasized military questions focused on the interests of external actors in the region. But as has become clear in 2020, “some of the main risks weighing on populations and threatening human security pertain to health concerns, access to food and water, and the natural disasters amplified by climate change.”³

Due to their strategic location, unique climate, and complex demographics, Gulf Arab countries face a wide range of risks that have the potential to disrupt social stability, economic

¹ Emma Soubrier, “Redefining Gulf Security Begins by Including the Human Dimension,” *Arab Gulf States Institute in Washington*, November 19, 2020.

² “What is Human Security?,” United Nations Trust Fund for Human Security, accessed, December 23, 2020.

³ Emma Soubrier, “Redefining Gulf Security Begins by Including the Human Dimension,” *Arab Gulf States Institute in Washington*, November 19, 2020.

activity, and the success of major economic transformations that are critical to their long-term prosperity. The coronavirus pandemic is just the latest challenge to the resilience of Gulf Arab states, putting pressure on their health systems, disrupting daily lives, shuttering businesses, and devastating the tourism and hospitality industries.

The severe economic downturn sparked by the pandemic further reinforced the importance of reducing oil dependence and diversifying traditional economies, especially since it exposed strategic risks, including securing long-term, sustainable access to water and food resources. As Gulf Arab countries look to recover from the impacts of the pandemic, they also have to take into account the environmental and economic challenges brought by climate change.

The Path to a More Resilient Health System

When responding to an epidemic, “your greatest tool is time and acting quickly.”

– Jennifer Nuzzo, Senior Fellow for Global Health, Council on Foreign Relations

The coronavirus outbreak was a major stress test for health systems across the world. No one was fully prepared for such a truly global pandemic. Yet, some countries have fared better than others. Jennifer Nuzzo, a senior fellow for global health at the Council on Foreign Relations and an associate professor at the Johns Hopkins Bloomberg School of Public Health, observed that countries with first-hand experience of the SARS outbreak, identified in 2003, coped better in 2020 because of their early efforts to protect health workers, isolate infected individuals, and conduct systematic contact tracing.

Other elements also explain why the battle against the coronavirus has been more successful in some countries than others. The regional director for the eastern Mediterranean at the World Health Organization, Ahmed Al-Mandhari, As Gulf Arab countries look to recover from the impacts of the pandemic, they also have to take into account the environmental and economic challenges brought by climate change. underlined the paramount importance of strong and competent leadership, which he defined as a combination of wisdom, knowledge, and technical skills. While financial resources play an important role in enabling responses to crises like the recent pandemic, money in itself does not guarantee success. As Nuzzo pointed out, some countries, while not lacking resources, failed to mobilize them efficiently at the beginning of the coronavirus outbreak.

For instance, the United States fared poorly in its response to the pandemic, despite being ranked at the top of the Global Health security index – an assessment of global health security capacities in 195 countries that Nuzzo contributed to develop.⁴ Failing to grasp the extent of the virus’s circulation within the country, U.S. authorities focused their attention on border

⁴ The World Health Organization defines global public health security as a global strategy for prevention of movement of communicable diseases across national borders. This approach envisions public health beyond the medical paradigm and underscores shared responsibility among governmental bodies, private sector actors, and citizens, Mandhari explained.

control. They lost precious time to increase hospitals' capacity, protect frontline workers, amass stockpiles of protective equipment, and surveil the circulation of the virus. However, when responding to an epidemic, "your greatest tool is time and acting quickly," Nuzzo stressed.

In several countries, a divisive political climate had a detrimental effect on the management of the pandemic. Leaders who exploited the polarization of society or debated simple measures like the use of masks to prevent the transmission of the virus undermined the trust of the population. Around the world, the "infodemic" – the spread of disinformation about the epidemic at a massive scale – continues to compromise the global response to the disease.

In comparison to many other countries, Gulf Arab states reacted to the coronavirus crisis with relatively high levels of preparedness, leadership, public trust, and a capacity to act quickly. While the epidemic is still not under control in the region, the number of cases and deaths is much lower, per capita, than in many other regions of the world.⁵ While age demographics explain part of these diverging figures, testing and intensive care unit capacity are equally important factors.⁶ Laila Al Jassmi, founder and CEO of the Dubai-based health-care advisory firm Health Beyond Borders, explained how the robust health-care system built by the UAE over the past decade ensured the availability of advanced services in various medical specialties. Public-private partnerships are key in making these developments possible, as the private sector is one of the main providers in the country.

The UAE now has top clinical centers that offer almost any service provided elsewhere, concurred Juan Acuna, an epidemiologist and obstetrician who arrived recently in the UAE to help build a medical school at Khalifa University and joined the local efforts to manage the pandemic. Acuna noted the importance of the close collaboration among government officials, scientists, and private health operators in the UAE. The speed at which responses to the pandemic were implemented was "mind-blowing," he added.

Still, Acuna pointed to the development of health data as a possible venue for improvement. While the UAE produces a lot of data, the country could further develop its capacity to extract information out of this data. Additionally, Jassmi mentioned mental health counseling as an area that is still relatively underdeveloped, and she underlined opportunities to further invest in the training of a local medical workforce.



Jennifer Nuzzo, Senior Fellow for Global Health, Council on Foreign Relations; Associate Professor, Johns Hopkins Bloomberg School of Public Health

While the epidemic is still not under control in the region, the number of cases and deaths is much lower, per capita, than in many other regions of the world.

⁵ As of January 11, according to Worldometers data collated by MEED, countries in the Gulf Cooperation Council comprised 24.8% (1,123,511) of all regional cases. "Latest on the Region's Covid-19 Recovery," MEED, January 11, 2021.

⁶ The UAE, for instance, has one of the highest rates of screening per capita worldwide. "Coronavirus Latest: UAE Passes Vaccine Milestone With More Than One Million Shots," *The National*, January 10, 2021.

The Case for Global Cooperation and Solidarity

Mutualizing experiences can improve general preparedness for future public health emergencies.

Another fundamental lesson of the pandemic is the value of global cooperation. Nuzzo asserted the importance of multilateral coordination and international collaborations in medical planning. After the outbreak, most countries faced the same basic questions on the organization of quarantines and other measures to stop viral transmissions. Mutualizing experiences can improve general preparedness for future public health emergencies. Nuzzo mentioned the work of the Outbreak

Considering the current degree of global economic interdependence and the global organization of supply chains for medical products and vaccines, the international management of pandemics is likely to remain a necessity.

Observatory at the Johns Hopkins Center for Health Security,⁷ which captures, documents, and disseminates information on worldwide health outbreak responses.

Considering the current degree of global economic interdependence and the global organization of supply chains for medical products and vaccines, the international management of pandemics is likely to remain a necessity. Isolated countries will not be able to develop the necessary level of preparation required to contain the new viruses and pathogens that will appear in the future – including laboratory-engineered pathogens that could be spread accidentally or in deliberate attacks, Nuzzo highlighted. Mandhari stressed that preparedness is paramount: It is better to spend millions of dollars on preparatory measures than billions on improvised emergency responses, he said.

The importance of the WHO was increasingly clear during the pandemic. The U.N. body was a platform for collective action by member states. It responded to multiple procurement supply and logistics crises, providing management protocols in various locations and supplies such as testing kits and ventilators. The WHO worked closely with countries in complex emergency situations, like Afghanistan, Libya, Syria, and Yemen. It also ensured that various core essential medical services remained available globally, including the treatment of noncommunicable diseases, dialysis, and maternal care. Gulf Arab states supported these efforts by offering donations and logistical support. Dubai's International Humanitarian City, for instance, was a hub for relief efforts to numerous countries in the region and beyond.

The benefits of international cooperation were also clear in the efforts to develop a vaccine. Many countries, including Bahrain, Saudi Arabia, and the UAE, participated in the WHO's



Ahmed Al-Mandhari, Regional Director for the Eastern Mediterranean, World Health Organization

⁷ "Outbreak Observatory," Johns Hopkins Center for Health Security, accessed January 11, 2021.

Solidarity clinical trials organized by international pharmaceutical companies, which directly contributed to the rapid development of vaccines protecting against the coronavirus. Furthermore, various international actors have worked to ensure fair access to these vaccines across the world. Gavi, the global vaccine alliance, the Coalition for Epidemic Preparedness Innovations, and the WHO are currently coordinating the COVAX initiative, aiming to accelerate the development, manufacture, and equitable global distribution of coronavirus vaccines.⁸ Eleven out of the 22 countries in the eastern Mediterranean region covered by the WHO are set to receive support from this program.

A Diversified Education System Key to Economic Prosperity

Most Gulf countries are investing in the knowledge economy to advance long-term economic diversification, and education is set to play a key role in this transformation.

In the Gulf, the coronavirus pandemic reinforced the urgency to make economies less dependent on oil and gas revenue. Noting that advancing this transformation has been difficult, Robert Mogielnicki, a resident scholar at AGISW, mentioned that hydrocarbons still contribute to 70% or more of total government revenue in the region.

The extraordinary economic decline sparked by the pandemic pushed governments to implement new macroeconomic measures. Saudi Arabia, for example, tripled the rate of its value-added tax – a significant measure, though it is unlikely to counterbalance government revenue losses from depressed oil and gas production. The Saudi authorities also opted for leaner, more streamlined public spending: The state's 2021 budget is 7.3% lower than 2020's.⁹ This planned reduction of public spending reinforces the imperative to think strategically about economic recovery, Mogielnicki argued.

Targeted funding should be allocated to high performing entrepreneurs and firms that are most likely to succeed. And governments should pay closer attention to small and medium-sized enterprises, since they represent an important segment of the overall economy but tend to receive a very small percentage of governmental loans. In general, governments across the region should also look at balancing monetary stimulus measures with fiscal stimulus measures, Mogielnicki said. The early Gulf government response to the coronavirus has indeed focused more on monetary measures, like boosting liquidity in banks and deferring loan repayments. Fiscal stimulus measures, which would inject more cash into the accounts of firms and consumers, have been overlooked. More regional economic integration could also offer a way forward. While there is in theory – and largely in practice – a common market and unified customs regime across the GCC, there is still plenty of work to be done to harmonize customs processes and work out issues like how value-added tax refunds will be processed

⁸ COVAX is the vaccine pillar of the ACT Accelerator, a global collaboration to accelerate the development, production, and equitable access to coronavirus tests, treatments, and vaccines. "COVAX Explained," GAVI, accessed January 11, 2021.

⁹ Vivian Nereim, Abeer Abu Omar, and Matthew Martin, "Saudi Arabia Plans Spending Cuts in 2021 as Economy Recovers," *Bloomberg*, December 15, 2020.

for cross-border transactions, Mogielnicki argued.

Most Gulf countries are investing in the knowledge economy to advance long-term economic diversification, and education is set to play a key role in this transformation. Higher education, in particular, has been an object of increased attention. Over the past 50 years, Gulf countries have built a robust and diversified higher education system, made of national schools and private institutions. Mariët Westermann, vice chancellor of NYU Abu Dhabi, marveled at how a relatively young country like the UAE with a population under 10 million people has more than 160,000 students enrolled in tertiary education, which is double the number it had in 2007.

In a significant recent development, universities in the UAE and Saudi Arabia became exporters of higher education, attracting students from across their national borders.

The percentage of young people receiving a university education today in the Gulf states is high, especially among women, and this is a major achievement of the last couple decades, Westermann said. In a significant recent development, universities in the UAE and Saudi Arabia became exporters of higher education, attracting students from across their national borders. Westermann said she expects the number of Gulf Arab students who go abroad to study will be declining in the near future.

To explain the importance of a diversified higher education system, Westermann presented the example of the state of California, where the authorities developed a flagship public education system offering high-ranking public universities, like Berkeley and UCLA, mid-ranked universities, like Fullerton, and community colleges. This is how the knowledge economy that made Silicon Valley possible emerged, she said. Westermann also warned against the persistent pressure to align education merely with the immediate needs of the labor market. Such an orientation “limits innovation pretty significantly,” Westermann argued. Job markets evolve constantly; what matters is to give students foundations that will allow them to learn quickly, like digital literacy, the ability to solve problems and take risks, and to think critically regardless of the subject. These skills will be sought after by companies, Mogielnicki agreed.

Lamya Al Haj, an associate professor at Sultan Qaboos University and a member of AGSIW's board of directors, explained how higher education in Oman has been aligned with Oman 2040, a government plan for the socioeconomic development of the country. Diverse programs developed by the university provide assistance to operators in the private sector, including logistical and financial support to companies and spinoffs created by university faculty and affiliates. Sultan Qaboos University has prioritized artificial intelligence and information technology in its curriculum.

Across the region, even if the pandemic created a lot of challenges for the educational system, it also unlocked new opportunities, unveiling the potential of online learning. Online education



Lamya Al Haj, Associate Professor, Sultan Qaboos University; Member, Board of Directors, AGSIW

was long approached with suspicion and mostly seen as a default solution to situations in which more traditional ways of teaching could not be implemented. But today, Westermann said, we can ask what the optimal use of technology and mobile learning is to deliver high quality education. She pointed at the potential to reach remote populations in rural areas or refugees camps, for instance.

Increasing Food Security in a Marginal Environment

In the Gulf, as nearly everywhere else in the world, access to food is a greater issue than availability.

At the beginning of the pandemic, governments across the region expressed concerns about potential disruptions to food supply chains. But food systems in the Gulf Arab countries ended up performing well. Some vulnerable people suffered from food insecurity, but it was because they lacked money to buy food, not because it was unavailable for purchase. Most of these people were blue-collar workers who struggled due to the nonpayment or late payment of their wages, Eckart Woertz, the director of the GIGA Institute for Middle East Studies, mentioned. In the Gulf, as nearly everywhere else in the world, access to food is a greater issue than availability.

Gulf countries import about 85% of their food resources.¹⁰ Discussions at the forum focused on how to lower this figure by increasing local food production. Mark Tester, the associate director of the Center for Desert Agriculture at King Abdullah University of Science and Technology, explained that water scarcity remained the main limiting factor for local agricultural growth. For instance, producing 1 kilogram of tomatoes requires 350 liters of water in the region – with much of the water spent on cooling greenhouses. Tester is the co-founder of Red Sea Farms,¹¹ a startup that looks at ways to grow food with saltwater instead of freshwater. Red Sea Farms' greenhouses use saltwater for evaporative cooling and have managed to reduce the consumption of fresh water to around 30 liters per kilogram of tomatoes. According to Tester, this technology could be applied throughout the region.

... the opening up of relations between Israel and some Gulf Arab states creates interesting opportunities for cooperation, given Israel's numerous innovative startups in the food technology and agricultural technology sectors.

The Dubai-based International Center for Biosaline Agriculture¹² similarly strives to improve food security in biophysically constrained environments. Established in 1999 with the support of the UAE government and the Islamic Development Bank, the nonprofit organization identifies, tests, and introduces resource-efficient, climate-smart crops and technologies that are best suited to regions affected by salinity, water scarcity, and drought. According to the

¹⁰ Salim Ghazaly, Roger Rabbat, and Ahmed Mokhtar, "How GCC Countries Can Ensure Their Food Security," *Gulf Business*, August 8, 2020.

¹¹ Red Sea Farms website, accessed January 11, 2021.

¹² International Center for Biosaline Agriculture website, accessed January 11, 2021.

center, 1.7 billion people in Africa, Central Asia, and the Middle East live in such environments, and many of these people depend on farming for their livelihood.

Tarifa Al Zaabi, deputy director general of the International Center for Biosaline Agriculture, explained how her organization works with small farmers to promote salt-tolerant and nutritious crops, such as the Salicornia, a halophyte plant that grows on salt marshes and beaches. The center also promotes solutions to recycle the byproduct seawater that results from desalination and may otherwise harm the environment.

One concern about agriculture in the Gulf that Zaabi mentioned is the age of farmers. For instance, in the UAE, farmers are on average over 41 years old. Reflecting on the need to make farming more attractive to younger people, Tester underlined the appealing power of new technologies in controlled-environment agriculture: "People can really do a lot of things that are highly impactful for the food sector from their laptop in their air-conditioned room." In this domain, the opening up of relations between Israel and some Gulf Arab states creates interesting opportunities for cooperation, given Israel's numerous innovative startups in the food technology and agricultural technology sectors.



Tarifa Al Zaabi, Acting Director General/Deputy Director General, International Center for Biosaline Agriculture

Not all speakers at the forum shared the same level of enthusiasm about technology's potential regarding the development of local agriculture. Woertz, for instance, argued that technology would not create self-sufficiency. Instead, population growth may increase food import dependence to 90%, he stated. "Gulf countries, in a way, need to be worried more about drought in Russia, North America, Brazil, and Australia than in the Gulf itself, because the food is coming from these countries."

If dependence on food imports indeed remains very high in the future, a long-term issue for Gulf countries may be meeting the significant financial costs of their food supplies. While oil revenue still constitutes the largest part of state budgets in Gulf countries, worldwide measures to tackle climate change and decarbonize economies will impact such revenue in the long term, noted Aisha Al-Sarihi, a research associate at the King Abdullah Petroleum Studies and Research Center. Sarihi mentioned the recent Climate Ambition Summit, where many countries set carbon-neutral targets and made pledges that could reduce fuel share demands for Gulf oil.

The Need To Recalibrate the Energy Mix

Gulf countries have between 10 and 30 years to recalibrate their energy matrix.

– Eckart Woertz, Director, GIGA Institute for Middle East Studies

Climate change is not only impacting Gulf Arab countries indirectly through its repercussions on the oil industry. Sarihi noted that average temperatures have been increasing across the Gulf, elongating periods of drought and exacerbating water shortages. This trend increases

needs for cooling and water desalination, two highly intensive processes in terms of energy.¹³ Climate change therefore worsens the growing energy security issue that Gulf countries are facing despite their huge oil and gas reserves. Domestic energy consumption in the region is six times higher than it was in the 1980s, she said, and it keeps increasing, because of population growth, higher standards of living, and low prices of water, electricity, and transportation fuel.¹⁴ Economic diversification itself increases energy demand, because it often includes imperatives to maximize the value of the hydrocarbon sector domestically by expanding local petrochemical industries.

Coronavirus recovery packages should include measures targeting climate change, which would not only benefit the environment but would also create jobs for youth and accelerate economic diversification.

Gulf countries have started to respond to these problems by adopting environmental and climate-related projects. Sarihi mentioned the recent Saudi plan to mitigate carbon dioxide emissions with the promotion of a circular carbon economy.¹⁵ However, these efforts could be scaled up, and the coronavirus crisis provides an opportunity to do so, she added. Coronavirus recovery packages should include measures targeting climate change, which would not only benefit the environment but would also create jobs for youth and accelerate economic diversification.

Governments could implement energy efficiency programs and raise awareness about energy consumption among their populations, including through programs encouraging rooftop solar panels on individual homes or educational initiatives about the energy transition targeting school children. In Woertz's estimation, Gulf countries have between 10 and 30 years to recalibrate their energy matrix. He expressed skepticism at the idea that the region could turn into an exporter of renewable energy in the near future. "Sunlight is much more evenly distributed than oil in the world," he argued. Yet, he encouraged governments and private actors to focus on downstream industries, because while an electric vehicle like a Tesla might not need gasoline, it will still require many plastic components.



Eckart Woertz, Director,
GIGA Institute for Middle East Studies

¹³ Aisha Al-Sarihi, "Prospects for Climate Change Integration Into GCC Economic Diversification Strategies," *LSE Middle East Centre*, February 2018, 10.

¹⁴ Laura El-Katiri and Muna Husain, "Prospects for Renewable Energy in GCC States – Opportunities and the Need for Reform," *The Oxford Institute for Energy Studies*, September 2014.

¹⁵ The concept of circular carbon economy is an integrated and inclusive approach to transitioning toward a more comprehensive and resilient energy system. It encompasses the "4 Rs" – reduce, reuse, recycle, and remove. "The Circular Carbon Economy," Aramco, accessed January 11, 2021.

Conclusion

The pandemic has highlighted the importance of a more comprehensive approach to human security.

While the coronavirus continues its devastating global impact, including on Gulf Arab states, it is not too soon to start drawing lessons about the challenges and opportunities created by this unprecedentedly disruptive pandemic. Reflecting on the theme of economic and social resilience, participants at the fifth UAE Security Forum offered diverse insights on the path ahead to full recovery in the Gulf region.

Abundant financial resources, advantageous demographic structures, strong leadership, and apt levels of medical preparedness helped Gulf governments react quickly and efficiently at the onset of the coronavirus pandemic. Yet, while the Gulf Arab states fared well compared to many other countries, the devastation has been tremendous, particularly on the economy, with ripple effects from the tourism to hydrocarbon sectors.

The main lesson to be drawn from the crisis for Gulf countries may be the imperative to reframe the concept of security in the region. History and geopolitics have led policymakers and nongovernmental actors to prioritize military considerations in the framing of Gulf security. Yet, the pandemic has highlighted the importance of a more comprehensive approach to human security.

Agenda

December 15, 2020

Opening Remarks

Ahmed Al-Mandhari, Regional Director for the Eastern Mediterranean, World Health Organization

Moderator:

Ambassador Douglas A. Silliman, President, Arab Gulf States Institute in Washington

Session 1: Harnessing Momentum To Build Global Public Health Security

The coronavirus pandemic has transformed public health into a central factor in nearly all global decision making, with governments and businesses adding seats at the table for health experts and epidemiologists. Global cooperation on public health, along with technological and scientific innovations, will shape how the world recovers from the biggest health crisis in recent history. How can governments enhance international cooperation and science diplomacy to prevent epidemics and improve disease detection, surveillance, and response? As the protection of public health becomes a critical element in foreign policy, homeland security, development strategies, and trade agreements, how can governments develop the skills needed to effectively mobilize resources to confront future threats? Can the private sector lead the way in forming cross-border partnerships to produce effective strategies for preparedness and responses to potential global health threats?

Speakers:

Juan Acuna, Chair, Department of Epidemiology and Public Health, Khalifa University

Laila Al Jassmi, Founder and CEO, Health Beyond Borders

Jennifer Nuzzo, Senior Fellow for Global Health, Council on Foreign Relations; Associate Professor, Johns Hopkins Bloomberg School of Public Health

Moderator:

Raymond Karam, Chief Program and Development Officer, AGSIW

December 16, 2020

Session 2: Education and Innovation in the Gulf

Over the past decade, Gulf Arab countries have prioritized the education and innovation sectors to harness the potential of a growing population and drive an economic transition toward technology and a knowledge economy. The severe economic downturn prompted by the coronavirus pandemic has further reinforced the importance of diversifying traditional economies. The pandemic not only resulted in disruptions, as lockdowns and social distancing measures were imposed, but also a sharp drop in oil prices, triggered by a fall in global demand. Yet amid this global health and economic crisis, digital transformation has accelerated. With business leaders and entrepreneurs in the Gulf looking to build new business models and incorporate new technologies, is the region's digital infrastructure robust enough to accommodate technologies such as the Internet of Things, artificial intelligence, and blockchain? How can startups and established businesses attract workers with digital skills that are simultaneously in high demand and short supply to implement advanced technologies and deliver on their innovation goals? What role can schools and universities play in preparing the next generation of skilled workers? With many businesses looking at regional expansion to support their long-term growth ambitions, what are the prospects for regional economic integration?

Speakers:

Lamya Al Haj, Associate Professor, Sultan Qaboos University; Member, Board of Directors, AGSIW

Robert Mogielnicki, Resident Scholar, AGSIW

Mariët Westermann, Vice Chancellor, NYU Abu Dhabi

Moderator:

Kristin Smith Diwan, Senior Resident Scholar, AGSIW

December 17, 2020

Session 3: The Way Forward Toward a Green Recovery and Sustainable Future

As the Gulf Arab countries look to recover from the impacts of the coronavirus pandemic, climate-related challenges loom large over their economic revival plans. Similarly, a steep downturn in oil prices has exposed strategic risks, including securing long-term, sustainable access to water and food resources. The economic consequences of, and solutions to, all these problems further reinforce the importance of reducing oil dependence and making vulnerable sectors more resilient to economic shocks. Is this a window of opportunity for Gulf leaders to drive diversification policies further and faster? Will shifts in consumer and industrial behavior reorient economic policy toward sustainable development goals? What comprehensive steps can governments take to help reinforce supply chains and access to water and food resources?

Speakers:

Aisha Al-Sarihi, Research Associate, King Abdullah Petroleum Studies and Research Center;
Non-Resident Fellow, AGSIW

Mark Tester, Co-Founder, Red Sea Farms; Associate Director, Center for Desert Agriculture,
King Abdullah University of Science and Technology

Eckart Woertz, Director, GIGA Institute for Middle East Studies

Tarifa Al Zaabi, Acting Director General/Deputy Director General, International Center for
Biosaline Agriculture

Moderator:

Emma Soubrier, Visiting Scholar, AGSIW

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