

Working

Paper

July 2020

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Canada and the Gulf

About the Author



Dennis Horak retired from the Canadian Foreign Service in 2018. During his 31- year diplomatic career, his overseas assignments included postings in Stockholm, Warsaw and London. But his career had an extensive focus on the Middle East/Gulf region. He served as Chargé d'affaires/Head of Mission in Iran for the 3 years prior to the closure of the Embassy in Tehran in 2012 and he had two separate assignments in Riyadh, including his final posting as Ambassador to Saudi Arabia, Oman, Bahrain and Yemen from 2015-18. His Headquarters assignments included terms as Director of both the Gulf and Maghreb and Middle East Divisions. Mr. Horak currently lives in Toronto.

Funding Acknowledgment

This Working Paper was funded by the Defence and Security Foresight Group which receives funding from the Mobilizing Insights in Defence and Security (MINDS) program designed to facilitate collaboration and mobilize knowledge between the Department of National Defence, the Canadian Armed Forces, and academia and other experts on defence and security issues. Through its Targeted Engagement Grants, collaborative networks, scholarships, and expert briefings, MINDS works and collaborates with key partners to strengthen the foundation of evidence-based defence policy making. These partnerships drive innovation by encouraging new analyses of emerging global events, opportunities, and crises, while supporting a stronger defence and security dialogue with Canadians.

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Abstract

The article tracks Canada's relations with the Arab Gulf countries from the early days of the establishment of diplomatic ties in the years following the oil boom of the 1970's through to the upending of relations with Saudi Arabia in 2018. It highlights the consistent and sustained priority Canada attached to commercial links, even as regional developments forced political and security challenges onto the Canadian agenda. The article notes the central position occupied by Saudi Arabia in Canada's regional calculations, which only recently came to be challenged by the UAE. The author explores the shift in approach to the region brought by the Harper Government, including sustained political engagement across the Gulf and how the election of the Trudeau Government resulted in a return to more the more limited diplomatic focus Canada had traditionally brought to the Gulf, but with an heightened political focus on human rights (especially with Saudi Arabia). The author argues that the Gulf is too important to discount or ignore and that a resumption of normal diplomatic ties with Saudi Arabia, whatever problems Canada has with the regime, would be in Canada's interest

Keywords

Arab Gulf States; Saudi Arabia; political engagement; military engagement; foreign policy

Introduction

For much of its near 50-year history with the Arab Gulf States¹, Canada has viewed the region as a potential market and little else. Regional events and crises over the years have added political and security dimensions to Canada's regional relationships and they did help diversify Ottawa's Gulf ties. But, the addition of these new elements in Canada's Gulf relationships largely reflected the strength of Canada's support for the multilateral initiatives that drove them rather than any reordering of Canada's Gulf priorities. Trade remained the key driver, with Saudi Arabia being Canada's principal regional target and partner. The Harper Government's focus on the Middle East generally, led to deeper, more diversified and comprehensive engagement with the Gulf. But it was an approach to the region that ended up being relatively short-lived. The Trudeau Government's commitment to a values-based foreign policy, coupled with the emergence of Saudi Arabia as a politically toxic issue in Canada, resulted in broad retrenchment and a sharper realignment of Canada's regional focus away from Saudi Arabia. Going forward, Canada's position in the Gulf will continue to evolve. There are emerging security challenges – principally focused on Iran – but they are unlikely to generate the kind of broad international consensus that sparked Canadian political and military engagement in the past. Despite a shrinking pie, trade will remain the core priority. But a greater commitment to sustained political engagement will be needed in an increasingly competitive environment for Canada to achieve even its more limited regional objectives.

The Early Years: Canada enters the Gulf

For a country still establishing its international presence and building its diplomatic network in the years following the Second World War, it is not surprising that the relatively quiet, peaceful and backward Gulf region didn't really register for Canada as it looked outward. For Ottawa, the Middle East meant the Levant, with the principal driver being the Arab-Israeli conflict.

Canada had been a member of the UN Special Committee on Palestine in 1947 and Canadians had served with the UN Truce Supervisory Organization in 1948. The country earned its diplomatic bones during the Suez crisis with the creation of the UN Emergency Force. Canada had established diplomatic ties with all of the key players in the Levant, with Canadian-Israeli links particularly strong.

While Ottawa had opened Embassies in Iran and Iraq in the 1950s and 60s and had established formal diplomatic relations with Kuwait in the 1960's shortly after independence, the Arab Gulf was an after-thought (if it was thought of at all) until the early 1970's.

Canada's entry into the Arab Gulf emerged out of the Foreign Policy review conducted by the newly elected Government of Pierre Trudeau (1968-70). While the White Paper that came out of the review, *Foreign Policy for Canadians*, made only passing reference to the Middle East and none at all to the Gulf region, it did establish the promotion of economic growth as a core foreign policy objective.² This new emphasis trade in Canadian foreign policy was reinforced in 1972 with the announcement of the *Third Option*, which highlighted the need for trade diversification to lessen Canada's economic dependence on the US.³

The Middle East was fertile ground for the growth and diversification goals of the Government. The value of Canadian exports to the Arab world grew tenfold in the first few years of the new decade; rising from \$24m (USD) in 1970 to over \$240m in 1973. Imports grew significantly as well. Business-people and Ministers, including then Finance Minister John Turner, visited the region and noted the opportunities being missed by Canadians.⁴

The need to pay closer attention to the Gulf came into sharp relief in the fall of 1973 with the start of the Yom Kippur war and the launch of the oil embargo by the Organization of Oil Producing Countries (OPEC). Pushed by Egypt and agreed to (reluctantly) by Saudi Arabia, the embargo targeted a number of countries for their strong support for Israel, including Canada.

The embargo presented both risks and longer-term opportunities for Canada. The country was reliant on Saudi Arabia for roughly 10% of its oil needs (with "Arab oil" accounting for 25% of Canadian supply). Accordingly, the impact of the embargo on Canada promised to be significant.⁵

At the same time, the massive, 400% increase in oil revenues flowing from the embargo coupled with the region's ambitious development plans, presented a range of potentially lucrative commercial opportunities for Canada in the Gulf.

Given these realities, the embargo naturally focused minds in Ottawa on the risks and opportunity costs of continuing to ignore or benignly neglect a Gulf region growing in power and wealth.

One tangible outgrowth of the Foreign Policy review was the decision of the Department of External Affairs to expand Canada's diplomatic network abroad by opening new posts.⁶ Given the circumstances, Saudi Arabia was a logical option.

Shortly after the launch of the embargo, the Cabinet decided to upgrade diplomatic relations with Saudi Arabia from a non-resident Ambassador based in Beirut (set-up only months earlier) to the establishment of a fully accredited Canadian Embassy in Jeddah (opened in 1974). Diplomatic ties were also established that year with Oman, Bahrain, Qatar and the United Arab Emirates, but they were managed out of Canada's Embassy in Tehran. It took another four years, before Canada opened its second Gulf Embassy in Kuwait City in 1978.⁷

Canada's decision to prioritize the development of the relationship with Saudi Arabia made sense given the relative potential of the Kingdom. It was by far the largest country in the Arab Gulf and its position as the region's primary oil exporter would give it broad influence and an unparalleled revenue stream for years to come. The Saudi-first approach in 1973 set a pattern that would guide the management and structure of Canada's relations with the Gulf countries in the decades to come.

But Canada was coming very late to the party in the Gulf. The US and the UK had been vying for influence in Saudi Arabia since at least the 1930's (with the US ultimately coming out on top). The UK had had a dominant presence in Kuwait, Bahrain, Qatar, Oman and what later became known as the United Arab Emirates since the early part of the 19th century. The Gulf states gradually gained their independence through the 1960's and 70's, but UK influence remained strong.⁸

It was, accordingly, an uphill battle for Canada to find a profitable commercial role in these increasingly wealthy Gulf monarchies. A major breakthrough came in 1978 when Bell Canada won what was then the largest telecom contract of its kind⁹ and the largest single Canadian export contract.¹⁰ The value of the contract and its various spinoffs, including with Saudi Aramco, eventually totalled more than \$3 billion by the time it concluded ten years later.

The contracts established a profile for Canada in the Kingdom. They created an image of Canada as a technologically advanced country, capable of providing high quality products. It paved the way for Canadian companies like SNC Lavalin, Bombardier, CAE and General Dynamics Land Systems in the decades that followed. For a generation of Saudis, Canada meant Bell Canada.

The deal also resulted in the first major influx of Canadians into the region. Canadian oil workers, teachers, high-tech specialists, managers and support staff created large Canadian expat communities across the Gulf; establishing strong people to people links, while significantly adding to the consular burdens imposed on what was then still a very limited Canadian diplomatic and consular presence.

The bridge formed between Canada and the Gulf states in the medical field during this time was particularly noteworthy. Beginning with an influx of Canadian doctors and nurses to service the expansion of the health systems in Saudi Arabia and the rest of the Gulf, the trajectory shifted over time, as thousands of Gulf medical professionals started coming to Canada to pursue their education and advanced training in Canadian hospitals and medical schools. The medical links with Saudi Arabia were particularly strong, with Saudi Arabia eventually becoming the largest overseas chapter of the Canadian College of Physicians and Surgeons. For the post-Bell Canada generation of Saudis, Canada was where their doctor was trained.

For Canada in the Gulf, the 1970's was a period of discovery and expansion and a time of opportunity. While there were political concerns that arose from time to time, the region was seen as largely tranquil and open for business. The Gulf was a relatively safe cashbox that Canada was (albeit belatedly) determined to exploit and Saudi Arabia was at the centre of it.

Revolution and War

The events of 1979/80 shattered the calm and stability that had long marked the Gulf region (particularly relative to their Middle East neighbours). They set in motion forces that would profoundly change the direction and global perception of the countries of the region, including in Canada.

The Islamic Revolution in Iran in 1979 shocked the Gulf countries profoundly (like much of the rest of the world). While many of the Arab Gulf states had long had tense relations with Iran and worried about Iranian territorial aspirations even under the Shah (Bahrain had previously been claimed by Iran and three UAE islands were occupied by Iran), revolutionary Iran clearly posed a very different kind of challenge.

The arrival of the Islamic Republic upended the accepted traditional political order. Ayatollah Khomeini's open hostility to the Gulf monarchies and his apparent determination to export the revolution across the Gulf and wider Middle East sent security concerns into overdrive. The impact was felt widely, but particularly in Saudi Arabia and Bahrain.

The Islamic revolution challenged Saudi Arabia's self-declared position as the leader of the Muslim world and prompted a fuller or renewed embrace of conservative religious values by the Kingdom. The Saudi religious establishment – driven by the strict traditions of "Wahhabism" – was given wider latitude and influence within the Kingdom in what was already a deeply religious and conservative society.¹¹ Saudi concerns about the inspirational risk of political Islam were reinforced in 1987 following a riot in Mecca by religious extremists.

The Saudi response to the Revolution was, effectively, to co-opt the agenda of potential Islamic revolutionaries in their midst. By unleashing the religious establishment and giving it full state backing, they delivered the benefits of an Islamic Revolution to potential religious hardliners without them having to bother with an actual revolt.

The Revolution also had an impact on the Shia populations in the Gulf countries, especially in Saudi Arabia and Bahrain where they had long faced discrimination. Fears that Iran would exploit disaffected Shia populations in the Gulf exacerbated sectarian tensions and repression (an attempted Iranian-inspired coup by Shia fundamentalists in Bahrain in 1981 only reinforced these concerns).

The Iran-Iraq war elevated regional tensions further and entrenched the mutual and visceral hostility and general sense of insecurity that continues to mark both sides of the Gulf. One tangible outcome of the war was the establishment of the Gulf Cooperation Council (GCC) which brought together the six Arab Gulf States into a formal regional grouping aimed at promoting enhanced economic cooperation and integration and bolstering a common approach (at least rhetorically) to regional security.

While Gulf tensions were a world away from Ottawa, the image of the region as a peaceful and relatively stable place to get rich was shattered. There was still money to be made, but the Gulf had changed. The Revolution and its aftermath had both short and longer-term implications for Canada's dealings with the region.

The impact of the Revolution and the changes it produced in the countries of the region was reflected most immediately in the structure of Canada's diplomatic footprint in the region. The break in Canada's diplomatic relations with Iran following the rescue of US hostages in 1980 required a shift in responsibility for the management of relations with Bahrain, Qatar, the UAE and Oman from the Embassy in Tehran to the recently opened Mission in Kuwait (Bahrain and Oman were later transferred to KSA).

This structural change, however, reflected more than the administrative needs of the Department. Iran had been at the centre of Canada's regional engagement prior to the Revolution (as reflected in the concentration of Canadian diplomatic resources in Tehran). The move, coupled with what would turn out to be an extended Canadian absence from Tehran, underscored and reinforced a shift in Canadian interests and attention from Iran to the Arab states of the Gulf.

While it is hard to say whether Canada's diplomatic break with Iran bought Ottawa greater influence or attention in the Gulf (insofar as the Arab leaders in the Gulf even noticed), it certainly didn't hurt that their newly interested Canadian friend was also enemies with their enemy. It's an idea that has deep resonance in the region.

These shorter-term benefits, however, were off-set over the longer term by the way in which the region responded to the new challenges – real or imagined. The actions of the Arab Gulf states during this tumultuous period planted the seeds of many of the irritants that would come to form the basis of Canadian human rights concerns going forward and the security challenges that would come to dominate assessments and priorities in the region. Shia repression, the role of Islamic fundamentalism in KSA, the stagnation/regression of women's rights terrorism and sustained security tensions in the Gulf (both Iraq/Saddam and Iran), for example, were all shaped or influenced, at least in part, by the tectonic shifts initiated by the events in Tehran in 1979.

After nearly a decade of revolution and conflict, the end of the Iran-Iraq war in 1988 brought a period of brief normalcy to the region. Canada re-established diplomatic relations with Iran in 1988 at the conclusion of the Iran-Iraq war, but the Mission in Tehran never regained the pre-eminent position it had had prior to the Revolution. The Arab Gulf countries, particularly Saudi Arabia, remained the centre of gravity for Canada's diplomatic engagement in the Gulf (even if Iran did, eventually, regain its position as a key trading partner).

The Gulf War– Canadian engagement deepens

Peace in the region was, however, short-lived. In August 1990, Iraq invaded and occupied Kuwait, plunging the region into another crisis. The war added a new, political/security dimension to Canada's relations with the Gulf.

Canada, which had a seat on the UN Security Council at the time, was quick to condemn the Iraqi move. PM Mulroney dispatched a naval task force to the Gulf a mere three weeks after the invasion to help enforce the UN mandated embargo aimed at pressuring Iraq to withdraw from Kuwait. It was only the first of many Canadian deployments to the Gulf in response to the crisis. By the end, Canada had sent 4500 Canadian Forces Personnel, 2 Air Force Squadrons (24 aircraft), 3 ships and a field hospital to the Gulf to support coalition efforts.¹²

Canada's decision to send Canadian Forces into combat for the first time since the Korean War had less to do with the depth of its relations with the Gulf countries than it did with Canada's support for the UN, as was highlighted by PM Mulroney when the deployment was debated in Parliament. While the PM noted the "terrible wrong being perpetrated in Kuwait by Saddam Hussein", he went on to note that Canada had a "moral obligation" to support the international community.¹³ The motion that was eventually passed by Parliament noted explicitly that it was a vote in "support of the United Nations in ending the aggression by Iraq against Kuwait."¹⁴

Whatever the rationale may have been, Canadian participation in Desert Storm resonated in the Gulf, especially in Kuwait. It raised Canada's profile across the region and broadened Canada's outreach across the Arab Gulf.

During the war, Canada had deployed more than 500 Canadian forces personnel in Qatar – at a base dubbed "Canada Dry" – marking the first major contact between the two countries (although it would take more than 20 years before Canada would establish an Embassy Doha). Canadian post-war deployments of ships to the Gulf under the UN-mandated Maritime Interdiction Force aimed at enforcing Iraq sanctions enhanced Canada's visibility through regular port visits and goodwill missions across the region. Canada also contributed personnel to the UN Iraq-Kuwait Observer Mission (UNIKOM) for ten years following the war. These efforts reinforced positive attitudes towards Canada and an appreciation for the contributions the country had made to Gulf security. They established a foundation for continuing Canadian Forces engagement in the Gulf going forward.

The post-war period also saw a noticeable spike in Canadian military exports to Saudi Arabia,¹⁵ including the first sale of more than 1000 Light-Armoured Vehicles (LAVs) to the Saudi National Guard by General Motors Diesel Division of London in 1993 (the pre-cursor to General Dynamics Land Systems). It is hard to divorce these and other similar successes – controversial as some were even at that time owing to human rights concerns in Canada¹⁶ – from Canada’s efforts in the Gulf War. The choice of foreign contractors in the region is often shaped as much by political considerations and the desire to enhance partnerships as they are by commercial or technical considerations. Even if Ottawa’s motivations for military engagement were driven more by Canada’s traditional internationalism than a conscious effort to enhance Gulf ties, the war had made Canada a partner.

The Middle East Peace Process – Broadening the dialogue

From its earliest days, Canada’s relations with the Gulf countries had been challenged by differing views on the Arab-Israeli conflict, particularly Canada’s strong support for Israel (as was reflected in OPEC’s decision to include Canada among those countries targeted by the Arab oil embargo in 1973). While Canada’s relations with the Gulf countries had managed to overcome these difficulties and grow, differences over the conflict remained a bone of generally friendly contention and dialogue.

The emergence of a potentially viable Middle East Peace Process (MEPP) following the Madrid Conference and the Oslo Accords in the early 90’s created an opportunity to bridge these traditional differences and to broaden the prospects for enhanced Canadian political engagement with the Gulf on a policy issue that was at the centre of the Middle East’s security and political calculations.

Canada’s appointment as the Gavel holder of the Refugee Working Group (RWG) as part of the multi-lateral track of the Madrid Process became a valuable thread of contact between Canada and the Gulf.

The RWG was a particularly sensitive file which addressed issues that resonated deeply across the region (especially among the large Palestinian diaspora resident in the Gulf). Various Canadian Gavel Holders toured the Gulf regularly, searching (mostly), for funds to finance various initiatives and UN-RWA, but also to canvas regional experts and officials on priorities and ideas on the core issues tied to the Palestinian refugee challenge.¹⁷ These RWG discussions were among the first sustained policy dialogues Canada had had with the countries of the Gulf region.

There were still important differences between Canada and the Gulf states on a range of Palestinian-related issues, but the gap was narrowing and Canada’s strong support for Israel was not the irritant it had been in the past. The fact that Oman and Qatar had, themselves, allowed Israel to open “trade offices” in Muscat and Doha respectively during this period aptly demonstrated how significantly the ground was shifting in the region.

While the MEPP and the RWG ultimately foundered, the respect and goodwill Canada had accumulated in the Gulf during the RWG period was sustained long after the work of the RWG ended. Years later, as with Canada’s Gulf War contributions, regional leaders frequently referenced the RWG as a measure of Canada’s reliability as a partner.

Expansion and Reorganization

The events of the 1990's raised the profile of the Gulf within Canadian policy circles and added new dimensions to Canadian engagement with the region. But the way in which the Department of Foreign Affairs and International Trade responded to these shifts only served to underscore the continuing priority attached by the Government to the commercial opportunities available in the region. Canada's political and military/security engagement initiatives were event driven and internationalist in orientation. They didn't alter the core foundations of the relationship(s) which remained explicitly commercial.

In 1991, Canada opened a trade office in Dubai, affiliated with and supported by the Canada-Arab Business Council. It was upgraded to a full Consulate in 1993, with a mandate to take fuller advantage of Dubai's burgeoning status as a regional trade hub. The Emirati authorities in Abu Dhabi, however, were never entirely comfortable with the presence of foreign Missions in Dubai, but not the capital in Abu Dhabi. They pressed hard for countries to open full Embassies in Abu Dhabi as a complement to (not replacement for) their Consulates in Dubai. Canada finally agreed and, in 1996, it opened a small Embassy in Abu Dhabi.

This expansion of the Canadian diplomatic footprint in the Gulf was welcomed locally and it did provide Canada with a wider window on developments in the region. But the accompanying restructuring of the way in which Canada's relations with the region would be managed signalled that, for Ottawa, the Gulf remained largely a market to exploit, with Saudi Arabia firmly at the centre.

The Government set up a "hub and spoke" arrangement for the delivery of the Political/Economic program in Gulf, with the political team at the Embassy in Riyadh at the centre. The Heads of Mission in the UAE and Kuwait (which also had responsibility for Qatar) were instructed to focus their efforts principally on advancing commercial priorities and interests (all of the Canadian Ambassadors serving in the region at this time were drawn from the ranks of the Trade Commissioner Service stream of the Department). The two-person Riyadh political team – now stretched to cover 7 countries of accreditation - would handle the political/economic files, under the supervision of the local, resident Ambassadors in Kuwait and Abu Dhabi.

It was a cumbersome and wholly unsatisfying arrangement for all involved. The result was that the political coverage for Canada in the Gulf focused most tightly on Saudi Arabia, with the others getting little more than perfunctory or functional attention. While the host countries were confused by the Canadian approach, this kind of structure and the results it produced probably accurately reflected how Canada actually saw the region: KSA was at the centre; the others were spokes, worthy of less attention and political coverage. They were markets.

Saudi Arabia may have been the first among Gulf equals, but even that de facto designation didn't seem to mean much at the political level in Canada. There was little appetite for political engagement and visits were rare. The tide seemed to shift briefly in 2000 when PM Chretien undertook the first ever visit by a sitting Canadian PM to Saudi Arabia, but the focus in meetings with the King and the Foreign Minister was mostly centred on commercial interests.

That the visit also came at the end of what the press had dubbed “Chretien’s Terrible Trip”, where he stumbled verbally into a range of regional rhetorical traps during stops in Israel and Syria,¹⁸ likely only reinforced the Government’s evident reluctance to wade too deeply into the region’s political challenges.

But there was hope, at the time, that it would open the door to enhanced political engagement, if only to give a boost to Canada’s commercial aspirations. It didn’t happen. September 11 shifted the narrative surrounding the region, particularly Saudi Arabia. It undercut, for a time, whatever internal Canadian drivers there were for a fuller political embrace of the Gulf.

Post 9/11

The events of 9/11 rocked the world. The fact that 17 of the 19 hijackers came from the Gulf (15 Saudi and 2 Emirati nationals) was a wake-up call for many. It brought long standing concerns about the impact and risk of Saudi Arabia’s virulent brand of Islam (Wahabism) into sharp relief and, perhaps more significantly, into the public domain. Charges of Saudi Government complicity in the attacks were levelled widely and, in many circles, stuck long after the 9/11 Commission report essentially absolved the Government of any direct complicity.¹⁹

Shortly after the attack, Canada re-imposed travel visa restrictions on Saudi citizens who, prior to 9/11, were able to travel to Canada visa-free. The decision aligned Canada’s visa regime in the Gulf with that of the US (important in that environment) and well-reflected the changed perceptions of the security challenge posed by the Kingdom in the post-9/11 world. The Saudis were not pleased with the decision and visas became a lasting irritant in Canada’s bilateral relations with Riyadh (as it was with the rest of the Gulf states).

While the Saudis immediately declared their openness to enhanced security cooperation with Western partners after 9/11, it really didn’t materialize until 2003 when two residential compounds in Riyadh were bombed by Al Qaeda-affiliated terrorists. There had been previous terrorist attacks in the Kingdom, including the Khobar towers and Saudi National Guard bombings in 1996 and a couple of car-bomb attacks in 2002. But the scale of the compound bombings, coming after 9/11, focused Saudi minds more acutely on their own vulnerability to the extremist ideology some Saudi nationals had so actively cultivated and that the Government had, seemingly, so blindly ignored.

Security cooperation and intelligence sharing deepened, including with Canada, and that helped start rebuilding bridges of trust. Mohammad bin Nayef, the Assistant Minister of the Interior responsible for Security Affairs at the time became a particularly strong ally in what became a joint fight against terrorism, especially following his elevation to Minister in 2004.²⁰

Perhaps the most significant impact of 9/11 and its aftermath on Canada’s relations with the Gulf came with the expansion of Canada’s military engagement or presence in the region. Canadian warships, under Operation Altair, were deployed to the Gulf as part of Operation Enduring Freedom and Canada set up a military base - Camp Mirage - in Dubai to transit Canadian forces, Government personnel and assets in and out of theatre in Afghanistan.

Canadian Forces personnel also found themselves in Bahrain as part of the Combined Maritime Force (CMF) Task Force 150 on counter-terrorism duty in the Gulf of Aden, Gulf of Oman, Red Sea and Indian Ocean. Canadian military vessels regularly participated in Task Force 150 operations – often in cooperation with the other Arab Gulf countries who were among its members – establishing both a regular military presence in the region and direct and sustained engagement with military personnel and assets from those countries. It added a new dimension to the relationships with them and enhanced Canada’s regional profile.

With the taint of 9/11 still lingering and the pull of the war effort, Canadian companies and other Government departments increasingly started to look to the UAE as the centre of their operations. Notable among these shifts was the decision taken by the Government to move the office of the Canadian Defence Attaché from the Embassy in Riyadh to Abu Dhabi. The Canadian Government also eventually abandoned the hub-and-spoke arrangement for the Gulf Missions. Fully responsibility for managing the political relations with their host countries was returned to Kuwait and Abu Dhabi and, over time, staff was added to the Missions to provide more effective and comprehensive diplomatic political coverage of the Gulf.

While Saudi Arabia remained Canada’s main trading partner and target market and its principle point of strategic and political interest in the Gulf (owing to its relative size and regional relevance), the centre of Gulf gravity for Ottawa was starting to shift or, at least, disperse. Increasingly, the UAE began to challenge Saudi Arabia’s supremacy in Canada’s regional calculations.

The Harper Embrace

While 9/11 broadened the scope of Canadian interaction with the Gulf region on military/security matters, the Government’s reticence to engage regional leaders at the political level in any sustained way remained palpable. Canada was in the region because it needed to be; not because it wanted to be.

The Harper Government’s election in 2006 brought a different calculation to the Gulf equation. The new Government had a much deeper interest in the Middle East generally than its predecessors; driven in large measure by the Harper Government’s almost fawning embrace of Israel. While all Canadian Governments had been “pro-Israel” to some degree, the Harper Government seemed determined to demonstrate at every turn that Israel had never had a better friend in Ottawa.

Harper’s approach towards Israel created challenges for Canada in the wider Middle East. The pervasiveness of Harper’s embrace of Israel didn’t go down well with Arab countries or commentators – or many Canadians for that matter – who had had an image of Canada as an “honest broker” in the Palestinian Israeli conflict. In truth, Canada had never been a neutral party in the conflict. But the degree to which the Harper Government seemed to side so visibly with Israel took many off-guard.

It took some doing, but the potential damage to Canada’s relations with Arab countries was largely contained, in large measure as a result of the Government’s commitment to a process of sustained engagement and dialogue across the Middle East, particularly following the appointment of John Baird as Foreign Minister in 2011.

While a number of Conservative Ministers, including some of his predecessors as Foreign Minister, had visited the region, Baird made it a goal to visit every Arab country at least once during his tenure. The Gulf, the UAE in particular, received sustained attention. Baird passed through the Gulf regularly on bilateral visits and to participate in regional conferences, including the Manama Dialogue in Bahrain and, especially, the annual Sir Bani Yas Forum in Abu Dhabi.

The impact of Canada's deep and public embrace of Israel was also mitigated by the Harper Government's noticeably harsh position and rhetoric on Iran. Even if this hostility was a function, at least in part, of the Harper Government's close affinity for Israel, the approach resonated strongly in the Gulf, where the Iran problem increasingly challenged the pre-eminence of the Arab-Israeli dispute on their foreign policy agendas.

Canada's concerns about Iran's regional activities, its support for terrorism, its nuclear program and its unrelenting hostility to Israel were nothing new. They had been at the centre of Canada's Iran policy for some time. But, the Harper Government seemed unusually pre-occupied with the Islamic Republic, with Harper and Baird regularly denouncing Iran as "the greatest threat to international peace and security" (Iran's President, Mahmood Ahmadinejad made this effort immeasurably easier). The Government stepped up Canadian efforts to pressure and isolate the country, culminating in the break in diplomatic relations in 2012.

As a result, Canada's dialogue with the Gulf states expanded widely. Not only was there a Government and, in particular, a Foreign Minister interested in regularly and personally engaging with his Gulf counterparts on regional foreign policy issues of interest to them, but shared perceptions about the Iran threat provided a degree of substance and common ground that got the attention of regional leaders. Canadian views were respected and canvassed in a way and with a regularity that had not really been the case previously.

Trade remained a core Canadian priority in the region, as reflected in the inclusion of the Gulf states in the Global Markets Action Plan setting out priority commercial markets in 2013.²¹ But the Government's commitment to *sustained* political engagement as a complement to the more traditional, singular drive for markets, reflected its desire for a more comprehensive Canadian approach to the Gulf that was welcomed locally. The Gulf countries, as noted, were looking for partners, not just customers or suppliers looking for lucrative deals. The new Canadian approach met those expectations.

The shift in Canada's attitude was most aptly illustrated by the launch of the Canada-GCC Strategic Dialogue in 2013. The Dialogue – which built on the Shared Strategic Agenda initiated earlier and which well-illustrated the UAE's ascendance – provided a framework for formal and regular Ministerial and working-level engagement on regional and global issues. At the second Ministerial meeting in Jeddah in 2016, the parties announced the launch of an Action Plan for enhanced cooperation on political and security issues, trade, investment, education, health and energy and included provisions for increased cooperation and dialogue on social, economic, cultural, scientific issues and on human rights.²²

While the Action Plan set out a road map for cooperation, in practical terms it had very little impact in actually enhancing cooperation in any of the areas it was meant to highlight.

What cooperation there was (which in areas like education was already substantial) wasn't reliant on an Action Plan – it was happening organically anyway. But it was aspirational and did signal Canada's commitment to develop and enhance relations with the Gulf.

The culmination – or, perhaps, reward – for Canada's new commitment to the Gulf came with the signature in 2014 of the unprecedented LAV contract with General Dynamics Land Systems (GDLS) of London Ontario, valued at an estimated \$15 billion. It was the largest export contract in Canadian history. While GDLS (and its predecessor entity) had been selling LAV's to the Saudis for more than 20 years by that point – giving the company a competitive leg-up – competition for the contract was fierce and it had the full backing of their respective Governments.

Even with the advantage of experience and technology, GDLS would have had difficulty winning a contract of this magnitude without the full support and engagement of the Canadian Government. The fact that this contract was done through the Canadian Commercial Corporation, rather than the US Foreign Military Sales program (as the previous LAV deals had been) reflected the degree to which both the Saudi and Canadian sides viewed this as a deal between mutually supportive, friendly Governments. It was as much a partnership arrangement as an arms deal. That's telling about where the bilateral relationship, as a whole, stood following years of sustained cultivation and engagement.²³

None of this should suggest that Canada's relations with the Gulf states was smooth sailing through the Harper years. Disputes with the UAE over landing rights for Emirates Airlines threatened to derail ties, particularly after the UAE threatened to close Camp Mirage and denied landing rights for the Canadian Foreign Minister in an attempt to ramp-up its leverage in the dispute.²⁴ The base was eventually closed in 2010). Tensions also erupted with Qatar, following Doha's announced intention to make a play to have the headquarters of the International Civil Aviation Organization moved from Montreal to Doha.²⁵ Additionally, various consular cases complicated relations across the region, particularly in Saudi Arabia.

But none of these disputes or irritants derailed the Government's determination to build and sustain stronger ties with the Gulf. On the contrary, beyond the various initiatives launched and visits undertaken, the Government also decided to expand Canada's diplomatic footprint with the opening of an Embassy in Doha Qatar in 2012; reflecting not only the rapid expansion of Qatar's economic potential, but also its increasingly visible and active political role in the region and beyond.

By the time the Harper Government's term of office came to an end in the fall of 2015, Canada's relations with the Gulf had become both multi-faceted and multipolar. Trade was still a priority, but the Conservatives had left behind a broader political framework aimed at enhanced and sustained dialogue with the region. Saudi Arabia, long first among equals, had seen its primacy in Canadian Gulf calculations increasingly challenged by expanding links with the UAE and Qatar and initiatives aimed at treating the Gulf as an entity. The Saudi-centric approach to the region had given way to a more diversified perspective of the Gulf as a region with many partners, but the LAV deal was a clear reminder that the Kingdom's size and commercial potential could still dwarf that of its neighbours under the right conditions.

The Liberal Shift

It was perhaps inevitable that the election of Justin Trudeau's Liberal Government in the fall of 2015 would lead to a shift in Canada's approach to the Gulf. The wide and warm embrace of the region by the Conservatives was an anomaly in the decades-long approach Canada had brought to the region. Some level of retrenchment was likely given the Liberal Party's public commitment to a more values-based, "Feminist" foreign policy. That kind of approach was never going to sit as easily or comfortably with the tradition-bound Gulf, especially Saudi Arabia. Moreover, the new Government, from its earliest days, seemed considerably less interested in the Middle East generally.

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But it was the emergence of Saudi Arabia as an electoral issue in the last weeks of the 2015 campaign (particularly during the French language debate) that accelerated the shift in Canada's approach and position in the Gulf.

The two main issues were the LAV deal and the imprisonment of Saudi blogger, Raif Badawi (whose wife and children had taken up residence in Quebec). Both issues shone

an unprecedentedly bright Canadian political spotlight on Saudi Arabia's human rights record and challenged Canadian political leaders to take a position on Canada's relations with Riyadh.

All parties were clear about the need for Badawi's release, but there were divisions on the question of the LAVs. The Conservatives, who negotiated the deal, were naturally unreservedly supportive, noting the jobs it brought to Canada and the alignment of Canada's strategic interests (counter-terrorism and, especially, Iran) with the Gulf countries. The NDP and the Bloc were opposed and urged that the deal be cancelled. The Liberals tried to carve out a middle ground; indicating that while they would not cancel the deal for these "jeeps", future arms sales would respect Canadian "values."²⁶

Saudi Arabia had become political and, accordingly, it had become a problem. The issues raised pitted two key planks of the Government's agenda against each other: Support for "good middle-class jobs" versus the commitment to a values-based foreign policy (which had particular resonance in Quebec and within progressive Liberal circles). The Liberal compromise - safeguarding existing jobs, while, essentially, pledging that they would never negotiate that kind of deal with the Saudis - pleased no one.

The upshot was that the Kingdom became politically toxic for the Government.

The Trudeau Government didn't introduce human rights onto the Canada's bilateral relations with the Gulf generally or Saudi Arabia in particular. Far from it. The issue had been a consistent feature of Canada's interactions with the countries in the region for decades, including during the Harper years. Canadian diplomats had been regularly tasked with raising Canadian grievances for decades. Saudi Arabia got the most attention in this regard, but similar interventions were also made at one time or another with the other Gulf states as well, even if their own records were frequently not as well known or as habitually egregious.

But the difference this time was that human rights had become, under the Trudeau Government, the principal driver of Canada's policy towards Saudi Arabia rather than just an element – important as it was – of Canada's engagement with the country. Human rights, effectively, became the only item on Canada's bilateral agenda. The Badawi and LAV cases and the politics that surrounded both were the catalyst for the shift.

The media profile attached to the Badawi case, the on-going humanitarian nightmare in Yemen, the mass execution of 40 Shia activists in early 2016 and the Saudi siege of a Shia village in 2017 (involving Canadian military exports, but not the LAVs) continually reinforced the Government's human rights preoccupation with regards to Saudi Arabia. Critics were not shy in noting the incongruity between the Government's values-based foreign policy agenda and its opposition to cancelling an existing arms contract that was responsible for 3000 "middle-class jobs" in London, Ontario.

Ironically, this heightened focus on human rights, came during a period of unprecedented social reform in Saudi Arabia which aimed at redressing many of the grievances that Canada had long pressed in the Kingdom. The important reforms encapsulated in the Kingdom's Vision 2030 program, including meaningful improvements for women, changes to the education system and economic diversification efforts, coupled with moves to restrict the role of the conservative religious establishment and make the Kingdom, in the words of Crown Prince Mohammad bin Salman, a "more normal country" were significant and unprecedented. They should have been music to the ears of Canadians who had long pushed the Kingdom to head down that exact path.

But these changes barely registered with the Government, which continued to focus, almost single-mindedly, on the Badawi situation. Continuing – even stepped-up – controls on freedom of expression, as reflected in the arrest of Saudi women's rights activists in 2018, reinforced Canada's continuing skepticism about Saudi reform efforts and, in the eyes of many, vindicated the Government's decision to, effectively, disengage from the Kingdom.

Throughout its first term, there were only two Ministerial visits to Saudi Arabia (and one by the Speaker of the Senate). Neither were "bilateral" visits. FM Stephan Dion's visit in 2016 came under the aegis of the Canada-GCC Strategic Dialogue while Natural Resources Minister James Carr's one-day visit in 2017 was undertaken in the context of the Future Investment Initiative ("Davos in the Desert" as it was dubbed). While both had bilateral elements on their programs, they were undertaken because these events gave the Government sufficient multilateral political cover. They weren't "visiting" the Kingdom, or engaging the Saudis per se. They were attending events hosted by the Saudis and used these opportunities to press the Kingdom on human rights issues.

The effective freeze in the Canada-Saudi relationship had little impact on relations with the other Arab Gulf states. While the pace of engagement had slowed relative to the Conservative Government's enthusiastic embrace, it was mostly business as usual in the wider Gulf. Canadian military engagement continued unabated. Canada continued to participate in the CMF (even taking command of Task Force 150 for a 6-month term) and a Canadian base in Kuwait was used to support Canadian operations in the fight against ISIS. Canadian Ministers continued to periodically visit Kuwait, Qatar and, especially the UAE, but they very visibly avoided Saudi Arabia; eschewing a long-standing tradition of including a Saudi leg on virtually every senior visit to the region out of respect for the Kingdom's

regional role and its pre-eminence in Canada's regional calculations.

Given this context, it was no surprise that the Canada-Saudi relationship blew up in the summer of 2018 over human rights. A tweet from Minister Freeland demanding the "immediate" release of detained women's rights activists and the recently arrested sister of Raif Badawi, Samar, was, seemingly, the final straw for the hyper-sensitive Saudis. They responded by, effectively, gutting all bilateral ties.

Whether their overreaction would have occurred had the level of political engagement initiated by the Harper Government been sustained and built-on is hard to say conclusively. But there is little doubt that the noticeable neglect and sustained negativity emanating from Ottawa made Canada vulnerable to any Saudi effort to highlight the diplomatic risks of crossing the Kingdom.

While the other Gulf states offered their political support to Riyadh in the dispute, it is noteworthy that none followed suit in downgrading their ties with Canada. Links between Canada and the remainder of the GCC countries were largely unaffected by the dispute; reflecting, perhaps, both the reality and the value of Canada's diversification of its relations with the Gulf. The decision earlier in the year to lift travel visa requirements for Emirati citizens – a concession previously accorded pre-9/11 Saudis – aptly symbolized the degree to which the UAE had already supplanted Saudi Arabia in Canada's regional orientation. The "tweet-storm" solidified this shift.

Looking Ahead

“Canada's position in the Gulf will continue to evolve. The centrality of the UAE should continue, particularly in the absence of any progress in addressing the strain in the Canada-Saudi bilateral relationship. The prospects on that front look dim. The problem is fixable, with the right political will, but that will be hard to muster in the current environment.”

Canada's position in the Gulf will continue to evolve. The centrality of the UAE should continue, particularly in the absence of any progress in addressing the strain in the Canada-Saudi bilateral relationship. The prospects on that front look dim. The problem is fixable, with the right political will, but that will be hard to muster in the current environment. The Kingdom remains politically toxic; perhaps even more so now in the wake of the brutal and bizarre murder of Saudi journalist Jamal Khashoggi and growing, general unease with the leadership of Saudi Crown Prince Mohammad bin Salman.

But Saudi Arabia is too important to continue to ignore or let values issues be the sole criterion guiding Canada's approach. It is the only Arab country in the G-20 for a reason and the success of its risky, but hopeful transformation effort will shape the region – for good or bad – going forward.

Canada's limited military engagement in the region – through the CMF and the base in Kuwait to support training initiatives in Iraq – is likely to continue, but only so long as the initiatives they support are active. New Canadian military engagements will depend on the specific circumstances, but current regional challenges are unlikely to generate much enthusiasm in Canada.

Canada's military presence and political engagement in the region has traditionally been driven by Ottawa's support for multilateral efforts to deal with regional challenges. Rolling back Iraqi aggression, sanctions enforcement, counter-terrorism patrols, Afghanistan and the MEPP, for example, were internationally mandated operations or initiatives and Canada did its part.

But the next conflict, if there is one, is likely to involve Iran and the prospects of an international consensus emerging around the various challenges posed by Iran would seem – at this point anyway – remote. While Canada shares US and regional concerns about Iranian behaviour and disruptive Iranian actions in the Gulf would run counter to Canadian interests, Canada has been wary of calls to confront or increase pressure on Iran. Short of an international or UN mandate, it is hard to see any scenario under which Canada would deploy assets, in some kind of "coalition of the willing", to deal with Iran. If anything, Canadian retrenchment is more likely in those circumstances.

That leaves Canada where it started in the Gulf: A sharp, narrow focus on trade. Declining oil revenues generally and Canada's likely continued exclusion from the largest market in the Gulf will shrink the size of the pie, but there is still money to be made in the region. Flush Sovereign Wealth funds in the Gulf, in particular, can be a potentially lucrative source of investment capital and Canada will want a share of it.

But competition will be fierce and Canada doesn't have a long, established history of undertaking the kind of sustained political engagement in the region that it will be needed to succeed (in contrast to Canada's main rivals who have long seemed to understand this reality better than Ottawa has traditionally).

But the sidelining of Saudi Arabia and its toxicity should remove some of the "values" obstacles that have often served as a brake on Canadian engagement in the Gulf. The UAE and the others do have "issues" as well, but they have generally been less visible in Canada. The bright lights of Dubai can be blinding. Canada will have to step up its game if it is going to achieve its commercial objectives going forward.

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The Gulf has a tendency to force itself on the international agenda. It's hard to ignore, dismiss or deprioritize. The region is transforming in important and desirable ways and Canada can play a part if it wants to. Opportunities exist, but they need to be supported politically. Continuing to go through the motions, play short-handed or tweet your way through a foreign policy does a disservice to the broad interests Canada is trying to advance in the Gulf.

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