



ARAB GULF DEVELOPMENTS DIMINISH OPEC COOPERATION

The lens of OPEC politics is not sufficient for thinking about the Arab Gulf region and likely developments in oil production. The civil war in Syria is not improving and it encapsulates not only the Sunni-Shia conflict but also the growing U.S.-Russian rivalry. Against this back drop, an OPEC deal or even discussion of a deal is fruitless.

The Syrian civil war continues without an end in sight. Even though it appears that the terrorist group ISIS has lost control of significant portions of territory in Syria, Iraq, and even Libya, the fighting continues among a number of groups in Syria – with outside direct and indirect involvement by multiple states. Russia in particular has launched military operations in Syria from multiple new directions over the past week, and the United States has bluntly warned the Syrian government about using its air forces and artillery in areas where U.S. Special Forces are embedded with various Syrian rebel groups. While the activities of ISIS (particularly outside of Syria) have been the focus of the international media, the various other Syrian rebel groups fighting the Assad government and its Russian and Iranian patrons are as important if not more so to the question of whether, when, and how the Syrian civil war will be brought to some sort of end. Similarly, the Sunni and Shiite states in the region supporting rebel groups and the Assad regime respectively see the struggle as part of a broader conflict rather than simply one over this particular collapsed state. Therefore, the shape of any eventual political-military settlement in Syria – not likely in the short term – will also have a significant impact on the long-term politics of Iraq and possibly across the greater Middle East.

The biggest headlines over the past week regarding Syria have been about Russia's use of two new tactics in its support for the Assad regime. The first was firing cruise missiles from Russian naval vessels in the Mediterranean Sea. The second was the use of Russian long-range medium bombers to strike at Syrian rebel groups from an airbase in Iran. The use of cruise missiles from Russian naval vessels off the coast of Syria is not terribly significant or indeed all that new. In October of last year, four Russian warships fired twenty-six Kaliber cruise missiles at targets in Syria from the Caspian Sea. The three cruise missiles fired from warships from Russia's Black Sea fleet were of the same type and were essentially a repeat of the use of this capability from a closer distance. The use of long-range bombers and particularly the use of an Iranian airbase was politically significant. It was the first time that Iran has openly allowed the use of its bases by a foreign government. This goes back to the Shah's time when the United States was allies with Iran, but it still was not permitted to use the bases openly for military operations. It signals not just Russia looking for better options for the use of airpower in support of the Assad regime, but it shows the willingness of the Iranian government (and the Iraqi government that permitted the overflight) to allow Russia access in a way that mirrors that of the United States in the nearby Gulf Cooperation Council Arab states. This permission signals a potential longer-term strategy for Iran in its quest to balance the Gulf Arab states and their long-time U.S. patron.

The U.S. was slightly more active over the past week in Syria as well although it was in reaction to military activities by the Assad regime. In response to air and artillery strikes by Assad forces on Kurdish rebel groups supported by U.S. Special Forces, the U.S. warned the Assad regime both militarily and politically about the limits of the risks it will tolerate. The both scrambled U.S. aircraft in the region and directly warned the Assad regime about actions that might threaten U.S. Special Forces embedded with rebel groups. On the one hand, this may have merely been a mistake by the Assad regime who may not have had the information to know that U.S. forces were close to where it was conducting air strikes. On the other, it may have been calculated to test the risk tolerance of the United States. Time will tell whether the Assad regime tries again and, if so, what the U.S. response might be (ranging from something proportional like striking at the attacking aircraft to something larger such as targeting a Syrian airbase).

As the Syrian civil war stumbles along, the stakes continue to be high not just for the long-suffering people of the country, but also for the broader region in terms of geopolitical struggles between Iran and Sunni Arab states and rising competition between the U.S. and Russia. Against this backdrop, discussion of an OPEC deal to freeze production is fruitless. Even if a deal were struck, the rivalries in the region and the economic and military stakes are too great to yield a sustainable outcome.