



## The Arabs Leverage Lucrative Nuclear Contracts

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**EXECUTIVE SUMMARY:** Controversy in South Korea over a secret military clause in a nine-year-old agreement to build the United Arab Emirates' first nuclear reactor raises a Pandora's Box of questions about political and military demands that Arab nations may seek to impose as they embark on a nuclear trajectory.

A clause that commits South Korean troops to come to the UAE's defense in the event of a crisis offers insight into the security concerns of Arab and particularly Gulf leaders. It is not clear whether the clause defines a crisis exclusively as a military attack by an external force or would also include domestic unrest.

The agreement, which shields the UAE government from having to seek parliamentary approval and was long kept from public view, was concluded at a time that the UAE was negotiating a deal with Erik Prince, the founder of the now-defunct, controversial private security firm Blackwater.

The \$529 million contract with Prince was to create a mercenary force populated by Africans and Latin Americans that would "conduct special operations missions inside and outside the country, defend oil pipelines and skyscrapers from terrorist attacks and put down internal revolts." The force was disbanded after *The New York Times* disclosed its existence in 2011, the year the Middle East was swept by popular revolts.

The Korean agreement calls for the permanent presence in the UAE of a small contingent of South Korean special forces dubbed "Akh," the Arabic word for brother. The unit trains its Emirati counterparts, participates in joint exercises, and is ostensibly committed to combat in times of crisis.

It is, according to Korean opposition member of parliament Kim Jong-dae, [one of six secret military deals](#) concluded as part of the nuclear reactor agreement.

Kim said the UAE – which is on track this year to become the first Arab state with an operational nuclear reactor – recently reacted angrily to a decision by current President Moon Jae-in to suspend the clause providing for a South Korean military presence in the Gulf state.

The UAE response suggests that the Gulf state – despite its having earned the nickname Little Sparta as a result of its military prowess, as demonstrated in Yemen and elsewhere over the last decade, as well as its proliferation of military bases in southern Arabia and East Africa – continues to feel the need for foreign military assistance in times of crisis.

The Middle East and North Africa, almost a decade after the Korean agreement was signed, is embroiled in civil wars, military interventions, debilitating proxy wars, and the unilateral rewriting of social contracts with the introduction of austerity measures and social reforms that have so far failed to address one of the region's most urgent issues: job creation in a part of the world that at 30% has the world's highest youth unemployment rate.

Governments across the region have sought to control simmering, pent-up anger and frustration, which resembles popular sentiment in the run-up to the 2011 revolts, by employing increased repression. Arab states from Algeria to Egypt and Jordan have nonetheless witnessed smaller scale protests against rising prices and cuts in public spending.

“The public dissatisfaction, bubbling up in several countries, is a reminder that even more urgent action is needed,” warned [Christine Lagarde, managing director of the International Monetary Fund \(IMF\)](#).

With governments concerned not only about domestic stability but also about the fallout of the region’s multiple conflicts, first and foremost the proxy wars between Saudi Arabia and Iran, the question arises whether Arab states pursuing nuclear technology will want to build broader security arrangements into their agreements as did the UAE with South Korea or ensure that there are fewer safeguards to prevent a move from peaceful to military applications of the technology.

Nuclear technology is certain to figure in Saudi Crown Prince Muhammad bin Salman’s talks this month during visits to Britain and the US. Riyadh has laid out the region’s biggest nuclear reactor program, which envisions the kingdom having [16 reactors by 2032](#). This would give Saudi Arabia 17.6 gigawatts (GW) of nuclear capacity.

Saudi foreign minister Adel al-Jubeir said recently that the kingdom was [engaged in talks with ten nations](#) about its nuclear program, including Russia and China – both of which are likely to be more amenable than the US to reduced safeguards and broader arrangements.

With that said, the Trump administration appears willing to go easy on demanding that Saudi Arabia adhere to tough safeguards enshrined in US export control laws, widely viewed as the gold standard, in a bid to ensure that US companies get a piece of the pie.

Saudi Arabia has demanded the right to controlled enrichment of uranium and the reprocessing of spent fuel into plutonium, potential building blocks for nuclear weapons, as part of any agreement to build its reactors.

The safeguards applied to the development of peaceful nuclear programs in the Middle East and North Africa, and potential broader security arrangements Arab states may seek to build into agreements, take on even greater significance at a time when the region is embroiled in a volatile, often bloody transition against a backdrop of stepped-up repression that leaves extremism as one of the few available release valves for pent-up anger.

As a result, the winners in the competition for lucrative nuclear contracts, the terms of those contracts, and the potential associated security arrangements are likely to play a role in shaping the Middle East and North Africa's evolving security architecture.

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