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## Terrorism as a cover for intervention

By Nauman Sadiq

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To understand the hype surrounding the petro-Islamic terrorism phenomena, we need to understand the prevailing global economic order and its prognosis. What the pragmatic economists forecasted about the free market capitalism has turned out to be true; whether we like it or not. A kind of global economic entropy has set into motion. The money is flowing from the area of high monetary density to the area of low monetary density.

The rise of the BRICS countries is a proof of this tendency. BRICS are growing economically because the labor is cheap; labor laws and rights nonexistent; expenses on creating a safe and healthy work environment minimal; regulatory framework is lax; expenses on environmental protection negligible; taxes are low; and in the nutshell windfalls for the multinational corporations are huge.

Thus, BRICS are threatening the global economic monopoly of the Western bloc: North America and Western Europe. Here we need to understand the difference between the manufacturing sector and the services sector. The manufacturing sector is the backbone of the economy; one cannot create a manufacturing base overnight. It is based on hard assets: we need raw materials; production equipment; transport and power infrastructure; and last but not the least, a technically-educated labor force. It takes decades to build and sustain a manufacturing base. But

the services sector, like the Western financial institutions, can be built and dismantled in a relatively short period of time.

a cursory look at the economy of the Western bloc shows it has still retained some of its high-tech manufacturing base but it is losing fast to the cheaper and equally robust manufacturing base of the BRICS nations. Everything is made in China these days, except: microprocessors, software, a few internet giants, some pharmaceutical products, Big Oil products and the all-important military hardware and the defense production industry. Aside from these, the entire economy of the Western bloc is based on financial institutions, the investment banks like: JPMorgan Chase, Citigroup, Bank of America, Wells Fargo, and Goldman Sachs (in the United States), BNP Paribas and Axa Group (in France), Deutsche Bank and Allianz Group (Germany), Barclays and HSBC (UK).

We need to understand the implications. It takes time to build a manufacturing base, but it is relatively easy to build and dismantle an economy based on financial services. What if Tamim bin Hammad Al-Thani (the ruler of Qatar) decides tomorrow to withdraw his shares from Barclays and put them in some Organization of the Islamic Conference-sponsored bank, in line with Sharia? What if all the Sheikhs of the Gulf Cooperation Council (GCC) withdraw their petro-dollars from the Western financial institutions? Can the fragile financial-services based Western economies sustain such a blow?

We need to look for comparative advantages and disadvantages here. If the vulnerable Western economy is its biggest weakness, what are its biggest strengths? The biggest strength of the Western bloc is its military might. Got to give credit to the Western hawks: they did which nobody else in the world had the courage to do; they privatized their defense production industry. And as we know, privately-owned companies are more innovative, inventive and in this particular case, lethal. But having power is one thing; and using that power to achieve certain desirable goals is another.

The Western liberal-democracies are not autocracies; they are answerable to their electorates for their deeds and misdeeds. And much to the dismay of pragmatic Machiavellian rulers; the ordinary citizens just can't get over their antediluvian moral prejudices. To overcome this insurmountable barrier they wanted a moral pretext to do what they wanted to do on pragmatic economic grounds. That's when 9/11 took place: a blessing in disguise for the Big Oil and the military-industrial complex. Here I would like to clarify that I am not a conspiracy theorist and Osama Bin Laden was not a CIA agent; he merely provided an opportunity to the neo-cons to invade the energy-rich and morally and militarily weak Middle East. By "morally weak" I mean that the Arab autocrats do not rule with consent they are just as afraid of their own people as they are of the external threats. Thus it is very easy for the neo-colonial powers to pit them against one another to exploit their financial and energy resources: the age-old, tried-and-tested "divide and rule" policy.

The pivotal role played by the Wahabi-Salafi ideology in radicalizing Muslims all over the world is an established fact; this Wahabi-Salafi ideology is generously funded by Saudi Arabia and the Persian Gulf-based Arab sheikhs since the 1973 oil embargo when the price of oil quadrupled and the Arab sheikhs' contribution towards the spiritual "well-being" of Muslims increased proportionally; these petro-sheikhs are in turn propped up by the Western powers since the Cold

War; thus syllogistically, the root cause of Islamic extremism is the neocolonial powers' manipulation of the socio-political life of Arabs specifically and Muslims generally to appropriate their energy resources in the context of an energy-starved industrialized world.

### **Petroimperialism and 'strategic interests'**

In 2012, the Iraqi administration of Nouri al-Maliki offered some oil and gas exploration and production contracts, but those were fixed-fee deals which are more beneficial to states where such resources are located, and not the far more lucrative production-sharing contracts which Big Oil prefers. Here, keep in mind that Iraq has the Persian Gulf's third largest "proven" oil reserves of 140 billion barrels, second only to Saudi Arabia's 265 and Iran's 150 billion barrels (while UAE and Kuwait have 100 billion barrels each). Big Oil didn't pay much heed to the contracts and those were won by the Russian, Chinese and Indian companies, although Big Oil companies operate numerous oil fields in Southern Iraq, in and around Basra.

However, after that show of "audacity" by the Maliki government the Big Oil and its collaborators in the Western governments and the corporate media put pro-Iran Maliki's name in their bad books. Big Oil, including Exxon, Chevron, BP and Total, won production-sharing contracts in the semi-autonomous Iraqi Kurdistan ("semi" here is a meaningless adjective because for all practical purposes the pro-US Masoud Barzani's Kurdistan is fully independent of Iraqi control.) There is so much oil in the Iraqi Kurdistan and the extraction costs per barrel are so minimal that a petro-poet once wrote an ode about it: that the sweet crude seeps through the mountains in brooks and streams, and gathers in pools in the low-lying valleys. On top of that, thanks to the US-sponsored Kurdish Peshmerga militia since the 1990s, Iraqi Kurdistan is far more stable than the rest of Iraq, and the windfalls for the Big Oil are enormous.

Constitutionally, the Iraqi central government is entitled to 83% of the oil sales proceeds and Kurdistan can retain only 17% of total Iraqi oil sales including from Southern Iraq, but when the head-honcho is on your side, the laws can be bent to suit the interests of the Corporate Empire. Throughout the last year, Iraqi Kurdistan kept exporting its oil directly to the Turkish port of Ceyhan through the Kirkuk-Ceyhan pipeline and another pipeline is in the offing, which will further reduce its dependence on the central government in the midstream oil sector.

This, then explains the reason why the US didn't even get slightly perturbed when its "frenemy" and invaluable ally in the Syrian Jihad: the Islamic State (IS) overran half of Iraq and threatened Baghdad. [1] Initially the US only made a token contribution by sending a few surveillance drones and choppers to Iraq and kept on pressurizing Maliki to quit before it can fully commit to helping Iraq fight IS. Even when IS overran the al Muthanna complex, [2] where in one of its underground bunkers some 2,500 Sarin-filled rockets are stored the US remained nonchalant. On July 9, the Iraqi ambassador to the UN warned that IS has acquired 40 kilograms of uranium compounds [3] from the Mosul University but the US kept insisting that any large-scale help is contingent on Maliki's removal from the premiership. The US only geared into action when its staunchest oil-rich ally in the region: the capital of Massoud Barzani's Iraqi Kurdistan, Irbil, was threatened by IS.

In June-July 2014, when IS was advancing on Baghdad, the American evacuees from the US

embassy in Baghdad had taken refuge in Irbil's US consulate. Irbil also hosts a secret CIA station which is in the process of being further expanded. [4] Irbil is also the hub of Big Oil's Northern Iraq operations. During its Northern Iraq offensive, IS had also set its eyes on the oil-rich Kirkuk governorate, which the Kurds seized from the control of central Iraqi government when IS captured Mosul. So when IS threatened Iraqi Kurdistan, the well-oiled US military machine geared into action.

Finally the laser-guided missiles and Hell-fires started targeting IS' positions; the formidable "frenemy" with whom the US has a love-hate relationship; after all, it "liberated" the whole of northeast Syria from the anti-US Assad regime's control in Syria; but some lines must never be crossed no matter what; and those boundaries are the lines of the Corporate Empire's trade and energy interests spanning the whole world but especially in the Persian Gulf, whose littoral states (Saudi Arabia, UAE, Kuwait, Iraq and Iran) together hold 800 billion barrels [5] of world's total of 1500 billion barrels of 'proven' oil reserves; and where 35,000 US Marines are presently stationed either in their aircraft carriers and the leased military bases in Qatar, UAE, Kuwait, Bahrain, Djibouti and Kurdish Iraq. [6]

### **Unholy alliances**

A question arises over why the neo-colonial powers prop up Middle Eastern dictators, knowing fully well that they are the ones responsible for nurturing Takfiri-jihadis; and is it possible that in some future point in time they will withdraw their support? Not likely, at least not in the foreseeable future. The neo-colonial powers and their corporate interests are so addicted to the scent of the black gold that they would rather fight the Arab tyrants' wars for them. [7] Presently, two regional powers are vying for dominance in the Middle East: Saudi Arabia and Iran. Syrian Jihad is basically a Sunni Jihad against the Shia Resistance axis. The Shia axis is comprised of Iran and Syria, the latter having an Alawi (Shia) regime even as the majority of Syria's population is Sunni Muslims and Alawis constitute 12% of the population. Lebanon-based Hezbollah (Shia) is also an integral part of the Shia Resistance axis.

Regardless, Saudi Arabia has long-standing grievances against Iran's meddling in the Middle Eastern affairs, especially the latter's support for the Palestinian cause, the Houthis in Yemen, the Bahraini Shias and more importantly the significant and restive Shia minority in the Eastern Province of Saudi Arabia where 90% of Saudi oil reserves and oil infrastructure is located along the Persian Gulf coast. On top of that Saudi Arabia also has grievances against the US for toppling the Sunni Saddam regime in Iraq in 2003 which formed a bulwark against the Iranian influence in the Middle East because of Saddam's military prowess. In the wake of political movements for enfranchisement during the Arab Spring of 2011, Saudi Arabia took advantage of the opportunity and militarized the political movement in Syria with the help of its Sunni allies: the Gulf monarchies of Qatar, UAE and Kuwait, and Jordan and Turkey (all Sunnis).

That said, why did the Western powers prefer to join this Sunni alliance against the Shia Resistance axis? It's because the Assad regime has a history of animosity towards the West; it also had close relationship with the erstwhile Soviet Union and it hosted a Russian naval facility at Tartus; Hezbollah, Syria's proxy in Lebanon, is the biggest threat to Israel's regional security. On the other hand, all the aforementioned Sunni states have always been the steadfast allies of

the West along with Israel; don't get misled by what they say in public, [8] all the Sunni states along with Western supporters are in the same boat in the Syrian Jihad as Israel.

Hypothetically speaking, had the Western powers not joined the ignoble Syrian Jihad, which has claimed 190,000 lives so far, what could have been an appropriate course of action to persuade the Gulf monarchies to desist from fomenting trouble in Syria? This is a question of will, if there is will there are always numerous ways to deal with a problem. However, after what has happened in Afghanistan, Iraq, Libya and Syria only a consumer of corporate media agitprop will prescribe Western military intervention anywhere in the world. But if military intervention is off the table, is there a viable alternative to enforce international justice and to persuade the sovereign states to follow agreed-upon principles of international morality while pursuing their national interests? Yes there is.

The crippling economic sanctions on Iran in the last two years may not have accomplished much, but they brought to the fore the enormous power which the Western financial institutions and the petro-dollar as a global reserve currency wields over the global financial system. We must bear in mind that the Iranian nuclear negotiations are as much about Iran's nuclear program and as they are about its ballistic missile program, which is a far bigger threat to the Gulf monarchies across the Persian Gulf. Despite the sanctions being unfair, Iran felt the heat so much that it remained engaged in the negotiations through the past two years, and the Iranian electorate last year voted the hardliner Mahmud Ahmedinejad out and the reformist Hassan Rouhani in. Such was the crippling effect of the sanctions that had it not been for Iran's abundant oil and gas reserves, and some Russian, Chinese and Turkish help in illicitly buying Iranian oil, the country would have defaulted on its debt by now.

## **Revolution time**

All I am trying to suggest is, that there are ways to arm-twist the Gulf monarchies to implement democratic reforms and to refrain from sponsoring the Takfiri-Jihadi terror groups all over the Islamic world, provided that we have just and upright international arbiters who are really interested in enforcing international justice rather than pandering to the uncontrollable greed of corporate interests. However, when it comes to sanctioning the Gulf despots, there is a caveat: Iran is only a single oil-rich state, which has 160 billion barrels of proven oil reserves. On the other hand, the Persian Gulf monarchies are actually three oil-rich states: Saudi Arabia with 265 billion barrels; and UAE and Kuwait with 100 billion barrels each; together the Gulf monarchies have 65 billion barrels, almost one-thirds of the global proven oil reserves; and if we add Qatar to the equation, which isn't oil-rich, but has substantial natural gas reserves, it must take a morally very upright arbiter to sanction them all.

Recently, some very upbeat rumors about the shale revolution have circulated the mainstream corporate media. However, the shale revolution is primarily a natural gas revolution: it has increased the "probable-recoverable" resources of natural gas by 30%. "Shale oil", on the other hand, refers to two very different kinds of energy resource: one, the solid kerogen; substantial resources of kerogen have been found in the US' Green River formations, but the cost of extracting liquid crude from solid kerogen is so high that it is economically unviable for at least another 100 years; two, the tight oil which is blocked by the shale, it is a viable energy resource,

but the reserves are so limited, around 4 billion barrels in Texas and North Dakota, that it will run out in a few years time. [9]

The Canadian oil sands and the Venezuelan heavy crude is economically viable; but compared to the Middle Eastern Arab crude, about which Asia Times Online's Pepe Escobar quipped during the Libyan 'humanitarian' intervention "Sweet Crude O'mine", is a class apart. More than the size of the reserves it is also about the per barrel extraction cost, which determines the profits of the oil companies. Moreover, the US produced 11 million barrels per day (bpd) of crude oil in the first quarter of 2014; more than Saudi Arabia and Russia, each of which produces around 10 million bpd; but the US still imported 7.5 million bpd during the same period, which is more than the total oil imports of the second-largest importer of crude oil: China. More than the volume of oil production, the quantity an oil-producing country exports determines its place in the "hierarchy of petroleum". And the Gulf monarchies constitute the top tier of that pyramid.

### **Back to politics**

Moving back to politics, It is generally believed that political Islam is the precursor of Islamic extremism and Jihadism; however there are two distinct and separate types of political Islam: the despotic political Islam of the Gulf variety; and the democratic political Islam of the Turkish and the Muslim Brotherhood variety. The latter organization never ruled Egypt except for a brief one year stint, it would be unwise to draw any lessons from such a brief period of history. The Turkish variety of political Islam, the oft-quoted "Turkish model", is worth emulating all over the Islamic world. I understand that political Islam in all its forms and manifestations is an anathema to the liberals, but it is the ground reality of the Islamic world. The liberal dictatorships, no matter how benevolent they may be, have never worked in the past, and they will meet the same fate in the future too.

The mainspring of Islamic extremism and militancy isn't the democratic political Islam, because why would people turn to violence when they can exercise their choice to vote their rulers in and also to vote them out? The mainspring of Islamic militancy is the despotic political Islam of the Gulf variety.

Western powers, omniscient as they are, are fully aware of that fact. Then why do they choose to support the same forces, when their ostensible and professed goal is to eliminate extremism and militancy? It is because, since the time immemorial, it has been a firm policy principle of the Western powers to promote "stability" in the Middle East, rather than democracy or representation. They are fully cognizant of the reality that the mainstream Muslim sentiment is firmly against the US intervention in Middle Eastern affairs, especially after the end of Cold War and the dissolution of the Soviet Union, when the US after defeating a staunch rival turned its guns against the Muslim world in order to further exploit their energy resources. US policy-makers also prefer to deal with small groups of Middle Eastern "strongmen" rather than cultivating a complex and uncertain relationship on a popular level: certainly a myopic approach and the hallmark of so-called "pragmatic" strategists.

***Notes:***

1. How Syrian Jihad spawned Islamic State, Asia Times Online, September 22, 2014.
2. Al Muthanna chemical weapons storage site.
3. ISIS seized 40 kgs of Uranium from the Mosul university, Reuters, July 9, 2014.
4. Secret CIA station in Irbil.
5. More than 50% of world's proven oil reserves in the Persian Gulf's littoral states: Saudi Arabia(265 billion barrels), Iran (160 bb), Iraq (140 bb), UAE and Kuwait (100 billion barrels each). See here.
6. Chuck Hagel: 35,000 US troops currently stationed in the Middle East, Reuters, December 7, 2013.
7. Alastair Crooke: Syria and Iran, the Great Game, The Guardian, November 4, 2011.
8. Secret military command center in Jordan where military officials from 14 Western and Arab countries including Israel coordinate the Southern front of the Syria war theater. See here.
9. Oildrum: Shale oil and gas reserves. See here.