

What Happened in the Middle East 50 Years Ago?

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Shuji Hosaka*

What happened in the Middle East?

1. One of the root causes of the various conflicts in the Middle East today is the Israel-Palestinian Conflict. Based on the United Nations Partition Plan for Palestine adopted in 1947, the Jewish state of Israel was declared established in 1948. Arab countries raised opposition to the establishment and launched attacks on Israel, triggering the Arab-Israeli War (Palestine War).
2. Israel later expanded its territory by occupying the West Bank of the Jordan River, the Gaza Strip, the Sinai Peninsula, and the Golan Heights through the Suez Crisis in 1956 and the Third Arab-Israeli War (Six-Day War) in 1967. During the Fourth Arab-Israeli War (the October War, Yom Kippur War, or Ramadan War) in 1973, the Arab oil-producing countries invoked the so-called oil weapon strategy to raise oil prices, reduce production, and ban exports. The strategy led to the first Oil Crisis (Oil Shock in Japan).

What happened in Japan?

3. Japan then had an extremely strong sense of crisis in the face of the possibility that oil exports could be restricted under the oil weapon strategy of the Arab oil-producing countries. As Japan depended on the Middle East for about 60% of all energy supply then, wild price hikes and hoaxes immediately forced the entire country into a panic, putting an end to the so-called Japanese Economic Miracle.
4. Japan successfully overcame the crisis by improving energy efficiency, diversifying energy and oil import sources, and stockpiling oil, and preventing any panic during the second Oil Crisis in 1979. Nevertheless, the first Oil Crisis exerted significant impacts on Japan. The crisis and its great impacts became a significant trauma for many energy stakeholders.

Japan's Middle East diplomacy

5. At the time, Japan lacked interest in Middle Eastern oil producers and energy security and had no readiness to gather and analyze information on the Middle East. In particular, Japan had no embassies in the United Arab Emirates, Qatar, Oman, or Bahrain, failing to gather sufficiently quantitative or qualitative information in these countries. In addition, Japanese media reports on the Middle East were often inaccurate and sensational, contributing to the panic.
6. Rivalries between politicians and government agencies were intertwined with a confrontation between those in favor of relations with the United States and energy security to delay analysis and policy-making.

Present and future prospects for Japan-Middle East relations

7. Even after the second Oil Crisis, Japan has been at the mercy of the 1990-91 Gulf Crisis and War, the 9/11 terrorist attacks on the United States in 2001, the Iraq War in 2003, and other incidents related to the Middle East.
8. As Japan's oil demand peaked and turned down in the 1990s, South Korea and other Asian countries aggressively expanded into the Middle East, threatening Japan's presence. In the 21st century, China, supported by its remarkable economic development, has dominated the Middle East market with its Belt and Road Initiative. Asian countries, including China, initially supplied cheap and low-quality goods to the market but now provide a wide range of products,

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* Board Member, Director of JIME Center, IEEEJ

from high-technology products to giant plants. In recent years, China and South Asian countries have become major oil and LNG export destinations for the Middle East, leading Japan's economic presence in the region to decline.

9. Furthermore, China, under the banner of "Major Power Diplomacy" with Chinese characteristics, has been aggressively intervening in political affairs in the Middle East by taking advantage of arms exports and other leverages that Japan lacks. China's mediation in the normalization of relations between Saudi Arabia and Iran is perhaps the greatest achievement of such Chinese diplomacy.
10. However, the Middle East remains an important resource supply source and a large market for Japan today. Especially after the outbreak of the Ukraine crisis, Japan has expanded its crude oil imports from the Middle East to reduce its dependence on Russia. In May 2023, Japan depended on the Middle East for 97% of its crude oil imports. As Japan's economic influence on the Middle East declines, how to strengthen the relationship between Japan and the region has become important.
11. On the other hand, the mutual trust that Japan has cultivated over its long history with the Middle East and Japan's high-level research on the region are great leverages that other Asian countries lack. In addition, Japan's anime and video games have a great influence on the younger generation in the Middle East.
12. It is important for Japan to take advantage of these leverages for building multilayered and comprehensive industry-government-academia partnerships with the Middle East to maintain Japan's presence in the Middle East. Therefore, Japan should promote cooperation with Middle Eastern countries in realizing decarbonization, a circular carbon economy, and a hydrogen society.
13. Under these circumstances, the achievements of Japanese Prime Minister Fumio Kishida's visit to the Gulf states on July 16-18 are attracting attention. Japan is required to enhance its relations with the Middle East, including the Gulf states, to secure its stable energy supply and stabilize the Middle East in the current international situation where the world has been increasingly divided.

Contact: report@tky.ieej.or.jp