The Arab States of the Gulf: Under Pressure

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Most Americans, if they know anything about the Gulf, would likely say "The Gulf States never had it so good!" The price of oil hovers at all time highs. Governments in the Gulf care for all the needs of their citizens. The United States provides military protection. Is there anything wrong?

Yet when I traveled to the Gulf region earlier this month and asked officials and friends how they saw their situation, their answers were starkly different. One response stuck in my mind. My friend cited an old Arab joke. A man in the souq asked a vendor selling coffee "how good is your coffee?" The vendor replied "You should try it." The buyer persisted: "Well how good is it?" The vendor looked at him, cocked his head and said, "It is better than the worst!" In essence my interlocutors in the Gulf see their situation as "better than the worst."

Why do they see their situation from so gloomy or negative a perspective? Why, when the oil producing states have record levels of income and business is booming, do they dwell on fears and concerns?

Tonight I want to focus on the Gulf Arab States — specifically Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman. I want to share with you how they see the world around them. What are the pressures that they feel — pressures that have them deeply concerned about their future and their well-being? I have not included Saudi Arabia in my presentation tonight. While many of the pressures that I will discuss apply to the Kingdom and it is certainly a Gulf Arab state, Saudi Arabia is (along with Iraq and Iran) one of the giants in the Gulf region and it deserves a lecture all its own.

Let me set the stage with a brief introduction of these five countries — their similarities and, quite honestly, their differences.

Similarities begin with their common geographic presence in the Gulf. Together with Saudi Arabia they form the Gulf Cooperation Council, a grouping that shares many common interests including Gulf security and the free flow of Gulf oil to world markets. All these states are ethnically Arab (with several having ethnic Persian minorities). Most of these states are small in land area and small in population. In three countries foreigners significantly outnumber indigenous citizens. They have a common Islamic heritage. All have seen significant economic growth and social change in a very small period of time. All have seen great strides in education both for men and women. Literacy is quite high.
Yet it is critically important to note that these states have their own individuality. I recall my trip to the Gulf with then Secretary of Defense Cheney in August 1990 after the Iraqis had occupied Kuwait. We visited four of these Gulf States in one day as we sought their military cooperation and support for the liberation of Kuwait. One could sense that each was unique. The issues each raised as important were varied. The personalities and their mannerisms were noticeably different — casual and relaxed in one place — very business like in another. The differences are a product of their personal tribal cultures and historical experiences as political entities. For example, Kuwait has a 250 year history as a political entity with its present ruling family. The United Arab Emirates, on the other hand, was established as the British withdrew from the Gulf in 1971 by federating seven different emirates.

Another important difference relates to geography — their location in the Gulf. Kuwait in the north with its common border with Iraq and its proximity to Iran has its own unique perspective on Gulf affairs — heavily impacted by Iraq's invasion and occupation in 1990. In contrast Oman to the far south located largely outside the Gulf looks toward the Arabian Sea, India and Africa — its traditional trading partners. Oman can be far more detached than others to the north about events in Iraq and has a more dispassionate view of its neighbor, Iran.

**A Quick Look at Each State**

**Kuwait**: A small state (the size of New Jersey) is located at the northern end of the Gulf. Most Americans know where it is following our leadership of a coalition that liberated it from Iraqi occupation in 1991. That occupation had and continues to have a significant impact on how Kuwait and Kuwaiti citizens look upon the U.S. and how they analyze developments in their neighborhood. Kuwait contains some of the largest oil reserves in the world (about 10% of proven global reserves). Its revenue from oil sales and from its investments through a fund established by the late Amir (called the Fund for Future Generations) provides the state with significant assets. This income enables the state to provide extensive support to its population — medical care, education, and housing subsidies, to mention a few. Its population is young and unemployment a major problem. It has a vibrant political system — some might even say too vibrant — with a Constitution from 1962 when Kuwait became independent and an active National Assembly.

**Bahrain**: Bahrain is the smallest state geographically and in total population. Composed of 36 islands it is about the size of D.C. Its native population is less than half a million — 70% Shia and 30% Sunni. The ruling family which has led the state for over 200 years is Sunni. The British made Bahrain its seat of political authority and the location of its main military presence in the Gulf. As a consequence the state has had a long history of good relations with foreign states. Bahrain was the first Gulf State to discover oil and to exploit its oil reserves — now largely depleted. It is the location of the first oil refinery in an Arab state and its aluminum smelter in the largest in the world outside Eastern Europe. As the importance of oil diminished, Bahrain focused on developing its private commercial sector ad is today a major center for both on and off shore banking. The U.S. has had a naval presence in Bahrain since the late 1940s.

**Qatar**: Slightly larger than its two northern neighbors, Qatar is still small — approximately the size of the states of Rhode Island and Connecticut combined. It has a very small population — 744,000 but 600,000 of these are expatriates. It has oil and, more importantly, the third largest natural gas reserves in the world. While Qatar traces its origins back into the 1800s, it really came into its own in more recent times — declaring its independence in 1971 when the British pulled out of the Gulf. It is a Wahhabi state, the fundamentalist Islamic sect centered in Saudi Arabia, though life in Qatar is significantly more open. Currently the U.S. Central Command, the U.S. military command with responsibility for military operations in the Middle East including Iraq and Afghanistan, has its regional headquarters in Qatar.
The United Arab Emirates: The UAE was established in 1971 through the confederation of seven small emirates that had previously been under British treaty relationship. The two richest emirates, Abu Dhabi and Dubai, dominate the confederation with the ruler of Abu Dhabi serving as President. Abu Dhabi has major oil reserves as did Dubai previously. As oil production in Dubai waned, that emirate turned to developing its primacy as a major trading center in the region with huge success. The indigenous population of the UAE is quite small (700,000) and is dwarfed by an expatriate population of over 3.3 million (or approximately 80-85% of the total population).

Oman: Oman, like Kuwait, has a long history as a nation and as a major trading state up and down the coast of Africa and the Indian subcontinent. At its peak it controlled trading ports in Zanzibar, along the Baluchi coast (now Pakistan) and on the Indian coast further to the south. The US signed a Treaty of Friendship and Navigation with Oman in 1833, one of the first by the newly independent United States. Oman is geographically the largest of the five states that I am discussing today — about the size of Kansas. Its population of 2.33 million is 75% indigenous. While the present ruling family goes back 250 years, Oman only emerged as an active player in the region following the accession of the current Sultan of Oman in 1970. Oil, first discovered in 1964, plays a modest but important role in Oman's economy. The U.S. has enjoyed good relations with Oman — commercially as well as militarily.

Pressures:

So what are the pressures that leave peoples in this region so concerned?

I want to focus on four areas:

1. Domestic Issues
2. External religious-based pressures:
   • the Sunni-Shia cleavage
   • and extremist movements
3. Iranian Hegemonic Ambitions
4. The United States

Domestic Pressures:

All these Arab Gulf States face domestic pressures stemming from rapid modernization, growing youthful populations and access to global communication. Gregory Gause in his 1994 book "Oil Monarchies" comments that most westerners focus on tribalism and Islam as basis for understanding these states. He points out that the arrival of oil revenues — meaning wealth — changed much of this traditional view. In his view the governments of these states have used their wealth to reduce significantly the power of tribes and the traditional religious establishment. The ullema have become employees of the states; the tribal sheikhs are bypassed as governments provide members of the tribe with their needs directly — be it medical care, education, or jobs.

While that picture may have had relevancy 15 years ago, I see an important evolution. Both these groups are now increasing their influence and role in their societies enabling them to challenge the traditional ruling authorities. Islamic religious groups today have independent sources of income that reduce their financial dependence on governments. From the large contributions that the faithful give to various religious groups and institutions to the financial success of Islamic banks, these Islamic groups with political views across a wide spectrum now have the financial wherewithal to challenge the establishments. Today there are many and varied Islamic groups and
organizations active either in domestic politics or within the local society. They each have their agendas and actively seek to influence the political, economic, and social direction of these countries.

Similarly, tribal influence seems to be resurgent. In Middle Eastern culture family ties are strong and extremely important. Many families are, in turn, part of larger tribal groupings. Today these tribal groups understand that by collectively facing the government, they are able to obtain concessions and positions often beyond that which the ruling families would prefer. In one country of the Gulf I heard much about the favoritism that often follows the appointment of a member of the tribe to any important position either in the government itself or in government run institutions such as universities and government corporations.

A severe challenge to all these governments is their unemployed youth. In most of these states the citizens expect that governments will provide jobs and governments are by far the largest if not the single most important employer. This phenomenon has resulted in bloated government bureaucracies and corporations. Economic reform, therefore, has become a hostage to the employment issue. You cannot, for example, easily privatize the national airline when it will result in a significant "lay off" of personnel.

Underlying all domestic politics is the ability of the governments to maintain the social and welfare programs that all citizens of these Gulf States have come to expect. In these days of high oil prices, incomes are sufficient to support these programs though the costs continue to rise with a growing population and constant pressure to expand benefits. For decades observers of these Gulf States predicted that governments would not be able to maintain these programs and instability would follow. In my view the governments are more sophisticated and aware of the potential problems than writers have perceived. For example in at least two of these states there are national funds supported by regular contributions from the oil sales that now generate huge returns from investments — a significant balance to dependence on oil revenues.

**External Religious-based Pressures:**

The Gulf Arab States watch with considerable anxiety developments in Iraq and most specifically the rise to political power of Iraq's Shia community. With one exception the governments in the Gulf are Sunni-led. All these states have a mix of Sunni and Shia in their populations. Governments and peoples in the Gulf States are concerned that the growing sectarian strife and violence in Iraq could spill over into their societies. We are talking, ultimately, about deep concern for Shia Iran's rising power and influence in the region; but let's look at this issue first from its religious perspective.

What is Shia Islam? And who are Sunnis?

The division in Islam goes back to the first century following the death of the Prophet Mohammed. There arose a difference in view as to who was the rightful successor to the Prophet. Those who are today called Shia believed that the succession should be through the family of the Prophet and specifically through his son-in-law and cousin, Ali. Ali became the fourth rightful caliph, as the first caliphs are called. Following his death his son and grandson of the Prophet claimed the role as leader of the faithful; but the then Moslem ruler in Damascus contested that claim. In a battle in 680 Hussein was killed when he refused to concede his right to lead. His martyrdom is the seminal event in Shia Islam. Those who believed that Hussein was the legitimate successor of the Prophet rejected the leadership from Damascus and all subsequent caliphs who were recognized by the overwhelming percent of Moslems — the Sunnis.
Many Sunni and Shia downplay the religious differences between the two; but in fact relations between the two groups remained estranged and complex through the centuries. The Shia, having rejected the religious credentials of the rulers, followed the leadership of 12 imams who traced their ancestry to Mohammed. When the 12th imam disappeared, the Shia turned to learned clergy for continued guidance in religious and social matters until the return of the 12th imam. The Sunnis in turn rejected the Shia blaming them for one of the worst transgressions a Moslem can make — dividing the Islamic faith. Since Sunnis largely controlled the political system, they dominated the Shia communities. The Shia became an oppressed group seeing this oppression as an extension of the martyrdom of Hussein.

Most of the Gulf States have Shia populations. In Kuwait it is about 35% and smaller in Qatar, Oman, and the UAE. As I mentioned previously, the Shia are actually a majority in Bahrain while the ruling family is Sunni. All these states are struggling with what impact the Shia rise to power in Iraq is likely to have in their countries. In Kuwait the Shia are well integrated into the political system. This is not so elsewhere.

The Wahhabi view of Islam is a significant complicating factor in the Sunni-Shia cleavage. The mid 1700s saw the rise of a very fundamentalist sect in Saudi Arabia called Wahhabis after the founder of the movement. Essentially they opposed many practices that had evolved around Islam in the centuries since Mohammed. In particular they saw (and to this day see) Shia as apostates — meaning that they were Moslems who gave up the faith. The Koran is clear about the fate of apostates. They are to be killed. Hence, on this basis the Wahhabis fighting in Iraq today justify their killing of Shia. The spread of Wahhabi teachings is a factor in Sunni communities in the Gulf as well.

Radical or extremist organizations that use the rhetoric of religion to advance their popularity are also a concern to the Arab Gulf States. During my recent travels Sunni and Shia leaders voiced real concern about the likes of Osama bin Laden. They point out that Osama bin Laden calls for the overthrow of the Sunni governments in the region and for their replacement by an Islamic state. Many fear the emergence of such a movement which cloaks its call for radical change in Islamic and anti-western rhetoric. The Shia are even more worried about his appeal than the Sunnis, in view of bin Laden's Wahhabi beliefs that Shia are apostates. In several countries there have been armed encounters between government security forces and supporters of these extremist groups.

**Iranian Hegemonic Ambitions:**

Iran is a giant in the region. It is four times the size of Iraq. Its population is larger than all the other Arab states of the Arabian Peninsula and Iraq combined. Over 50% of the coastline of the Gulf is Iranian with consequent control over a considerable percent of the waters of the Gulf. In addition Iran is Persian — not Arab. It has a rich history and culture that goes back thousands of years — in art, poetry, music and literature. Iranians identify with this history and believe that they are the rightful power in the region. It is important to understand that this view of their rightful dominance in the Gulf is not a product of revolutionary Iran. It was the view of the Shah and it is the widely held view of the Iranian people today.

The Arab States of the Gulf have ample reason to be concerned about Iran's hegemonic ambitions. In 1971 as Bahrain was becoming independent, the Shah claimed it was part of Iran. It was only US opposition that forced the Shah to accept Bahrain's independence. To the south the Shah used the British departure from the Gulf to seize several small islands near the strategic Strait of Hormuz claimed by the emirates. Following the Iranian revolution Ayatollah Khomeini called for the overthrow of the Gulf monarchies stating that they were an un-Islamic form of government. Ayatollah Khomeini made clear his desire to export the Iranian Revolution to other countries in the region.
Iran is a Shia state, up to now the only Shia state. As such, it has viewed itself as protector to Shia communities in the region. This policy, in turn, creates huge anxieties in the Arab States — fears that Iran will use their Shia populations as fifth columns to undermine these states. Most Gulf Arabs recall the Iranian supported coup attempt in Bahrain in 1982. The rise of Shia to power in Iraq and the resurgence of Iranian influence exacerbate this historic inclination among Sunnis to suspect that their Shia populations are in fact Iranian sympathizers and therefore disloyal.

Leaders with whom I spoke told me that Iran's recent interventions in Lebanon have heightened their concerns about Iranian intentions. In their opinion recent Iranian activities in Lebanon are proof that Iranian ambitions are far more sinister and far more extensive than just the Gulf. Lebanon is a country where the Shia, while a minority, are active in the political system; and Lebanon is not in Iran's traditional sphere of interest. In using Hezbollah in efforts to bring down the Lebanese government, Iran is revealing its far larger ambitions to be a dominant power throughout the region.

The Shia populations in the Arab Gulf States see Iran in a more benevolent light. It is true that they have looked to Iran as a protector in a certain sense — certainly as a guardian of the Shia faith. Important Shia religious schools are located in Iran; but there are similar centers in Iraq. These schools led by important religious figures provide religious and social guidance to the Shia communities throughout the world. They have not, traditionally, been tools for political dominance. While Shia populations are more or less susceptible to Iranian political influence, that influence is minimized to the extent that the Shia populations are integrated in the political systems where they reside.

While Sunnis express fear of Shia loyalty, I learned during my recent trip to the Gulf that not all Shia are happy with Iran. In what could be an important shift in attitudes some expressed real concern over Iran's aggressive assertion of influence and power. Specifically, they feared that Iranian aggressiveness was exacerbating their relationship with their Sunni compatriots — trouble that they did not want.

Iran's nuclear program is yet the latest provocation in the view of Sunni leaders in the Gulf. In fact, however, you hear both Sunnis and Shia voice opposition to Iran's nuclear program. Both Sunnis and Shia have told me that they assume Iran intends to develop a nuclear military capability — not just the peaceful program they claim to be pursing. Concern begins with the environmental issue. Many express fear that a nuclear plant built in an earthquake zone could create another Chernobyl. Others who oppose Iran's nuclear program say clearly that Iran will develop its nuclear capability to further its goal of domination — enhancing its ability to intimidate and coerce.

The United States:

U.S. presence in the Gulf is pervasive and omnipotent. As we pursue our interests those who live in the region know that their lives and their futures are to a considerable extent enmeshed in what the US does and how it does it.

Historically the Arab States of the Gulf had a unique and one might say a positive experience with the British. British influence brought stability and provided protection to these smaller states from the ambitions of their larger neighbors. In fact a curious footnote in history came following Britain's announcement in 1968 that it was withdrawing from east of Suez. The Gulf emirates went to London and offered to pay the British expenses if they
would remain in the Gulf! The point I want to make is that these small states saw the need for a benefactor, a protector, and that to an important degree is where the U.S. enters the scene.

Following the British withdrawal in 1971 and after some attempts to avoid the responsibility, the U.S. ultimately concluded that it had to assume the role of guardian in the Gulf. Today we have excellent relations with the governments in all these states. Following Kuwait's liberation the U.S. and Kuwait have a close military relationship. The U.S. and Bahrain have had an agreement permitting the U.S. Navy to use facilities there since the late 1940s. Today Central Command's forward headquarters is in Qatar. The US Navy receives support from the UAE Government and we have access rights to bases in Oman.

In contrast to close relationships with the governments and national leaders in the region is the extremely negative — even hostile — view of U.S. policies in the Middle East by the citizens of these states. Their anger certainly centers on our policies toward the Palestinians as well as our recent actions in Iraq and concerns about our military intentions toward Iran. The quandary is palpable. Governments must deal with the need for a security relationship with the U.S. while also managing public opinion. This quandary is severely exacerbated in times of crises whether they be in the Gulf or in the Levant, as with our position toward Israeli actions in southern Lebanon last summer.

I found virtually all of my contacts in the region concerned about U.S. intentions toward Iran — specifically our military intentions. Many believe that we intend to attack Iran to destroy its nuclear facilities. I even had friends in one country tell me the exact date in April the attack will take place. Seriously however, they are universally opposed to military action. They believe a military strike will only have a temporary impact on Iranian nuclear intentions while it will throw the whole region into another state of war and conflict. They believe an attack would strengthen the hardliners in Iran. They fear Iranian retribution given their close relationship with the U.S. They are concerned about their public's reaction. The only scenario they fear more is an Israeli attack on Iran. The US would be blamed in any case and the involvement of Israel would be explosive among Arab publics.

The Gulf Arab States feel other pressures from the United States. Two examples come to mind. U.S. calls for democracy, while welcomed by certain groups, are seen by others as deliberate attempts to undermine their religion and their culture. When the U.S. negotiates its trade agreements, it pressures these states to terminate their trade restrictions with Israel.

**Conclusion:**

In a setting such as ours this evening, we can conveniently dissect the pressures that these states face in order to better understand each one. Real life is not that simple. In the real world in which these states exist and their peoples strive to survive, all these pressures are at play at any given moment in time. All these pressures interact, complicate and determine consequences. A government, for example, undertaking serious efforts to build good relationships with its Shia minority can find these efforts overwhelmed by a particularly vicious terrorist attack by one sect on the other. In building security relationships with the U.S., leaders must be alert to its impact on their relations with Iran and its own population. Actions to alleviate one pressure may well exacerbate another.

Leaders of these States are also acutely aware that some of these pressures are beyond the influence of the States themselves, such as Iranian activities or American actions. There is no question that the situation in Iraq impacts on these States; but none of them has any significant influence over events there. Developments in the Palestinian-Israeli conflict inflame their populations. U.S. actions in response to such events or U.S. decisions vis-à-vis Iran are taken based on U.S. considerations and yet have critical impact on the political environment in these
States. Some such actions, like a U.S. attack on Iran and Iranian retaliation, could actually threaten stability in some of these states — not to mention is an extreme case, the state's very existence.

So. What did the coffee vendor say? "It is better than the worst!" Well, I think the situation for our friends in the Arab States of the Gulf is much better than that; but I do understand the stress and the tension that exists in the region as these States try to survive and to maintain their societies in the face of significant internal and external pressures. If we, as a government and a people, are to serve our best interests, it behooves us to understand their environment with more sensitivity and discernment than heretofore. The Gulf region remains vital to U.S. interests — interests that are best served if that region is stable and at peace.