CHAPTER IV

THE GULF COOPERATION COUNCIL

Though a misnomer in the strict sense of the term, the Gulf Cooperation Council — consisting of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE — is the largest, the most comprehensive and relatively the most successful attempt towards multilateral cooperation in the history of the Persian Gulf region.

Yet, the GCC has, so far, not evolved into a regional grouping worth the name, particularly in terms of its objectives laid down in its charter and other blueprints. Nor is it worthy of being equated with other existing major regional organizations such as the NATO and the ASEAN which are known for their achievements, strengths and working(1).

The level of cooperation among the GCC member-states has been of medium intensity and the pace a little above slow. Characteristically, it is not a grouping planted by, and formally aligned to, a major global power. Yet, either on its own or due to the interplay of regional and extra-regional developments it has heavily banked on the West, particularly the US for support and survival:

It is in this framework that a detailed study of the GCC has been attempted here.

INTRA-GULF COOPERATION IN 1970s AND EARLIER:

Historically, the urge for cooperation, in an institutionalized form, among the Persian Gulf countries has emanated from a ‘common threat’ posed by a country from amongst themselves. Before the advent of Islam, these were not the commonalty of languages, cultures and political systems but the Sassanid incursions which were the chief stimulant in driving the then tribal Sheikdoms to form a common defense system. Otherwise, they were always embroiled in perpetual and bloody inter-tribal conflicts.

After the birth of Islam in the Hejaz region of today’s Saudi Arabia and its subsequent territorial and spiritual expansion, that spread over the whole of the Persian Gulf region, including the Persian empire, the new religion, which the entire Arab population embraced, turned out to be the major unifying force.

But, with the gradual weakening of Khilafat institution, the central force that roped Arab tribes into a sort of federation, the tribe-state system re-emerged. ‘Islam’, common language and ethnicity were factors denoted to Arab tribal states cohesion into a distinct geographical unit.

From inside, perennial feuds among royal families coupled with an urge for territorial expansion denied the evolution of regional cooperation for centuries together. Or the levels of official cooperation, in the words of Christie John, “were so slight as to be of little effect and without lasting importance”(2).
Under almost 150 years of British control, there hardly existed a rationale and opportunity for regional cooperation as Britain itself supervised all the larger and wider issues concerning the region as a whole. British control over the rest of the Arabian peninsula did not leave for Saudi Arabia, which became independent in 1921, any room to drawing the smaller nations towards it till the date the British power announced to withdraw in 1969.

During this period, only a few attempts in regional cooperation were made by Saudi Arabia. The most notable of these were the signing of agreements on economic exchanges in 1953, on economic unity in 1957 and Arab Common Market in 1964(3).

However, it was Britain which laid the foundation stone of intra-Gulf cooperation, but only on the eve of its departure from the region. The British power encouraged seven trucial Sheikdoms of Abu Dhabi Dubai, Sharjah, Ajman, Ras-al-Khaima and Umm Al-Qwain to merge into a single state. It orchestrated the 1971 Dubai agreement, wherein the nine Sheikdoms, the rest two being Qatar and Bahrain, agreed to consider the formation of a federation or union.

In 1972, the Emirs and Sheiks of these states moved a step ahead and decided to form the United Arab Emirats (UAE). However, only after three years of this the UAE could come into existence. Not only this, Bahrain and Qatar later opted out. Historical animosity led them to disagree over power sharing in the proposed federation, prompting both of them to declare themselves as sovereign states.

Thus in the formation of the UAE in 1975 there reflected a lack of political unity among the regional states. The lack of unity was also exhibited on the security issue. In 1976 both Oman and Kuwait separately proposed the establishment of a common defense system but the move did not evoke enough enthusiasm (4).

In the same year, the Arab Gulf states rejected an Iranian proposal for mutual defense alliance, mooted at the first conference of the Gulf foreign ministers at Muscat. Iraq also did not find any taker of its proposal, which was presented in 1979, for an ‘Arab Gulf Security force’, loosely linked to the Arab League Joint Defense Pact’(5).

Even the Soviet invasion of Afghanistan, which created a sort of security chaos in the region, did not activate the Arab Gulf states to coordinate their defense policies by putting up a common defense system, albeit a loose one. Instead, each of them individually started to shore up its defense preparedness.

Saudi Arabia, which was most vocal against the Soviet invasion and probably the most vulnerable to the USSR’s expansionist ambitions Persian Gulf, tried to evolve a common voice of the Arab Gulf states in condemning the invasion. But this, at best, was a political and diplomatic move and could have been translated into a demonstration of regional unity had it been preceded or followed by a common stand on security issues at stake.

The Saudi policy statements on the invasion, particularly in regional and international
fora, were conspicuous by the absence of a reference to the need of forming a network of Arab (including the Arab states of the Eastern Mediterranean sector) or a Muslim front against the Soviet invasion of a next door neighbor of their region and more importantly a Muslim country(6).

As against a broad-based regional cooperation, endeavors on a limited scale were indeed made with some success during the 1975-80 period. The United Arab Shipping Company was established in 1975 by the UAE, Bahrain, Saudi Arabia, Kuwait Iraq and Qatar. In the same year, the UAE, Oman, Qatar, Bahrain Kuwait and Saudi Arabia established Gulf Ports Authority. In 1979, Bahrain, Saudi Arabia, Qatar, Kuwait, and Iraq agreed to incorporate the Gulf Petrochemical Industries in order to establish petroleum by-products industries. The Arab Gulf University was established in 1980 to impart training for students in different scientific and professional fields, by the UAE, Bahrain, Qatar and Iraq.


The launching of such a large number of joint ventures in economic, communications, mass media spheres was a distinct departure from the past. This is illustrated in the statistics that in the 1970s inter-Arab institutions grew one and a half times more than the number of those established in preceding two decades.

That same year the present Amir of Kuwait, Sheikh Jaber Al Ahmad, discussed the issue of regional security at bilateral level with the heads of the states of the region barring Iraq.

COOPERATION ON OIL RELATED ISSUES:

The Persian Gulf states demonstrated a greater sense of unity in the 1970s. As a result, there appeared some sort of similarity in their approaches and objectives.

They were instrumental in strengthening the OPEC cartel. They backed Libya in challenging the Western Oil Companies' monopoly over pricing and production of oil. They also played a central role in Tehran-Tripoli agreements (February and April 1971) for an increase in oil prices. OPEC's oil prices increased from $3.0 pb to $5.1 pb during the 1973 Arab-Israeli War. In similar refrain, they masterminded the 1973 Oil Embargo on the US and Netherlands and the three-fold price hike, taking the new posted price to $11.65 pb (9).

The Persian Gulf countries also formed a cartel within the OPEC to counterbalance the radical Arab oil-producers on the one hand and Iran on the other. In the later half of the 70s, these states turned price-moderates, opposing Price Hawks, such as Iran, within the OPEC. As a matter of fact, on all issues pertaining to oil the Arabian peninsula countries towed a line of
action designed and dictated by Saudi Arabia, then the producer of the bulk of the OPEC and the Persian Gulf oil. Therefore the oil policy of one country looked an “image mirror” of others’.

COOPERATION ON POLITICAL ISSUES:

The oil embargo also set the pace of cooperation on political issues among the Arab countries of the Persian Gulf. This was their first-ever action-oriented response to, and the most vivid demonstration of, unity of stand on the Palestine issue. The Persian Gulf Arab countries’ policy reflected unanimity earlier too, but then these countries operated in the larger framework of Pan-Arabism, and when it smacked of Nasserite radicalism, which the Arab monarchies opposed, they resorted to Anti-Zionism.

But the qualitative difference this time was that after originally mooting and carrying out the oil embargo against Israel’s allies and sympathizers, the Arab countries of the Persian Gulf looked at the Palestine issue as one demanding a joint strategy on action and policies among themselves as much as in concert with the Arab countries outside.

More so, the oil embargo was the first major concerted effort by the Arab conservatives to assert in the Arab politics on the strength of oil power, neutralizing their American connection and the relative remoteness from the Arab-Israeli War Zone. Following Egypt’s success in escaping from another defeat due to Arab monarchies action, PLO’s subsequent shift from radical states to Gulf monarchies in its bid to come out of former’s shadow and its yearning for finances the Palestine initiative slipped from the hands of “old guards” in favor of the new saviors.

In another sense, it was a unique case of regional (political) cooperation. Targeting the US, the Persian Gulf countries later evenly balanced their ties with the former. This, together with their immensely increased oil prowess, changed the region from hitherto a sub servient system of international politics to one of its sub-systems, capable of extricating itself from extraneous dependence or turning it into interdependence if the circumstances demanded and supported.

Though for a short while only, by imposing the oil embargo the US the Arab states of the Persian Gulf also de-emphasized their national interests for a larger cause. This was true of both a big nation like Saudi Arabia and a small country like Qatar. Doing this, Saudi Arabia also invited the chances of being attacked. Though the probability of such attack was remote due to a number of constraints yet it was communicated to Saudi Arabia by a person no less than Henery Kissinger and a strong group of ‘Attack Protagonists’, who had gathered around the then US president.

In view of this the chances of Saudi Arabia being stripped off the regional policeman status by the US were far less remote and denial of arms largesse and the scrapping of security commitments seemed the most probable likelihood(9).
Then, far more threatened would have been the smaller countries. Although their oil installations were not targeted, they feared that they might get involved due to the escalation of war or the eruption of superpowers conflict. More imminent and real was the danger of loosing in the US a guarantor of their security which had used its leverage over Iran to restrain it from territorial expansion into the Persian Gulf.

But, the regional states failed to maintain the momentum of cooperation. An important factor behind this was the short duration of the oil embargo. It did not present the Gulf states with enough time to consolidate, and properly rationalize the gains of oil embargo in the context of regional cooperation.

It took another five and a half years before the Arab countries of the Persian Gulf could show some glimpses of their solidarity on the Palestine issue. This occasion was the signing of Camp David Accord in 1978. It was vehemently condemned by the Persian Gulf countries who, both before and after the signing of the accord, did not give in to the US persuasion to follow the suit. But a marked difference is noticed in these Arab countries’ united resolve in 1973 Arab-Israeli War and on Camp David Accord.

First, one of them i.e. Oman, did not sever diplomatic relations with Egypt(10). Second, anti-Egypt move was embroiled in Pan-Arabism, encompassing a vast landmass, spread over two continents and a score of countries. Thus in view of these states’ distinct location, size, and geographical proximity with the country concerned and its internal and external political orientation and economic state of condition each pursued an anti-Egypt policy varying from the others’.

In fact, only Saudi Arabia, given its size, its involvement in intra-Arab affairs and its significance as the guardian of the holiest of Islamic shrines, and Iraq, given its newly found urge to seize the Egyptian opportunity, played an active role in ensuring Egypt’s ouster from the Arab League, the Organization of Islamic Conference and the Organization of African Unity. Smaller countries backed the move but they certainly lacked that enthusiasm.

**COOPERATION IN PERSIAN GULF IN THE 70s: NON-SUBSTANTIVE, FUTILE:**

The regional cooperation during 70s can be marked out for its low-key nature. Scores of regional level institutions were established but none paved the way for, or culminated in, the formation of a broad and close-knit organization. In terms of number, their attempts represent a significant development in regional cooperation but qualitatively speaking these were a failure.

It was as early as 1976, that Kuwait had put forward the proposal of a Gulf Union, but it took a span of another five years before such an organization could come into existence.

Be it noted that the formation of the GCC was not a logical extension of Kuwaiti proposal. For, it was never in pipeline. Even its chief propounder Kuwait, failing to receive an encouraging response, dropped the idea and instead shifted its focus on improving relations
with the regional countries at bilateral level (11).

A host of other regional institutions could not take off. Those which could be established worked but worked barely in the desired manner in a region of geographically close-knit countries, economically inter-dependent, possessing identical socio-political and economic structure and linguistically, ethnically the same and with a common religion to follow.

In the 70s the Persian Gulf countries did not look inward. Saudi Arabia, which is the biggest power among the Arab peninsular countries, should have made some dexterous efforts to carve out a niche for itself across the Persian Gulf into the Eastern Mediterranean sector by cashing in on the Palestine issue and underplaying its relations with the US (12).

The Arab countries did show up as a sub-system in some of the intra-Arab affairs at the Arab and Islamic forums, such as the Arab League and the OIC. Mutual cynicism mainly prevented the formation of such a regional union. To Saudi Arabia the smaller countries acquiesced, but they were not prepared to embrace Saudi hegemony, which they found laying inherent in forming a regional grouping.

But if Saudi Arabia was feared to turn closes, Kuwait, which first presented the Gulf Union proposal, too was left alone for the fear of it assuming the leadership by virtue of being the wealthiest and the most developed.

However, more disturbing was the failure of the endeavor to form a sovereign state of nine shikhdoms. Firstly, it was the Iranian claim on the whole of Bahrain that led the rest of the nine to delay the process of reaching at a final agreement. However, once Iran withdrew its claim the urge to usher as a sovereign state prevailed upon the Bahraini ruler to desert the move. The traditional feud between the ruling families of Bahrain and Qatar marred the deliberations and negotiations on the formation of a single state of these states. In these circumstances it was in all respects preferable for both Bahrain and Qatar to emerge as sovereign states than to negotiate power sharing between them and or other seven Sheikhdoms.

Last but not the least, what really robbed them of establishing a regional organization was lack of a common threat of such an imminent nature that it could overshadow the factors obstructing the cooperation. The US threat to seize oil fields in case the Arab governments strangulated oil supply for long was such a threat, but it was short-lived. Also, it remained a matter of academic discussion in the US, and the idea did not accompany any US effort or intention to amass troops and forces in the vicinity of the region. Over and above, the criticism to this idea was vehement inside the US and this reduced the possibility of the execution of this plan to the minimum. Even, the Arab countries of the Persian Gulf did not panic.

Iran was the only threat at that time to reckon with. But as it had happily accepted the role of the "Gulf Policeman" jointly with Saudi Arabia the threats from it had proportionally receded. The Arab countries of Persian Gulf countries did not relish Iran amassing huge arms and ammunition from the US and its western allies in exchange for its role in the Gulf but were consoled by the fact that these were at least not directed against them.
Iraq too was not a potential threat, although it had not relinquished its claim over Kuwait and parts of Saudi territory. But, at a same time, these disputes did not figure high on the Iraq's foreign policy agenda, due to its entanglement with Khurdish resurgence and preoccupation with the Iranian threat on eastern border. At that time Iraq also needed to take a radical shift from its typical hostile approach towards these countries to capitalize on the Arab confidence, it had gained after masterminding Egypt's withdrawal, for the purpose of filling the post Camp David leadership slot in the Arab world. To minimize the Arab suspicion on its Soviet connection, Iraq was bound to demonstrate a greater level of good neighborliness vis-a-vis the regional Arab powers.

FACTORS BEHIND GCC's FORMATION:
Thus, little and restrained cooperation among the Persian Gulf countries, at least till 1978, did not have paved the way for the formation of the GCC. In fact, to locate the genesis of the GCC prior to 1978 tends one to overlook the catalyst years (1978-1981) of the GCC's formation.

The Camp David Accord, the Iranian revolution, the Soviet invasion of Afghanistan and the outbreak of the Iran-Iraq War were major developments during 1978-1981 period which led to the formation of the GCC (13).

THE CAMP DAVID ACCORD:
From the viewpoint of regional cooperation, the Camp David Accord was not significant as this did not galvanize the Persian Gulf states into togetherness (14). But being the most vocal rejectionists of the accord and instrumental in ex-communicating Egypt from the Arab fold, the Persian Gulf countries shot into prominence once again in the Middle East politics.

This, in turn, re-established the Persian Gulf as a distinct geographical and geo-political entity—the rationale behind the formation of the GCC despite the presence of the Arab League and close lingual, religious and historical affinity with the rest of the Arab world.

By rejecting the Camp David accord brokered by the US, its Persian Gulf allies showed a willingness to undermine their association with the US on an issue of regional importance of major domestic implications. This exemplified the assertion of the Persian Gulf countries into an independent international sub-system than a superpower's exclusive area of action.

Protest against the Camp David accord helped Saudi Arabia graduate to the role of leadership in the Persian Gulf region. In adition, with none of the issues concerning the Persian Gulf region after 1973, succeeding in uniting the regional countries together, the Palestine issue after the Camp David at least worked as a binding force before the events like the Islamic revolution and the Iran-Iraq war came to overshadow it as far as the inception of the GCC is concerned.

THE SOVIET INVASION IN AFGHANISTAN:
On 27th December 1979 Soviet troops occupied Afghanistan. Taken aback, the Persian
Gulf countries interpreted it as a part of a grand Soviet design to encircle the oil-rich Gulf. The uncertainties in Post-revolution Iran and Bluchistan reinforced their fear. This fear found expression in Persian Gulf states' criticism of the Soviet invasion. Without exception the Arab countries adopted a united stand against Soviet invasion. All condemned the USSR in the UN General Assembly at the OIC conference. Yet, it is very unlikely that this development would have necessitated an increased cooperation among the regional states.

In fact, within one and a half months of the Soviet invasion, the Arab monarchies vetoed Iraqi proposal of An Arab National Charter which provided for prohibition of foreign power intervention in the Persian Gulf region. By accepting the Iraqi proposal the Arabian peninsular countries might have put at rest the fear of a combined Iraqi-Soviet invasion. But the disapproval of the same shows that the specter of the Soviet invasion and that of an increased level of intransigence from the Soviet allies in the region were not grave enough to the regional security.

Around the same time, Saudi foreign minister visited Kuwait and Pakistan and proposed a collective security plan to them as well as other regional countries. However, the plan did not seem to have been mooted in the backdrop of the Soviet invasion. Rather the plan accidentally coincided with it. For, it envisaged cooperation in internal security matters and not to deter external threats (16).

After initial outrage, the Gulf Arabs toned down their criticism of the Soviet Union. Saudi Arabia offered to establish diplomatic ties with the USSR provided the latter withdrew from Afghanistan. Kuwait publicly told that the USSR did not pose threat to the Gulf security despite the fact that the Soviet force were barely 350 miles away from the Strait of Harmuz and had by then demonstrated their capability to lift troops and equipment on short notice into Afghanistan and over to longer distances in the Gulf(17). Stephen Page holds the view that this very security threat had actually prompted the Gulf Arabs to seek accommodation with the USSR(18).

Oman was the only exception. It signed an agreement with the US allowing the latter's forces access to the Masirah island airfield and other Omani military facilities. But, much to the satisfaction of the USSR, other Gulf states disapproved this deal. Kuwait's foreign minister Sheikh Sabah Al-Ahmad Al Jabar Al Sabah visited Moscow at the end of the April 1981. His visit marked the lack of unanimity in the Arab monarchies’ opposition to the Soviet moves in Afghanistan and a rejection of the then US Secretary of State Alexender Haig’s proposal of an anti-Soviet “Strategic Consensus”, including the US and its Gulf Arab allies.

The likelihood of the formation of an anti-Soviet regional grouping diminished due to the USSR’s assurance to the Gulf countries that it had no intention to step into the region. “The USSR did not need oil and had never sought to dominate the Persian Gulf”, said a spokesman of the Soviet Union. The USSR also called, even if only for the matter of denying the US the advantage of gaining influence in the region by capitalizing the Soviet invasion, for “security of oil communications and equal commercial access to oil sources of the Persian Gulf region”. The USSR removed Gulf states' doubt when Breznev in his official visit to India
proposed an international agreement on December 10, 1980 stipulated:
1) Not to create foreign military bases in the Arabian Gulf or on adjacent Island; not to deploy nuclear weapons of mass destruction there.

2) Not to sue force or threaten the use of force against Arabian Gulf countries, and not to interfere in their internal affairs.
3) To respect the non aligned status chosen by the Arabian Gulf states, Not to draw them into military grouping to which the nuclear powers are party.
4) To respect the sovereign rights of the states of this region to their natural resources and:
6) Not to create any obstacle or threats to normal trade and the use of sea-lanes linking the countries of this region with other countries of the world (19).

THE IRANIAN REVOLUTION:

The overthrow of the Shah in January 1979 and subsequent seizure of power by the Islamic regime under the headship of Imam Khomeini beset the Arab Gulf with twin problems concerning their security. First, It exposed them to a kind of double-edged threat. First; it came from a regime (in control of region's most advanced military machine), that had from the day first declared hostility towards the Arab monarchies and called upon its people to export the Islamic revolution across the Persian Gulf and urged the people of the Arab countries to cooperate. Second; it created ‘security vacuum’ in the region. This is illustrated as under:

1) The dimension of the threat the Iranian revolution posed can be gauged from the fact that it activated both the radical (anti-monarchy) Sunnis, and the Shia minority. Even the expatriates—the labor force—identified themselves with the Islamic regime or its struggle against Shah’s exploitation. It is reported that even during the days of revolution its representative were trying to proselytize the peoples of Iraq, Kuwait, Bahrain, the UAE and Saudi Arabia. If reports are to be believed then soon after coming to power the Khomeini regime had started supplying arms and giving training to the dissident Shias in the Persian Gulf countries.

Both in Bahrain and Saudi Arabia Shias staged demonstrations. They were said to have done so at Khomeini’s instigation. In Kuwait and the UAE the signs resentment among Shias were also noticed.

These developments, a few and far in between, were successfully crushed though they often erupted at local level. Their repeated occurrence perturbed the governments of these states to a great extent. They rushed to find a mechanism to cooperate on internal security. The exchange of intelligence was stepped up, Iraq’s help was acquired to feed intelligence and security data and the regional governments began taking pre-emptive action against opposition groups and “radical activists” before they could stir an agitation.

This experiment was probably the first case of living cooperation among the Persian Gulf states, making them discover the practicability of such a cooperation and vitality of practicing it in institutionalized manner and at a wider level. The Iran-Iraq war did the rest. And there the GCC was founded (20).
2) The Shah’s departure created a security vacuum. Although unwillingly, the Arab countries had acquiesced to the Shah’s domination of the Gulf. They had reconciled with Iranian occupation of three disputed islands—Abu Musa and two Tunbs—in 1971 when the latter began playing the role of a bulwark against the radical Iraq and the Soviet Union. Their military and manpower strength being no match to that of Iran further convinced them to remain friendly with the latter. While their membership to the US power-bloc brought them together on external security issues in the region.

The removal of the Shah shattered the existing Gulf security structure aggravating among the Gulf Arabs the need of evolving a new security system from among themselves.

THE US FACTOR:
That this runs as a major theme in the Gulf states’ scheme of things on the security plank must be seen in the light of the fact that they were not willing to fall back upon the US as a substitute of Iran. The US wanted control over the Gulf military bases and other strategic rights in exchange for guaranteeing security of the regional states. The Gulf states were, at that point of time, not willing to concede to the US terms and conditions. For the conditions of the US tended to give credence to the doubt that it was more interested in the seizure of oil fields than the defense of the Gulf.

Very recently in the shape of events in Iran they had experienced the extent of the adverse consequences of maintaining close association with the US. Following the Iran-US model of relationship they would have only given new source of strength to the internal (radical-Islamist) opposition, which emboldened by the success of the Iranian revolution had come to the fore very powerfully. Nor could it be a wise step if the Persian Gulf countries wanted to neutralize the Soviet threat and, more importantly, to avoid the superpowers confrontation in the Gulf theater. All was not well in respect of the relations between the US and the Arab countries of the Persian Gulf. The near denial of F-15s and F-5s to Saudi Arabia and the differences over Camp David accord and the price of oil were the major irritants to a relationship conducive for forming a military bloc.

THE IRAN-IRAQ WAR:
The GCC was founded six months after the outbreak of the Iran-Iraq war. This was the time when Iran, after being put back on the wall for the first six months of the war, began to bounce back. This coincidence makes one specify as to whether the Iran-Iraq war or Iranian recoveries were catalyst to the formation of the GCC.

The war was started with a hope that a politically unsettled and militarily disarrayed Iran would soon be overrun by Iraq. At least this was the impression the Gulf States gathered from Saddam who visited some of the Arab capitals in the Persian Gulf, reportedly to secure latter’s support and approval of his decision to wage a war against Iran. Though expressed neutrality and urged the two countries to end their war, the Gulf states had unofficially assured Saddam to help and support him, to an extent that King Khalid personally wished Iraq success against the “enemy of the Arab nation”.
But, the Iraqi reverses forced the Gulf leaders to review their policies. Iranian retaliation threatened free flow of their oil exports. Saudi Arabia and Kuwait have their major refineries and ports within the striking range of the Iranian air force. But it was the oil shipping which was more endangered than the oil installations. Of the Persian Gulf countries, only Saudi Arabia could divert its oil exports, through its pipeline, to the Red Sea. The rest of them needed a free passage through the Gulf waters and the Strait of Hormuz. The foreign ministers' meeting of the Arab Gulf states in Taif in February 1981, in which the decision to form the Gulf Cooperation Council was taken, was called in the background of this threat only.

Avoiding to indulge into a direct confrontation with Iran, the foreign ministers decided to evolve the GCC not as a regional security grouping, as opined by the Omani representative. Rather, the Kuwaiti version of the 1980 Saudi plan for the military cooperation was adopted. This meant to establish the GCC as a platform for providing financial help to Iraq and cooperating on internal security among themselves. Thus a shape officially neutral, indirectly pro-Iraq and non-confrontationist with Iran the GCC took at the time of its birth. This testifies that it was a logical corollary of the Iran-Iraq war.

Some experts on the subject matter say that the Iran-Iraq war was a catalyst in the formation of the GCC in an altogether different sense; that it was the first-ever opportunity to Arab Gulf states to put Iran and Iraq “out of play as partners to any joint Gulf enterprise”(24). True to a large extent, but an exaggeration of this viewpoint tends to downplay the importance of security threats emanating from the war in the formation of the GCC. For, had the war not impinged upon the territorial security and internal stability of the Arab nations these countries would have not come to form this organization merely on the ground that they had a chance to isolate both Iran and Iraq. Also, the aforementioned logic suggests that as if Iran and Iraq were the only obstacles in the Formation of a regional grouping. Had this been so, the Arab monarchies would have established a GCC like organization long before. But, when one looks back at the efforts towards regional cooperation in the 70s, two distinct trends belie this. First, the setting up of an exclusive regional organization remained elusive most importantly because of the unwillingness on the part of, and division of opinion over the nature and scope of the cooperation among, the conservative Arab states. Second, few of the pre-GCC efforts at cooperation included Iraq and excluded a few conservative states which now enjoy member-state status in the GCC.

Non-inclusion of Iraq in the GCC despite the latter’s solidarity with the former in its war against Iran has led some analysts to wrongly conclude that the ‘Iraqi threat’ also loomed large in the minds of the Gulf rulers during the negotiations to set up a regional organization. They go on arguing that experiences with Iraq in the past, its territorial designs in the Persian Gulf and existing ideological antagonism between them was too much to be overlooked in the favor of recently-established and largely untested re-alignment. These analysts, however, fail to envision the indispensability of the Iraq-Arab Gulf re-apporachment. The Iranian threat was imminent and grave to such an extent that they could not afford to feel mutually threatened.
Right from 1978, when Egypt signed Camp David Accord, there had begun a full-scale realignment between Iraq and Arab countries of the Persian Gulf, particularly Saudi Arabia. In subsequent Baghdad conferences, called to reject the accords and admonish Egypt, they discovered areas of common interests and were led in close cooperation to build up a strong anti-Sadaat power bloc. After Imam Khomeini came to power and he threatened to export his revolution across the border the two decided to work closely to contain Khomeini’s Islamic revolution.

The Soviet invasion of Afghanistan did not mar the improvement of ties between Iraq and its Persian Gulf neighbors. Iraq decided to downplay the event and Saudi Arabia worked hard to align Saddam in condemning Soviet invasion. This policy met an exemplary success. Saudi Arabia managed to secure Iraqi participation in OIC’s foreign ministers’ meeting on January 27 called to condemn the Soviet invasion. The conference adopted Iraqi resolution which along side the USSR flayed the US and western powers for tampering with Afghanistan’s situation. This newly found love was extended to an extent of the Gulf countries gave prior approval to Saddam’s decision to attack Iran. Thus by the time of GCC’s formation, Iraq had ceased to exist as a threat at least for the near future. What would have indeed persuaded the Gulf rulers to refrain from including in the GCC Iraq was the fear of Iraq’s inevitable domination of the GCC given its military and economic supremacy.

**ABSENCE OF REGIONAL TENSION:**

It would be too simplistic to attribute the formation of the GCC only to political developments from 1978 to 1981 in the Persian Gulf region. The limited contribution of the decade-long, though low-key, tradition of regional cooperation should also be also recognized.

The agreements and understanding on everything from civil aviation to standardization of educational curricula: the exchange of information, the establishment of joint economic ventures, harmonization of development program so forth and so on contributed to the evolution of the GCC in the sense that the Arab countries discovered some common grounds among themselves. But more important than this, the cooperation in the 70s helped smaller states remove distrust towards richer and bigger states, like Kuwait and Saudi Arabia respectively, reduced to a considerable extent, enabling both the sides to overlook the dichotomy of wealth and size and join the GCC (25).

Though it was primarily an outcome of the growing threats to their external and internal stability, the GCC was not merely a security grouping. In order to stay away from the Iran-Iraq war, so as not to provide Iran an excuse to launch an attack, the member-states projected the GCC more as an economic union than a military bloc. The agreement on economic cooperation had drawn substance from, if it was not an outgrowth of, the pre-GCC economic cooperation.

It is not entirely true that the common threat in the form of Israel, Soviet invasion of Afghanistan, the Iranian revolution and then the Iran-Iraq war led the regional states to subside intra-regional disputes and apprehensions for the cause of the much-needed solidarity. As a
matter of fact, during the 1976-1981 the Gulf states had achieved a measure of regional stability in isolation to these developments. Most significantly, Saudi Arabia had at least abandoned its territorial ambitions against the smaller Gulf states and had resolved by then most of its territorial disputes(26). The boundary disputes among other states existed as ever but these did not endanger regional stability because none of these states were capable of settling them through military means and were unwilling to reach at political solution to them for the fear of the possibility of conceding them or a portion of them to the other states and invite in return the ire of their people.

THE OIL FACTOR:

GCC’s formation was also induced by the world energy balance and the resultant division along the line of surplus oil producers and deficit oil producing countries.(27) The declining oil demands, the reducing share of the oil-rich states of the Persian Gulf in world’s total supply and sagging prices accentuated the need of developing non-oil sector of respective economies. To avoid duplication and increase cost effectiveness, the concerned oil exporting states needed to cooperate in their developmental efforts.

The decline in the global oil demand coupled with the emergence of non-OPEC oil suppliers—mainly the UK and Mexico — had reduced the OPEC’s share in total global supply of oil from 70 percent to 40 percent. This phenomenon forced the deficit oil states to gain maximum mileage out of oil prices before it declined further. Whereas the surplus oil states had stake in “oil retaining the central position in the world energy balance”(28).

The latter, represented by the Arab states of the Persian Gulf, joined each other to establish a cartel within the OPEC. The decline in oil exports underscored the importance of coordinating their oil policies outside the OPEC’s purview. Over and above, with OPEC having not remained a reliable forum, as it was in the past, the importance of establishing an exclusive bloc of the surplus oil producing countries also increased. And this was materialised by forming the GCC.

SECURITY COORDINATION

THE EVOLUTION:

The evolution of security coordination among the GCC countries took place between May 1981 and May 1983. During this period the Chiefs of Staff of the member states met, under the chairmanship of Brig Yusuf Al-Madani, four times. In the first meeting on September 21, 1981 only organizational matters were covered (29). Coordination of defense efforts was the main agenda of the summit conference in November 1981. However, till then the GCC-states were reluctant to discuss it elaborately to pacify Iranian concerns.

But the aborted coup in Bahrain in December the same year, which was allegedly supported by Iran(30), prompted the need of entering into some kind of defense agreements in the January 1982 meeting of the defense ministers. On March 15, 1982 the chiefs of Military Staff had their second meeting in Saudi capital, Riyadh. In this meeting a decision to set up a
joint military force was taken. It was also decided to invest $1.8 billion in military purchases for Oman and Bahrain, and to acquire advanced aircrafts from Washington (31).

In November 1982, the defense ministers met for the second time. By this time Iran had started launching counter offensives against Iraq. In the light of this development the necessity and urgency of articulating a common defense policy increased. Iran was described as a common and primary threat and it was underlined that the projection of combined military strength was essential to deter hostile forces and to tackle them in the eventuality of a war.

At the third GCC summit, which was held in Bahrain in Nov. 1982, the heads of the state failed to reach an agreement on a Common Defence Pact as recommended by the defense ministers. However, they issued a communiqué, in which they resolved to coordinate their defense policies. These countries avoided adopting the defense pact due to the Iranian opposition, conveyed to the UAE's president Sheikh Ziyad in response to his offer to mediate between Iran and Iraq. The Iran categorically told that it would not brook any security arrangement in the Gulf which excluded it (32).

In the fourth Summit the heads of the member-states concentrated on evolving a cohesive system of communication techniques unison. Other issues which figured in the summit included the formation of Joint Military Academy and compulsory military training (33).

The undercurrents of the GCC security policies as evolved during the above-mentioned and subsequent meetings were:
1) Preservation of sovereignty and independence.
2) Enhancement of naval and air defense systems.
3) Security of oil facilities, from external, particularly Iranian, attack.
4) Defense against amphibious armored raids
5) Maintenance of internal security; and
6) Development of capability to support the over-the-horizon reinforcement by the United states (34).

EXTERNAL THREATS TO THE GCC:

The GCC is threatened by a host of external threats, regional as well as extra-regional. Of the extra-regional threats the one emanating from a possible East-West confrontation has finally receded with the disintegration of the Soviet Union. But their eruption in, at least, early 80s was not entirely ruled out by the Gulf Arabs as in the wake of the Soviet invasion of Afghanistan the US threatened to use force, if necessary, if the Soviet Union moved further south onto the Arab Gulf region to hinder the supply of oil to it and its western allies. However, how far the specter of East-West confrontation contributed to the evolution of the GCC security is any body's guess. For they would have realized that even in case of pooling all resources under joint command, the East-West confrontation could neither be prevented, nor controlled nor deterred. In such a scenario, the Gulf Arabs would have ended up taking US side or at best could mobilize diplomatic means to forestall the confrontation.
Next to the Soviet Union, the US itself constituted the most potential threat to the Gulf Arabs. The long-cherished strategic, economic and political relationship between them is, in fact, vulnerable to a single issue i.e. disruption of oil supply to the West. Of many options in the US scheme of things to meet such an eventuality, one is a forcible take over of the oil installations, either by the US alone or under a collective security action involving, beside the Western allies, Israel also.

To the West of the region, the potential threat was Ethiopia and South Yemen, the latter a close ally of the Soviet Union and a constant source of abetting internal dissension in Oman, Saudi Arabia and the UAE. Yet, PDRY could not be counted among potential threats to the external security of the GCC whose strategic targets were out of the reach of the PDRY’s air power.

The threat form north is represented by Israel. Its airpower interdiction capability covers all the strategic-economic targets of the Gulf, a proof of which was provided when Israeli aircraft flew over Saudi airspace during its raid on an Iraqi nuclear reactor in 1982. However, the GCC-countries have by intimidating the US of the use of oil-weapon in an eventuality of Israeli attack, neutralized the Israeli-threat. The ability to compel the US and its allies, West European countries and Japan as well, to harden their attitude towards Israel, as it happened during the the 1973 war because of oil embargo, has strengthened their faith in the oil diplomacy as a means of restraining Israel. Beside this, by extending their support to the recently concluded accord between Israel and the PLO, these countries seem to have embarked on a policy of peaceful co-existence with Israel.

The threats to the GCC states, thus, comes from the east, Iran and Iraq. Both the countries are and have been militarily the most powerful regional states and pose radical threats of different variety to the conservative monarchies. Beside, Iraq and some GCC countries are entangled in boundary disputes. This is why at the expense of the exclusion of Iran and Iraq, a Gulf security arrangement is unlikely to succeed, unless the responsibility for the same is taken by the US. The strategic location of the region falls within the striking capability of these countries. Iraq has, moreover, made overland attacks against Kuwait and just refrained from doing the same against Saudi Arabia during the Persian Gulf crisis. Coming close to trounce Iraq, Iran in the 80s threatened to become an overland threat to Kuwait and Saudi Arabia (35). Iraq, is now no more a shield of the peninsula against the Iranian or any other threat from the east*. To Gulf Arabs, Iraq, given its historical territorial disputes with some GCC states and Saddam Hussein’s penchant for war, is in many ways a greater and perpetual threat.

COOPERATION ON EXTERNAL SECURITY:

The security cooperation among the GCC countries eludes an intensive and well-integrated multilateral arrangement. In fact, there has been a sort of unwillingness on the part of the member-states to evolve such an arrangement. Suspicious of the regional security system’s practicability and success, the smaller states do not want to invite the ire of their stronger and bigger neighbours, like Iran or Iraq, for the sake of a token presence in the name of regional security. As a part of the over all hostile security system, these smaller states can be
taken at par with the ‘latent enemies’ by the adversary power. Moreover, given their relatively weaker military position only these smaller states would be singled out for revenge by an adversary. An attempt by Iran to escalate its war with Iraq in the 80s would exposed the UAE, Qatar and Bahrian to an intensive air and naval attack due to their closer proximity with Iran than, say, Saudi Arabia. That is why the multilateral security setup, which was envisaged as early as in 1981, could come into effect by 1986. In addition, for their national security against a formidable enemy like Iran the smaller states preferred to bank on a major global power, like the US. Both the bigger and the smaller members of the GCC have not put to practice their high-profile security doctrine based on centralized military structure, common armed forces, weapons standardization, unified training system and common arms procurement.

Their different weapon systems, particularly in case of aircrafts, hindered the evolution of C-3 system. For instance, the French aircraft Kuwait possesses are incompatible to the American C-3 system. The Saudi AWACS are relevant more to the security structure of Qatar and Bahrian and less in the case of Oman or the UAE. These aircrafts do not cover the entire airspace of Saudi Arabia and a majority of the GCC countries. Obviously, then, the non-beneficial states are less inclined to integrate their national security to the AWACS-based regional security.

The common defense forces proposal incurred the contribution of a large chunk of their armed forces by the smaller states, which would have weakened their national defense, particularly against an internal threat.

The unified training system proposal (36) was eventually left aside as this was bound to amount to the abandoning of security contracts with the West, which is engaged in military training through its personnel in each country separately. Under this system the training to the requirements of the national defense system would have also suffered.

The idea of weapons standardization could not realise as it required dependence on a single and common source of supply. On the other hand, the weapons procurement policy of each state in the region is directly linked with the interests pertaining to bilateral relations with the supplier, which, in turn, makes the replacing of more than one supplier with a single or a new one, or a group of suppliers with the other group, far difficult.

The common security system as it stands today is confined to a theoretical premise that attack on one member state would be regarded as an attack against all. This has served the purpose of political cohesiveness more than that of the security. This is why they exhibited political solidarity against the Iraqi invasion of Kuwait very quickly but failed to militarily retaliate with equal swiftness. They showed up with only symbolic presence during the collective security operation against Iraq. This testifies their unwillingness to use force against an enemy, to deter or tackle a regional enemy through collective military actions.

The GCC is not like the NATO. The cooperation in enhancing the national defense of each country separately has turned to be one of the major objectives of the GCC. Oman and Bahrian have been financed by the rest of the GCC states in improving their military strength (37). On this basis, a few analysts advance the argument that the member states’ preoccupation with the national defense is not an outcome of a disillusionment with the regional security rationale. That is why the frantic individual-level attempt to increase the defense prowess has not given birth to arms race, mutual suspicion and antagonism as it generally turns out to be. Not only is, but also under the GCC’s aegis counties like Bahrain and Oman have been funded in their defense enhancement programs (38).

Thus, in reality, what has emerged over the years and in the failures and successes of
numerous experiments with a common security is a symbolic regional security system. An example of which is the conducting of joint military exercises, code-named "Peninsula Shield", each year (39) and the creation of Riyadh based C-3 system. These are neither apt to, nor are intend to be so, to deter a threat although most of these exercises were held during the Iran-Iraq War. They are aimed at giving a demonstration of convergence of security interests, commonalty of threats and a slight spanking to the enemy that if it tries to muddle with one of the GCC constituents, it may have to confront all of them.

COOPERATION ON INTERNAL SECURITY:

Internal security threats to the GCC come mainly from the minority tribal groups (40), the minority religious sects, mainly Shias scattered in all the GCC countries in significant numbers (ranging from 75 percent in Bahrain to 7 percent in Saudi Arabia), expatriate workers (41), and various social, Islamic and professional groups who include Beduins, Urban populace, technocrats, enterpreanures, armed forces and educated elites.

The forms of the threats range from protests, riots, terrorist attacks — which are carried out by tribals Shias and Islamic activists —, covert grievances of the expatriates against the host country and political dissent from the professional groups.

As regards the threats from the local populace, expatriates and professional groups, the regional regimes have handled these on individual level through adopting various positive measures, which include political concessions, such as formation of representative bodies at local and national levels, facilitating greater participation in public affairs to professional groups, invoking Arab traditions of kinship and tribalism, and giving Islamic credence to their rule to preclude any demand for political change and modernization, channalising the oil wealth down to the lowest strata of people, though not necessarily on equitable basis, and providing a welfare state facilities.

At regional level, only the acts of militancy by the Islamic fundamentalists, tribal and sectarian minority groups and expatriate workers matter. To meet threats from these groups, the GCC countries have evolved an Internal Security Arrangement’ (ISA) which includes exchange of data, surveillance information (currently stored in a data bank in Saudi Arabia) on the activities of political opponents. There is also a political understanding among the member-states not to extend any form of support to rebel elements. The ISA is a lose and vague regional mechanism being restricted to only exchange of data and other information and having been negotiated only bilaterally with each other. The pledge to refrain from assisting rebels is not a legally binding regional agreement. Rather, it has evolved and is strictly adhered to because any such activities in a particular are apprehended of having cross border repercussions.

In fact, any attempt to give regional dimension to ISA has met with failure. Saudi Arabia also mooted this idea in 1980. But, it could not materialize due to Kuwait’s opposition to exceptional and extra-territorial powers it tended to give to Saudi Arabia, particularly the right to make cross border hot pursuits (42).
GCC's SECURITY SYSTEM AND THE US:

The GCC's security system is intricately linked with the United States policy to preserve the status quo in the region, to retain its clout on and credibility with the peninsular states and to use its military might to protect its interests in the region. That the GCC was an outcome of the regional states' resolve to marginalise their dependence on the US on security issues lest it become counter-productive by instigating an Iran-like situation, is an hastily conceived proposition. Indeed, the prevention of the eruption of an Iran-like revolution was one of the main objectives behind the formation of the GCC, but not at the expense of exclusion of the US from the regional security. The GCC's inception was actually to avoid an overt and direct security links with the US. In other spheres, such as arms supply, the "Over-the-Horizon" security of the region, particularly from the Soviet Union and the formidable regional enemies, like Iran, the GCC has exclusively relied on the US.

This is why the GCC welcomed the Carter Doctrine and the creation of the RapidDeployment Joint Task Force (RDJTF), which was later expanded into US Central Command (USCENTCOM)—"the most visible military step taken by the united states (in the region) since the signing of the Baghdad pact in 1955"(43).

The US was offered base facilities in Oman and reportedly in Bahrain. The rest of the GCC countries did not press Oman and Bahrain hard to abandon their security ties with a foreign power. Kuwait directly approached the US, instead of trying to activate regional security mechanism, to protect its tankers from Iranian attacks in 1987. This move too was not opposed by other members of the GCC.

American arms are central to the regional security system and essential to achieve the task of weapon standardization, an important feature of the common security. Needless to mention, that the most effective symbol of the GCC's common security have been AWACS which cover a large portion of the combined strategic airspace and establish the C-3 system.

The GCC's invitation to the US forces on its soil during the Persian Gulf crisis creates an impression that seeking of direct help from the US would have always been on the cards earlier too had a similar situation arisen. The ease and urgency with which American help was sought to eject Iraq out of Kuwait is a more interesting case of the GCC's total reliance on the US. On August 9, 1990, that is barely a week after Iraqi attack, Saudi Arabia officially invited American forces. According to some reports, the US forces had begun arriving in Saudi Arabia even two days before this(44). Soon the other GCC members followed the suit. On August 19, the UAE became the second state to permit the Arab and "friendly" states to deploy their forces and to utilize other military facilities. So did Qatar on August 27. While Oman and Bahrain, wherein the multinational forces were not deployed, allowed the allied forces to use their military facilities(45).

CONSTRAINTS OF THE GCC SECURITY SYSTEM

A) THE PENINSULA SHIELD:
Joint land exercises by the member states of the GCC in 1983 in the UAE gave birth to the GCC Rapid Deployment Force. This was later code named as “Peninsula Shield” after much debate and differences over its name and mission. At present the force is stationed at King Khalid Military City (at Hafar-al-Batin near the Saudi-Kuwait Border) in Saudi Arabia. The Saudi Forces constitute the major part of this force followed by Kuwait. While the presence of armed contingent from other member-countries is mainly token.

The idea of having a common land force to repel any outside land aggression struck the Gulf leaders after the attempted Coup in Bahrain in December 1981 (47). But it could not take practical shapedue to the differences over its nature, mission and composition. The main objection was to the Saudi idea of dividing it into two nuclei—one at north-eastern border and the other at south-eastern border as they did not want to be engaged on the front (Saudi’s southern eastern border) which lies much beyond their territories.

Even after inception the GCC-RDF has been marked for unenthusiastic participation by the member states. The UAE and Oman have had reservations about the idea of its expansion and the strengthening of its capabilities. For they feared that it would send a wrong signal to Iran, a preemptive air and land strike from whom the two countries could not repel.

The common land force does not even make up half of the strength of the land forces of the regional adversaries, Iran and Iraq. For instance, during the Iran-Iraq war, Iran could thrust into GCC territories a troop in tens of thousands in an attack from Southern Iraq which its force were then occupying. In such a scenario, the Persian Gulf region could not raise the required number of armed contingents even with the help of Egypt and Jordan (48). Both Egypt and Jordan have some difficulties fielding a force of a large size to such a distance from home. The limited numerical strength of the land forces of each country runs against the idea of contributing a large chunk of their armed forces to the Peninsula Shield so that the latter can look formidable. The matter is further complicated by the fact that about one-sixth of each armed force is made up of the foreign personnel, who might not like being the part of the common armed force which is weaker than that of the adversaries.

Also huge presence of foreigners in a joint task poses the problem of dependability. While, entrusting the task to protect the national security on foreigners and diverting the indigenous personnel to common land force poses the same problem. In fact, the only factor that neutralizes the inefficiency of the Peninsula Shield is the geographic advantage the Gulf countries have vis-a-vis a land aggression from the countries on the other side of the Persian Gulf. Sustained overland attacks from Iran or Iraq can be channeled only along the narrow access at the northern edges of the peninsula.

Beside this geographic equalizer, the Peninsula Shield is no match to armies of the hostile powers. At best, they are good in giving the armed forces common experience in interoperability and to develop a sense of cohesion among them. The Peninsula Shield looks to be a deterrent in so far as it demonstrate a political will of the countries who constituted it to jointly confront an outside threat.
B) JOINT AIR DEFENSE SYSTEM:

The idea of joint air defense system was mooted in November 1981. It could materialize in the last quarter of 1986 when in GCC summit conference in November the member-states agreed to establish the joint air force(49). The air defense system centers around the Airborne Warning a Control System aircrafts, stationed on the eastern coast of Saudi Arabia, and the land based anti-aircraft and marine missile network(50).

Yet, the AWAC aircrafts cover the entire air space of Saudi Arabia and that of others' partially only. The development of C-3I(control Command, Communication and Intelligence), which is understood to have been the rationale behind the integrated air defense system under AWACS, has been obstructed by the the acquisition of different aircrafts (predominantly French in three states, American in two and British in one) by the regional countries. This militates against the inter-operability of the air forces. Particularly, the acquisition of French system by Kuwait is incompatible with that of the American system which Saudi Arabia possesses.

Even the AWACS-borne system does not give the regional countries air-superiority over Iran or Iraq. Here, geography puts the Arab Gulf countries in a disadvantageous position even if their air-defense system is relatively stronger than their naval and land defense systems. Situated along the western periphery of Persian Gulf the key strategic locations of the Arab countries fall well within the reach of Iranian and Iraqi warplanes.

Though highly sophisticated on paper, in practice the air defense system has not been worthy of it. Israeli aircrafts flew undetected and unchallenged across the Arabian Peninsula to destroy Iraqi Nuclear reactor at Osirak in 1982. Similarly, in 1983 a dissident Iranian pilot landed his Phantom Jet at Dhahran Airport without early detection (51).

The operation of AWACS in an armed conflict is subject to willingness of the country of its origin to cooperate. Although local air crews can fly these aircrafts, their operation requires a maintenance team, comprising technical personnel, of 450 men from the aircraft makers and technical assistance from a contingent of 21 uniformed men from the US air Force (52). Therefore, in an unexpected situation of termination of US-GCC security ties or the US tilt towards power against whom the GCC can use AWACS or domestic pressure on US administration to keep away from getting involved in regional dispute, the GCC countries would not be able to use the AWACS. Such a situation the GCC states would indeed face in a war against Israel.

C) WEAPON CONSTRAINTS:

For a number of times the GCC countries have principally agreed to standardize their weapon system, embark on a unified training and to procure arms from single or a particular set of sources(53). Yet, owing to strong unilateral approach to arms procurement, what exists in the region is a disintegrated weapon system which further reduces the scope of weapon standardization and restricts inter-operability of combined forces.

As early as at a ministerial meeting in January 1982 the idea of coordinated arms procurement policy was floated. But, Saudi Arabia expressed its reservations, pointing out that
this would make all the regional countries dependent on a single source of supply. This could also integrate the Gulf security to that of an external power in an explicit manner exacerbating internal dissension, accentuating the external power’s dominance.

The diversification in GCC countries’ arms procurements is seen most exposed in the field of fighter aircraft despite the fact that these countries are integrated under a common air defense system. In 1984, at least four countries—Saudi Arabia, Kuwait, UAE and Bahrain—decided to make F-16 as their common aircraft. But this plan could not materialize due to restrictions imposed by the US fighter export policy. Then it seemed that the regional countries would opt European Tornado or French Mirage 2000. However, finally, Saudi Arabia and Oman favored Tornado, Bahrain went for F-14, the UAE placed orders for 38 Mirage 2000 and Qatar and Kuwait chose Mirage F-1s.

As regards the unified training system, it is hampered by training to armed forces by foreign experts from one country in one member-state to the another country in an another member-state(There are about 20,000 foreign military personnel training some 200,000 indigenous armed forces in all six states). Obviously, as says Kechichian Joseph A. “since the background of these advisors is diverse their training reflects a definite ‘cachet’ which will accentuate different approaches” (54). Besides, the placing of the unified training in the hands of foreign experts itself counters the building up of an independent combined armed forces, the very objective of the unified training.

Common arms production policy seems an ideal far from the reality. In the 70s the Arab monarchies had embarked on an ambitious indigenous arms production program with cooperation from Egypt. But it met with an immature death after Egypt signed peace treaty with Israel in 1978 as it led to severance of its diplomatic ties with Arab countries. The GCC countries have since then moved to Pakistan which is in no way a suitable alternative. Even, the development of an industrial base in the GCC countries for arms production is still in its infancy (55). The slow progress on this front casts doubts on the sincerity of these countries to achieve their stated goal. In addition, the arms production is in no way going to reduce the dependence on the foreign supplier. For the weapons the GCC countries would be able to produce would in all likelihood be far inferior in technology and other aspects to those of the West which they really need, aspire for and are capable of buying.

THE VULNERABILITY OF THE GCC’s SECURITY SYSTEM:

On the one hand, the evolution of the GCC’s security system has not been adequate, while, on the other, its fragility has been further exposed by the presence of militarily stronger powers—Iran and Iraq—in the region. They are confronted with the possibilities of naval, air and land attacks, closure of the Strait of Hormuz, and political subversion backed by the two countries. To thwart these dangers the GCC countries have a combined strength of 100,000 insufficiently trained personnel against about 600,000 men in Iran and Iraq each (56). This makes them to rely exclusively on the US each time these threats become ‘real’.

If Iran refrained from blocking the Strait of Hormuz or declaring a full-fledged war against the GCC-countries, it was because it visualized a direct confrontation with the US in
such a scenario. On their own, the GCC overlooked numerous short of war military intrusions by the

Iranian air force during its war with Iraq. Iranian aircrafts attacked Kuwaiti towns of Al-Abdali at Iraqi-Kuwait borders twice in November 1980. It damaged a Kuwaiti oil facility center in October 1981. In February 1986, Iranian troops penetrated as far as the Khawr Abdullah channel. Iranian silkworm missiles were launched against Kuwait in September 1987 and since spring 1984 Iranian aircrafts regularly retaliated the Iraqi attacks of Khrag Island by hitting merchant vessels bound for Kuwait and Saudi Arabia. But on each occasion, the GCC decided not to respond. Only Saudi Arabia once gunned down one F-4 Phantom of the Iranian air force on June 5, 1984. Combined strategy against Iran was limited to Saudi Arabia providing Kuwaiti air defenses along with the intelligence information gathered by the AWACS, despatching the GCC-RDF from Hafr-al-Batin to Kuwait on March 3, 1986 after Iran’s successful offensive on Faw Peninsula, and logistic support extended to US for reflagging the Kuwaiti tankers in 1987.

The Kuwaiti decision to seek the Soviet as well as the US help in reflagging its ships was a kind of recognition among the GCC member-states that even a combined GCC effort to accomplish the same would have been inadequate. On this occasion the GCC played the role of second-fiddle to Saudi Arabia by agreeing to enlarge Saudi AWACS surveillance to the south in order to cover the entire route of the escorted convoys, provide basic facilities (medical service, water and fuel), extend landing rights in case of emergency to the US forces and help the US in the mine-sweeping operations in the GCC’s territorial waters.

The varying perceptions of a regional threat and their military capability make these states to give combined strategy a low priority. Saudi Arabia is relatively less threatened because of its large size, and possession of a sizable fleet of modern F-15 fighters supported by AWACS radar aircrafts. This makes it more enthusiastic about the formation of a strong security system under its dominance(57).

But the countries, such as Kuwait and the UAE (58)—more exposed to threats from across the Persian Gulf—do not subscribe to a high-profile common defense system on the pretext that this would provoke the adversaries. Any alliance with Saudi Arabia, the governments of these countries think, would associate them to threats targeted ,otherwise, against Saudi Arabia only. The UAE is far away to be covered by AWACS based Saudi air defense system and lacks early warning or tactical air capability to repel an attack by Iran or Iraq(59). This underlines its unwillingness to involve the GCC in its row over Abu Musa and Tunbs Islands with Iran in the past as well as recently. A UAE Gulf Official told the press on April 15, 1992 that his country did not want to regionalise the issue adding “the UAE has told other Gulf states that it is a very serious situation but no one will take action unless it is requested by the UAE”(60). Qatar and Bahrain are in the same category and Oman, despite or because of being tied to the US in close strategic cooperation, has not very actively contributed to the making of the Gulf security system.

Notwithstanding that the Omani armed forces are one of the most professional and battle
experienced ones in the Persian Gulf region, they are, however, too small in numerical strength and under-equipped to tackle a threat from Iran or Iraq. Manpower shortages, coupled with lack of funds for defense expenditure, impose limitations on any Omani effort to increase its defense build up. Its involvement in military action against the afore-mentioned countries is bound to blockade the Strait of Hormuz, while the Omani naval forces, too, are capable of carrying out only ‘run and hit’ attacks, using speedboats. Even in case of laying mines or clearing mines, Oman would have to call for outside assistance.

All these factors have turned the GCC security system docile and meek as borne out by its remaining quiet on several occasions, a few of them pertaining to Iranian incursions having already been mentioned above. When the Persian Gulf Crisis got ensued their response initially lacked collectivism with only Saudi Arabia and Kuwait adopting strong postures and the rest of them favoring a peaceful solution. Their collectivism got restored only when the US forces landed on Saudi soil, giving them the confidence that any Iraqi attack against them could now be repelled. They did not even once harped on the idea of tackling the situation on their own and their participation in the war that followed was symbolic, eclipsed by even Egyptian and Syrian participation not to mention that of the US and its European allies.

**ECONOMIC COOPERATION WITHIN THE GCC**

On economic issues the Arab countries, sans Yemen, of the Persian Gulf bear more commonality than any other issue of common concern. The economic cooperation has gradually taken a back seat in favour of a more pressing issue—the security—it preceded the inception of the GCC and the limited success on this front implicitly or explicitly encouraged the formation of this organisation.

The identical weaknesses—shortage of human resources, lack of industrial base, problems relating to assets in the foreign countries, uneven social and economic development—and the identical strengths—possession of nearly two thirds of the world’s proven oil reserves and being major actors in world trade and international finance—of the GCC countries underlined the importance of coordination and integration of economic policies. A blueprint of economic cooperation titled “Unified Economic Agreement” was signed on June 8, 1981. It called for:

- freedom for travel for the nationals of each member state,
- freedom of commerce between member states,
- the construction of common economic infrastructure,
- elimination of custom duties between the GCC states provided the goods satisfy a criterion of a minimum local value added content (set at four percent but open to go up as high as 20 percent),
- coordination of import and export policies and regulation,
- creation of collective negotiating force to strengthen the GCC’s position vis-a-vis foreign suppliers,
- free movement of labour and capital,
-coordination of oil prices,
-coordination of industrial activities and standardization of industrial law,
-coordination of policies for technology, training and labour,
-collective approach to air transportation policies, and

-establishment of a unified investment strategy and coordination of financial monetary and banking policies including possible adoption of common currency.

Some other measures agreed upon by the GCC states in following agreements include:
-creation of communication network between all Gulf states,
effective manpower utilisation,
establishment of gulf information bank,
exchange of expertise in all fields,
unified media strategy,
attraction of foreign investment, and
-establishment of a special fund for the Gulf security(62).

A number of provisions was put into practice since 1982. The Gulf Investment Cooperation was established. It earmarked $2.1 b for economic development and industrialisation in the area and to facilitate joint economic projects in agriculture, commerce, mining and general investment. The Gulf Standards Organisation was formed, which set a uniform standard of weights and measures for the community. The GCC countries agreed to help Oman expand its marketing capabilities by building an industrial park in Oman. An agreement was reached to this effect with the member states deciding to promote among themselves the use of products from the GCC's basic industries so as to stimulate the local demand. Demonstrating this the member-states decided to to set up a tyre factory in Oman to fulfil each one's needs. In a meeting of finance ministers in March 1982, the GCC decided not to abolish the tariff totally by imposing a custom duty of four percent(63).

In 1983, the GCC embarked on a study to explore the possibility of constructing a distribution supply network for liquified natural gas to support its electricity production, desalination plants and basic industries. On Nov. 9, 1983, i.e.at the conclusion of the Doha Summit, it was agreed that Gulf citizens would be allowed to practise pharmacy, work in hotel and restaurants and trade in all six states.

By early 1984, the GCC brought out a list describing each member state's accomplishments in implementing Economic Agreement provisions. For Instance, the UAE was credited with having lifted duties on agricultural and farm products originating in other member-states, accepted the transit regulation of the GCC, allowed the GCC citizens to practise medicine, law, accounting and engineering. Bahrain was reported having allowed the GCC citizens to invest in the country and permitted the practising of law and medicine by the GCC countries nationals.
not indicate that the GCC countries in the near or distant future would be able to meet the target. The diversification activities are beset with lack of physical and human resources, institutional bottlenecks, overcharging by foreign suppliers or contractors and expansionary domestic, monetry and fiscal policies.

The industrial development can, of course, that too in a limited way, reduce the GCC countries’ imports but can not enhance exports. But, what they need is to find out an export oriented item equivalent of oil to maintain the economic growth rate under the oil economy. Says Anthony John Duke, “there is no way to avoid the fact that the expansion of non-oil sector wil hinge largely on exports”(66). The memeber-states have not mooted any joint effort to become self-sufficient in the commodities they import heavily.

INVESTMENT:

The ‘Gulf Investment Corporation’ was set up in 1982 in Bahrain with the establishment of the ‘Gulf Investment Fund’ (GIF). It aims and objectives have been to contribute to the economic development, promote the development of financial resources, assist the diversification of the sources of income, and provide a commercially acceptable return to the share-holders among the member states(67).

It opened for business in May 1984 with a staff of three. Its treaseaure is active in money market and foreign exchange. The marketing Securities division has started trading in fixed income and trading in floating rate notes. It is committed to a number of projects, involving a sum of $ 750 m (68).

TRADE:

The GCC’s policy of trade is two-pronged i.e. promotion of intra-regional trade and representation as a group in trading with extra-regional countries and organisations. As a result, the member-states have made joint purchases of rice and other foodstuffs, imposed GCC-wide tax on several products, such as iron, steel, cement and food staples, to protect the local insdutries and negotiated as single unit with multilateral institutions such as Arabsat, Amarsat, International Civil Aviation Organisation, GATT, SWIFT and other regional and international organisations, like EEC and other countries(69).

On the Intra-GCC trade front, the GCC states have moved towards duty-free trade and expansion of trade particularly in goods and services which can be acquired from amongst themselves.

The coordination of trade policies has met some successes. At least the GCC export has reached the “take off” point. More importantly, in their dialogues with the EEC and he USA—their largest trading partners—the GCC has utilised its togetherness in negotiating with the latter in favourable terms. They are noted for their joint criticism of US maintaining the position of dominant partner and it charging too high a price for supply of goods and services.

The intra-GCC trade has no doubt increased but not to the extent of diminishing their
dependence on extra-regional countries they are trading with. Constrained alike by a weak industrial base, the GCC countries can not trade in more than a few items, and can not do so at all in technology and services. Even the little trade among the member-states involves mostly the re-export of goods imported from abroad. In 1986 the GCC imported 12 percent of the total world exports. From 1975 onwards 75 percent of its requirement of goods, services and technology has been met by Industrialised countries appropriating as much as $66 b in 1982 and $56 b in 1986(70). According to trade figures for 1985, the GCC imports comprised 42 percent capital goods, 34 percent industrial products and 12 percent foodstuffs. Europe provided 37 percent of the GCC's requirement, Japan 17 percent and the United States 11 percent. Add to these figures the trade with the former Communist bloc and developing countries, the volume of trade within GCC becomes negligible.

The only benefit the GCC states could gain from negotiating as a collective united force is to threaten to diversify their sources of supply. Thus they achieved a degree of independence on the matter of choice. Yet this freedom does not cover all the items the GCC imports from a particular country. Some of them can be provided by a single supplier or by a particular set of suppliers. Their exports do not seem to have carved out a niche in the world market. They are not only qualitatively inferior but include the items which are in surplus globally.

In addition, trade inflows within the countries of the GCC constitute only roughly 10 percent of the total exports from the region, even though this figure represents about 200 percent growth over the past 10 years(71). Thus more than being an independent economic unit in the world trade the GCC is integrated, in the capacity of a weaker partner, to the global economy.

STANDARDIZATION:

A breakthrough in the standardization of prices, weight and measures was made by establishing Weights and Measures Organisation. It calls for establishing a uniform system of industrial standards that would apply to the GCC member states as a whole. As far as the price standardization, the GCC countries have once, at least, demonstrated it by collectively purchasing bulk of rice in 1983. Electricity and telecommunication companies have also mitigated large gap between their prices. But these achievements are symbolic only in the sense that the prices of the two most important commodities Oil and Natural Gas have yet not been harmonised, mainly due to fluctuations in international prices of these resources.

ECONOMIC CITIZENSHIP:

In 1983 the member-states implemented article 8 of the Unified Economic Agreement provision enjoining each state to accord one another's citizens the same rights and treatment which are granted to its own citizens. These rights include freedom of movement, work and resident right of ownership, freedom of exercising economic activities and free movement of capital in any of these states. From 1983 onwards a number of steps have been taken to broaden the sphere of article 8, including "equal treatment of any GCC citizen's investments in industry, agriculture, fisheries, natural resources, animal husbandry, contracting, hotel, restaurants, maintenance, commerce and real estate for personal use"(72). Equality is also awarded to professionals from other states, including accountants, physicians, pharmacists, engineers,
ASSETS:

This is a neglected area. They have not tried to expand the geographical base of their assets as most of them are in US and West European banks. They have also not been able to find out an alternative to transferring their surplus in foreign country despite the fact that the nominal value of the surplus has not increased in correspondence with the price increases in import bills. Rather the purchasing power of these surplus has decreased owing to inflation and currency deprecations.

THE LIMITATIONS OF ECONOMIC COOPERATION: AN OVERVIEW:

The economic cooperation in the region is limited by many constraints which also seem unlikely to be overcome. These constraints are over-dependence on the export of crude oil, scarcity of human resources, which would become more acute with the expansion of industrial base in the region, scarcity of mineral resources other than the oil and hydrocarbon, lack of an indigenous technological base, and the slow progress of industrial development.

The GCC states exhibited a measure of cooperation only on the issues their national interests meet. The issues on which they fail to agree are overlooked, the example being in point is their differences over the price of oil, petrochemicals, liquefied gas, fertilizers and aluminum products.

The dependence on the West has not reduced. Consumption of goods technology and services has increased in the areas in which the GCC states have not made any stride. Moreover, the high level of consumption in the GCC region is unmatched to the limited production. The products of Gulf industries are export-oriented even though the outside market is flooded with these products. Coupled with this is the fact that inexperience in marketing industrial products militates against the member-states' ability to make their presence felt in the international market. The reduction of the dependence on the West is slower than the reduction of West's dependence on the Gulf oil.

Though both in its Charter and the Unified Economic Agreement the GCC appears to be a mirror-image of the EEC, it, however, is far behind and far inferior in every aspect to it despite ten years of its existence. The joint measures in the fields of trade, industry, investment and other aspects of economic interaction reflect economic cooperation among a few sovereign member states only in areas of common interests, while the regional integration of economies demands much more. The GCC mechanism does not have supra-national power as does the EEC, nor is it capable of practicing "protectionism", because of having yet not reached a stage self-sufficiency as the EEC has.

The dichotomy in geographical sizes has also marred the economic integration. The smaller and less developed countries fear that they may be overwhelmed by the larger and more advanced economies like that of Saudi Arabia and Kuwait. For instance, Qatar does not see
economic integration process as very beneficial as its economy lacks the base for an aggressive and sophisticated industrial development. A small country with sufficient reservoir of oil and gas, Qatar is not in need of much industrial development and, therefore, needs little or no investment of capital from its neighbors. In cost-benefit analysis dominance by neighboring powers is more dangerous to it than the slow industrial growth.

Oman also wants to go slow on integration for a different reason. Removal of tariffs and common production of some items threatens to weaken national industries. Also, Oman does not want to give up its control of such industries like fisheries, which may have a good prospect in the near future. Bahrain is, however, an exception. It has actively participated in regional economic integration and has in the process benefited from it. Most of the crude oil for its refinery comes from Saudi Arabia. Almost half of its oil-revenue comes from a field shared with the Saudis. It banking industry thrives on support from the regional financial powers — Saudi Arabia and Kuwait. Its aluminum industry survives on Saudi and Kuwaiti participation in it. The island is the center for many intra-regional activities. It is the service center for the region, headquarters of the Gulf Air, and houses the Gulf University(77).

The GCC's fiasco in economic integration lies not in the very rationale behind its formation but its slow progress. The member states need to intensify the existing level of cooperation, increase their sphere of activities in areas hitherto left uncovered, particularly those where their interests do not clash. The smaller countries, on their part, should shed perceived threat of domination. The institution can still give them a chance to participate beyond the region which they are incapable of doing by acting alone. Rationalization and coordination of industrial development can give them an opportunity to launch viable undertakings within their territories.

Given the limitations of a viable and intra-GCC cooperation, the organization can integrate its economies with the rest of the Arab states, Iran and Third World countries as a part of its strategy to lessen dependence on the West. Egypt and Syria can play an important role in providing the Arab Gulf states the manpower, both skilled and unskilled, services, goods and technology. So is true with the developing countries like India, China and those of the ASEAN. Their dependence for financial help on oil-rich GCC countries would bring about an interdependent relationship removing doubts about former's dominance(78). Also such a cooperation would help the GCC countries create a large market for the goods produced within the region (79).

**COOPERATION IN OIL POLICY**

Despite sharing the same goal of revenue maximization, the Arab Gulf countries sans Iraq did not coordinate their oil policies prior to 1981. However, during the course of the formation of the GCC, these countries included solidarity on oil issues as one of their political and economic objectives. Article 11 of the Unified Economic Agreement enjoins the member states "to endeavor to coordinate their policies with regard to all aspects of oil industry"(80), which includes exploration refining, marketing, industrialization, pricing, transport, utiliza-
tion of gas and development of energy sources. Here follows a detailed study of how far and to what extent the GCC countries have stuck to their commitment.

DECLINE IN WORLD OIL DEMAND AND THE GCC STRATEGY:

GCC's formation and years that followed coincided with the sharp decline in the world oil demand, causing a massive erosion in the GCC's share in a shrinking market. In 1980 it was providing 23.61 percent of the world oil which decreased to mere 10.34 percent in June 1985. The situation remained more or less the same through out the 80s as not only the declining global demand of oil but the increase in Non-OPEC oil production and supply, demanded from them an uphill task to join hands to achieve stability in price (81) and increase their share in production and sales.

The GCC countries have not responded to the se tuation judiciously. Their approach to the crisis has shifted from contracting their production and exports to stabilize the price to acting as a swing producer to lower down the prices to cause reduction in Non-OPEC oil supplies.

For instance, Saudi Arabia reduced production to 2.4 million bpd in 1985 from 8.3 in 1978 which increased to 5.90 in July 1986 and came down to 3.70 in January 1987 (82).

Shifting of stances from one extreme to the other has cost the GCC, particularly Saudi Arabia, dearly. During the phase of expansion in production the prices have come down and the gains in terms of revenue have been disproportionate. On the other hand, acting as the swing producer they have also lost more revenue than non-Arab OPEC countries during the phase of production contraction(83). Their policy of lowering down the price, as in 1986 when by increasing the OPEC production by 4 million bpd from 16 million bpd the prices fell from around $30 to $8.75 per barrel, did increase their market share but not the revenues in the same proportion.

In fact, the GCC states are faced with a dilemma. They do not stand to extract much income from maintaining a constant output and allowing the prices to rise. Even to rise the world price in an era of declining oil demand by 10 percent would require a massive cut back by Saudi Arabia and others. Such a drastic cutback would cause a marked downfall in earnings due to the shrinking their share in the world oil market. It is said that even if Saudi Arabia reduces its production to zero level the price would not jump by even 50 percent.

COOPERATION BUT FLAWED:

The problem, therefore, lies in the inconsistent policies and in the lack of cooperation. Saudi Arabia has alone determined both the policy of increasing the production and contracting it. Others have extended their support to it. Statistics show that Kuwait, Qatar and UAE's oil productions and exports have come down and increased with those of Saudi Arabia. The differences over the excess production by Saudi Arabia has, of course, been resented by other GCC states, but ultimately these states have given in and followed the Saudi example(84).

COOPERATION WITHIN OPEC:

Their cooperation within OPEC has been an undeniable factor. Possessing the largest and more-lasting reserves, sharing about 44 percent of OPEC's total production and given their
low absorptive capacity in comparison to other OPEC member countries, the GCC carries the most important weight within the OPEC. Their combined strength has enabled them to act as cartel within the OPEC. They, in many respects, have played this role both in and against the interests of other OPEC members. Saudi Arabia has always counted on the support of Kuwait, the UAE and Bahrain in trying to act as swing producer within the OPEC.

The GCC-states have held meetings prior to each OPEC summit to work as a unit on the issues to come up. They worked against Iran and Iraq’s attempts to get their quota increased by the OPEC during the war. After the war when the erstwhile belligerent supported price-increase and cutback in production, the GCC, on the contrary, showed reluctance, compromising finally on $21 pb than $25 advocated by Iraq and Iran in the OPEC Summit immediately before the outbreak of the Persian Gulf crisis.

They have acted as a “conservative force” inside the OPEC (85) concerned with “health of the western economies” more than the well-being of the OPEC. This is reflected in their policy of awashing the West with oil, even when it ran contrary to the objectives of other OPEC members. The GCC’s economic policy in non-oil sector has compelled the member-states to adopt a pro-consumer stance on oil in OPEC deliberations. Given their weak technological base they heavily rely on collaboration with the multinationals from the West for industrial development. Meanwhile, their requirements of goods and services and arms and ammunition (86) are continue to be met by the West unless they achieve the targeted industrial development, which by all optimistic account is long long away. Then it is in the Western countries wherein lies a potential market for financial investment (87). These compulsions together make them to maintain stability in world oil market so as to bargain the Western help (88).

From time to time there have appeared chinks and fissures in GCC solidarity. In the mid-80s the UAE refused to adhere to quota system. Kuwait has since the end of the Persian Gulf War demanded freedom from quota system. While Saudi Arabia, as also the other GCC states, oppose Kuwait’s request on the ground that this would lead to a slump in price, affecting the income of all oil-exporting countries including Kuwait.

Though Kuwait has refrained from expressing its grudge in an extreme manner the issue has brought Saudi Arabia on the side of Iran who opposeas the Kuwaiti proposal. Thus any disarray within the GCC ranks can bring about dangerous correlation of forces. Given this possibility the GCC cooperation within and outside OPEC can not be taken for granted. The cooperation is vulnerable to ever-changing political and economic landscape of the region.

The GCC’s cooperation within OPEC has caused the near-exclusion of Oman and Bahrain as they are not the member of this organization. This has harmed the GCC in two ways. First, the GCC looks to be a cartel of “four” only and it is commonly called so too. Second, being a non OPEC member, Oman holds scant respect for OPEC’s arrangements, largely determined by the fellow GCC states. During 1980-85 when the other OPEC members of the GCC had completed their major infrastructure projects, Oman, where oil was discovered in 1970, was making a beginning towards it. It, therefore, needed added revenue and turned down the GCC states’ offer to coordinate with them in their policy of reducing production and
maintained a constant rise in its production (89).

Oman could be compelled to comply with the GCC’s oil policy in 1986 only, but only after the fellow states duly recognized Oman’s need to maintain a high production rate. It agreed in September 1986 to cut its production by 10 percent reducing its oil production to 550,000 bpd. In 1987 Oman announced further cuts that brought the its production down to 530,000 bpd. Oman’s importance to other GCC’s states increased with the need of laying a pipeline which could bring the oil to Indian Ocean directly, bypassing the danger zone of Strait of Hormuz(90).

THE PERSIAN GULF WAR AND AFTER :

In 1990s, the Persian Gulf crisis set the tone of the GCC’s mutual cooperation. Compensating the loss of Kiwaiti\Iraqi oil from the market and maintaining their production level high at reasonable price, the GCC states did not only assure to keep the “International oil market away from any violent fluctuations”(91) but also tried to prevent the oil-consuming states from a frantic search for alternative source of energy as they did after the 1973 crisis.

The GCC states have launched campaign at international forums that the economic embargo against Bhagdad remains in force so that neither can it resume its oil exports nor can it acquire estimated $ 10 b to rebuild its oil infrastructure(92). This way they want that the oil prices do not crash unless the period of rise in world oil demand, particularly from the Persian Gulf region, ensues. In continuation of their policy in the Persian Gulf crisis/war, the Gulf states in near future would not like to disrupt Western access to their oil so as to wean them away from resorting to non-Arab sources, development of alternative source of energy and conservation methods when the period of high demand returns.

Then capitalizing on the West’s dependence on their oil, they might move to the policy of gradual reduction in oil production and increase of prices. This is why Saudi Arabia has all along been trying to subvert the Iranian campaign for reduction in OPEC’s production to allow the basket price reach $ 21 pb. It seems satisfied with the current price $ 18.50 pb.It seems that when the oil market tightens, probably from the mid-1990s,they would not repeat the mistake, of early 1970s, to let the price increasing so sharply that recession follows in the oil consuming states and as a result of this demands also reduce. Interestingly, the mistake of the 1970s resulted into counter mistake by the oil consuming states as they resorted to over-production from the sources with short-span reserves in the North Sea and Alaska. So, it is expected that when the GCC would let the price increase, the oil consuming states would be left with fewer options, falling, thereby, in the GCC trap.

THE CURRENT DILEMMA:

However at present, the GCC’s dilemma continues. The increased output not only brings them disproportionate revenue but thedepleting nature of oil reserves also means that each barrel of oil extracted today is reducing the number of barrels to be produced in future by an equivalent amount, resulting into reduction of the aggregate national capital stock for future flow of income. Even the expected rise in their current level of exports and their share in the global supply of oil is not all that rosy. It would further accentuate the depletion, probably at
a scale faster than human and physical capital is created to replace them (93). But at the same
time, the reduction in output shall cause corresponding decline in national income and would
therefore retard the economic development in non-oil sector.

Similarly, the slump in oil-price has eroded the GCC countries' assets which is being
drawn to maintain current-account surpluses. But they need to do so to generate alternative
source of income through foreign investment and ultimately through domestic economic
base. The utility of this move is tied to how fast and to what extent does it help these countries
move away from an oil based economy.

CONSTRAINTS WITH GCC’s OIL POLICY:

The GCC’s emergence as a cartel within the OPEC is counter-productive to the latter.
This seems to have divided the OPEC into two groups. The one with excess capacity and the
other with little or no-excess capacity. The former one, mainly consisting of the GCC counties,
even if it amounts to lower prices wants to increase its output to preserve a future market for
its oil. The latter group wants the price-hike. Given its limited reserves and their depletion it
does not have a long-run market outlook like the GCC. Iran and Iraq also have substantial oil
reserves but at present they side with the non GCC-group as the rising cost of their economies
and ambitious developmental projects undertaken by them in non-oil sector force them to favor
price-rise.

The coordination in oil policies among the GCC states on various issues and on various
occasions has been found missing too. This is because each country has a national policy of oil
production and exports which is not always in line with their declared integrated approach. For
example, compulsions like the need of excess income at a given point of time has forced a few
countries to sell their crude oil below the posted price so that their export may rise. As a result,
the oil importing countries have lifted their needs from that very country reducing the volume
of oil supplies from other countries of the region. This was the situation faced by the UAE in
the mid-80s. It was unable to sell its oil as Oman supplied the similar quality of oil at a lower
price (94).

The link between a GCC country’s oil policy and its national interests also block the
evolution of a uniform oil policy. Saudi Arabia has linked its production-exports policy to its
security. Therefore, Saudi Arabia is for a policy of providing oil to its guarantor of its security,
the US, and its allies in abundance and at a lower price. And since it is the swing producer the
GCC member state follow the suit willingly or unwillingly.

An ideal situation to overcome the negative effect of individualism to integration of oil
policies would be that the GCC establish a combined quota (of course each member having a
separate share), within the OPEC. This is the highest and the most ideal stage of common oil
policy. As this would prevent an increase GCC’s output and also unilateral production increase
by one or two members resulting into an over-all decrease in oil price and in turn the reduced
oil income to all the member states. But Saudi Arabia might not favor this strategy as this would
imply a great deal reduction in its oil output and a little or negligible cut in the outputs of the
smaller states.
They also cannot prevent individualism unless the GCC campaigns for Oman's inclusion in the OPEC. After this Oman can be expected to harmonize its oil policy with that of the GCC and the OPEC (95)

**POLITICAL COOPERATION**

As a forum for political cooperation the GCC's areas of activities are mainly confined to hammering out consensus on regional and extra-regional issues and resolving interstate disputes (in case such a solution is not possible the GCC tries to minimise the spillover effects of these) (96), and safeguarding their political system from internal threats.

**CONSENSUS ON REGIONAL AND ARAB ISSUES:**

As regards the regional issues, the Iran-Iraq war and later on the Persian Gulf Crisis have been the major events which directly or indirectly involved the GCC countries. In both the events the member-states saw to it that their policies reflected a semblance of uniformity. These states, therefore, utilized the GCC forum in dealing with such situations. Particularly, with regard to their policy on Iran-Iraq war they projected the GCC as mediator and each member avoided to offer its good offices in individual capacity.

Beside, the GCC also became an institution for channelising the member-states' financial help to Iraq. During the Iran-Iraq war, during GCC summits the member states exhibited unanimity of approach in taking an anti-Iran side, although individually each of them, in particular the smaller states, did not adopt the same overt anti-Iraniansim.

During the Persian Gulf crisis, the GCC showed a greater sense of unity after the smaller states and Saudi Arabia and the Kuwaiti government in exile overcame initial differences on the nature of their reaction to the Iraqi invasion. Unlike the Iran-Iraq War, the smaller states soon toned down their reluctance in cooperating with Saudi policy of inviting foreign forces to wage a war against Iraq on their behalf. They later on decided to take part in it also. All their major decisions and actions during the Gulf crisis were taken from the GCC platform, although these were largely decided by Saudi Arabia and the Kuwaiti government in exile.

On the Palestine issue, the member-states evolved a common policy of providing aid and assistance to PLO and the Palestinian organizations wageing the Intifadeh. Following the formation of the GCC, the member-states renewed their opposition to the Camp David Accord and Egypt-Israel peace treaty of 1979. They took an additional step by vetting the Fahad Plan on the settlement of Palestine issue, which became Arab position on the Middle East peace at Fez summit(97). Before extending their support to the August 1991 PLO-Israel Autonomy Plan their stand on Palestine issue was unanimous i.e. liberation of Palestine. The GCC states acted as a unit in the United Nations on the question of Palestinians rights and coordinated on freezing deposits for the World Bank projects they saw as as hostile to the Palestinian cause(98).

**COOPERATION ON CONTAINING INTERNAL THREAT AND RETAINING MO-**
The intra-GCC cooperation to contain and repulse internal threats, coming mainly from the Shia people, tribal groups and radical Islamic movements, has been security oriented such as sharing of data and commitment to non-interference in each other’s internal affairs.

On political front, these states have not evolved any mechanism. Their identical approach to handle internal threats can roughly be described as cooperation. The GCC-states have utilized traditional peninsular institutions such as Majlis, which is made up of people’s representatives, to give people an opportunity to participate in public affairs and to remain in close contact with them. Through this strategy the ruling regimes have also aimed at minimizing the rebel elements’ influence on local populace, who (rebels) are seeking to change the political institutions and governments(99). However, the extent to which these ruling regimes have allowed people’s participation in public affairs varies. In Kuwait, for example, the representative institutions have been fairly large in composition, and vested with some legislative powers. They are further entitled to comment and criticize the government’s policies. As against this, in Saudi Arabia, Qatar and Oman the likewise development of such an institution is yet to be realized.

All these states in similar refrain reject a full-fledged democratization of their political systems. They see periodic elections, existence of political parties and consultative and national councils’ exercising legislative and executive powers as disruptive. In confining these institutions to the status of “advisory bodies’ the ruling regimes have taken recourse to Islam. They have managed to hoodwink their peoples by saying that the Quran and Sharia are their constitution and the legal basis and the justification of their rule. They proclaim that the Holy Quran and Sunnah(l00) of the prophet do not provide for democracy as it is understood in today. Islam, according to them, stands for a stable and benevolent rule based on the principle of consultation with the people. So long a ruling government carry out its functions in the interests of people it need not be changed or undergo the periodic elections etc, they maintain(101).

The ruling regimes have provided a welfare state to the people (102) and expanded the base of oil wealth down to the common people. As a result, a major chunk of population in each country consists of the middle and upper middle class people comprising business families, technocrats and bureaucrats. The monarchical governments have delegated to the above mentioned classes some of their administrative powers (103). They, in turn, have become the sympathizer of the existing rule as their economic well-being and their urge to take part in the state administration is met by the present political and economic system in the GCC region.

In fact, unlike the pre-oil era, the economically well off elites seem to have renounced their right to participate in decision-making process in favor of participating in the state’s administration. The oil gave the ruling government direct access to the state revenues which they utilized to increase their popularity among the people. Earlier revenue had to be squeezed from the people through the merchants, who, in turn, exacted a political price or reward.
The ruling regimes have also adopted the policy of distributing their powers among the ruling families by incorporating almost all the members, who run into thousands, into different sectors of the state management, particularly in the bureaucracy (104). This has served to satisfy the ruling family's sense of entitlement to power, prevent the total transfer of administrative power in the hand of bureaucrats and technocrats belonging to non-ruling families who are viewed as relatively less reliable (105).

However, the GCC governments have not paid due attention to the need of a concerted effort to ensure that political development in each state moves in harmony with that of the other. Political/institutional development is in different stages in each state (106). The level of political liberalization in Kuwait after its liberation is far ahead of political-institutional developments in Saudi Arabia, Qatar, Oman, the UAE and Bahrain. Saudi constitution is yet to materialize. So is Omani government's promise to give people a consultative assembly. Development in Kuwait can generate similar demands among the people in other countries, which the governments of these states are yet not ready to concede. In fact, these states have expressed their resentment to Kuwait in this regard.

The internal threats have not been fully eliminated. Nor can the possibility of expansion of mass base of political opponents be ruled out. The oil wealth and the resulting welfare state with its facilities to the people has by and large integrated them to the traditional political system. But this can not be taken for granted. In Jill Crystal's words "as welfare functions become the norm and services become legitimate claims on state and rights that the individuals as citizen can claim from the state" (107). These trends can transform people's notions of rights obligations towards the state and the regime. Declining state revenues resulting into shrinking of welfare rights and unemployment may become a source of instability in future.

People in these circumstances would turn to the anti-status quoists as has been witnessed in Algeria and Egypt over the past five years or so. Radical Islamic movements are gradually establishing their foothold in the GCC countries. They have questioned the Islamic credentials of the Monarchy-rule, the very basis which kept people tied to the non-democratic political system in the region. The Islamic forces are promising an alternative political system advocating that Islam makes it obligatory upon a government to seek people's mandate. Therefore, these forces maintain, people's participation in the decision-making process through democratic institutions and periodic assessment of the government is in consonance with the Holy Quran and the Sunnah.

The grudge among people against American intervention, as always, still persists as a potential source of internal instability in the region. After the Persian Gulf War, people's resentment against the American intervention has constantly been on the rise. The Gulf states, therefore, need to reconsider their strategy for tackling internal threats. Not only this, but they also must work together to see that a particular state's approach on this issue does not vary from that of the other. Otherwise, the policy of political accommodation by one state and that of heavy-handedness by the other one would give birth to a new source of Intra-GCC tension allowances.
GCC AS PEACE BROKER

The GCC's has taken the role of a peacebroker in some major conflicts whether among its members or between a member state or some other country, such as the Persian Gulf Crisis, South Yemen-Oman conflict. It has also tried to mediate in conflicts between the regional countries such as the Iran-Iraq War.

THE IRAN-IRAQ WAR:

Though largely under the impact of this war, the GCC was conspicuous by its absence from making any mediation efforts in the first year of the war. The member-states in individual capacity made verbal requests to warring countries to stop the war and subsequently settle their disputes through negotiation. They also threw their weight behind the efforts of the Organization of Islamic Conference to bring an end to the war(108). Retiring in favor of the OIC, the member-countries, it seems, were not willing to invoke the GCC as an arbiter in the war.

The GCC's mediation efforts in the war began from 1982, when in its annual summit that year they supported Iraq's June 10, 1982 proposal for a cease-fire, troops withdrawal to the internationally recognized borders and a negotiated settlement of the dispute on the Shatt. They also urged Iran to cease hostilities and accept the arbitration of the OIC, the NAM or the UN.

In 1983 the member-states held a special meeting in Abu Dhabi in which they urged Iran and Iraq to stop the war as it was threatening the regional security. They also appealed to neutral countries to seek an end to the war by devising some formula acceptable to the belligerents.

That same year foreign ministers of Kuwait and the UAE visited Tehran and Baghdad to persuade the two countries to limit their war activities. A peace plan, proposed after the end of the visit, called upon the two countries not to attack merchant ships of the Persian Gulf countries passing through the Strait of Hormuz and stop attacking each other's cities and civilian populations and targets(109).

At the Doha summit during November 7-9 1983, the GCC countries supported the United Nations Security Council Resolution 540, which was adopted the same year, asking the warring countries to stop attacking against each other, particularly towns, economic targets and ports.

In September 1984, the GCC's foreign ministers met in Saudi Arabia. In that meeting ministers reiterated that the Council would carry forward its efforts to seek a peaceful solution to the Iran-Iraq War.

During the Kuwait Summit in November 1984 the member-states requested the belligerents to end the war in the interests of Muslim peoples of the two countries and for the sake of stability and security of the region which was becoming exposed to superpowers intervention. In May 1985, Saudi foreign minister, Prince Saud-Al-Faisal, visited Tehran to offer mediation between Iran and Iraq.
The continuation of the war for eight years does not of course point to the GCC’s inability to find a peaceful solution to it. For, the belligerents were adroit in not ending it (110). They did not take a serious note of the GCC’s peace proposals and, for that matter, those from the United Nations, the NAM, the OIC, and Algeria. Yet, this does not shroud the fact that the GCC’s efforts were largely non-serious, inactive, and partisan on various occasions.

The seriousness of the GCC to bring an end to the war can be doubted on two counts. First, the GCC’s role as a honest peace-broker was diluted by its consistent logistic and financial support to Iraq during the war. This gives credence to doubt that the main aim of the GCC countries to project itself as peace broker was, in fact, aimed at offsetting their support to Iraq. Second, they abstained from making any active diplomatic effort to end the war when Iraq had the upper hand in the war. This, if associated with a combination of other factors—the Gulf states’ approval to Iraqi attack on Iran and their interests in the defeat of Iran which had after revolution become a major threat to the security of the region, makes one to infer that the GCC countries favored a war that could result into the defeat of Iran than the peace which would have kept Iran military intact and the Islamic government firmly seated in power.

The GCC showed active interests in peace only when Iran bounced back with its armed forces entering Iraqi territory, a few hundred miles away from Kuwait. They adopted a conciliatory approach towards Iran, their support to Iraq cooled down a bit and they came up with solutions that could have made an honorable retreat of Iranian army from Iraqi territory.

GCC foreign ministers’ 30-31 May 1982 peace proposal for bilateral withdrawal of the two forces to the internationally recognized border came when Iranian forces had entered Iraqi territories. It is reported that in the month of June that year, the GCC offered $10 to 25 b as reparations to Iran if it observed cease-fire along the front. The reports were denied by the GCC sources. Rather, it was officially stated that the GCC had proposed an ‘International Reconstruction and Development Fund for the two countries if they ceased hostilities. Iranian sources also confirmed that such an offer was made and they had rejected as their country needed a sum not less than $150 b and that too if it was made through Iraq (111).

The Saudi Foreign minister’s visit to Tehran to offer his country’s good offices for the settlement of Iran-Iraq dispute came in the wake of Iranian search of merchant ships of the Arab Gulf countries plying the Strait of Harmuz. In other words, the GCC peace efforts were more for the prevention of spreading over of the war than its end. There were certain peace proposals which were specifically limited to this end.

But as soon as the possibility of the war spreading over to the whole region subsided, the non-combatant Persian Gulf countries began getting interested that the war lingered on as it detracted the two major regional powers away from the Arabian Peninsula and also gave Saudi Arabia an opportunity to advance its bid for regional leadership (112). It is, therefore, very unlikely that their repeated calls to the belligerents to cease hostilities would have really intended what these literally meant.
As a matter of fact, the GCC did not come up with a full-fledged peace plan, which, beside urging the belligerents to end the war, would have also provided a blueprint of solution to their dispute. Thus these were limited to proposals like withdrawal of the armed forces to internationally recognized borders and negotiated settlement of the Shatt dispute only.

Lack of GCC countries’ political economic and military clout on either of the belligerents made them unable to influence the attitude of Iran and Iraq towards peace. Iraq did not heed to their requests to refrain from attacking neutral ships in the Gulf waters.

Iran adopted an unfriendly posture towards the non combatant Persian Gulf countries strictly on ideological grounds. So it was bound to reject their peace efforts. Also, Iran’s independence from these countries for economic military assistance or political support meant that nothing could compell Iran to de-ideologise its relations with the GCC countries.

IRAQ-KUWAIT DISPUTE:
During the period between the end of the Iran-Iraq War and the Iraqi occupation of Kuwait, the GCC countries were taken aback by raking up of the boundary and oil disputes by Iraq with them. Having spent billions of dollars on Iraqi war efforts and endured Iranian retribution for supporting Iraq, Kuwait had thought to have bought off Iraq’s territorial claims on it. The GCC, therefore, during this period, did little to settle the vexed border issues between Iraq and Kuwait in the favor of the latter by cashing in on their assistance to Iraq during the war. But amazingly, the GCC also showed recklessness when the issue blew out. Kuwait, it is understood, expressed anguish over the member states’ inability to use the GCC as an institution to persuade Iraq from raising the issue.

Soon after the invasion all the GCC states expressed solidarity with Kuwait but they were slow in exercising pressure on Iraq to withdraw. The first GCC statement against the Iraqi invasion was issued after 36 hours of the beginning of the crisis during a meeting of the GCC foreign ministers at the Arab League and OIC meetings. From 3rd to 7th August 1990 there was no attempt to settle the issue. This was probably because of the GCC’s decision not to settle the issue peacefully and on its own but to invite Arab and US forces to expel Iraq from Kuwait. On GCC’s efforts to resolve the crisis one can only bank on some reports carried out by Arab media during those days that the matter was being negotiated by Kuwait and Iraq and Saudi Arabia had also tried to normalize relations between Iraq and Kuwait.

However, since the tabling of the first draft resolution at the UN Security Council which was adopted as the UNSC resolution no. 660, calling upon Iraq to withdraw immediately and unconditionally from Kuwait and restore its legitimacy, it seemed that the GCC countries were not interested in seeking a negotiation with Iraq on the Issue. They took a back seat in favor of UN’s resolutions on the crisis. At the GCC summit in Doha (Qatar) during December 22-24, 1990, it was unanimously resolved that the GCC would not negotiate with Iraq till it withdrew its troops from Kuwait.

The GCC later officially maintained that it would only play an indirect role in reverting
the crisis. It refused to take part in US-Iraq dialogue over Kuwait. The position it maintained then was that it would remain constantly in touch with the US and the UN which were engaged in finding out a settlement of the crisis.

OMAN-SOUTH YEMEN DISPUTE:

The long standing conflict between Oman-South Yemen surfaced again during 1980-1982. This was marked by South Yemeni soldiers’ crossing the frontier into Dohfar region, disputed between the two countries. Aden alleged that Omani military helicopters of having violated its airspace and Oman accused PDRY of pursuing an aggressive foreign policy towards its neighbors. By the spring of 1982 Oman began to construct a series of fortified positions along its south western border and deployed its best trained and best equipped troops behind the fortifications. As a result, tension between the two countries heightened. On behalf of the GCC Kuwait mediated between the two governments in the first week of May and succeeded in getting a joint commitment signed by the hostile countries to refrain from launching attack against each other.

However, the decision to follow up the negotiation fell through when Aden refused to take part in it. The same month an Iranian delegation visited Aden. This gave rise to speculations that Aden will align itself with Iran, Syria and Libya against the GCC and the US allies in the region. This activated the GCC again. Saudi Arabia’s interior minister, Nayif Ibn Abdel Aziz, travelled to Aden and conferred with the its deputy prime minister. In that meeting Nayif offered a major amount of aid to PDRY if it negotiated a peace deal with Oman. PDRY responded favourably by declaring that it would participate in the proposed meeting with Omani representative in Kuwait in early July.

On July 8, the two governments signed a general agreement on outlines of a peace treaty which was eventually signed on October 10. There, consequently, followed the establishment of not only diplomatic relations between the PDRY and Oman but the chances of the creation of an anti-GCC political and military alliance in the Arab region also diminished. This in all respects was the most outstanding success of the GCC as a peace broker.

ARAB-ISRAELI CRISIS:

Having become pre-occupied with the Iran-Iraq War soon after its inception, the GCC’s did not pay enough attention to find a solution to the Arab-Israeli problem. The solitary exception to this policy was that the Council served as a forum for deliberation on the Fahad Plan, which with modifications became the agreed Arab position on the Middle East Peace at 1982 Fez Summit.

The chances of their playing any meaningful role in settling the Arab-Israeli Issue was also diminished by the Superpowers, more precisely by the US design to exclude any other country from the Middle East Peace process. The role the US gave to the Oil-rich countries in its Middle East Peace diplomacy was to act as “moderate Arab”. Having engineered Egypt’s ouster from the Arab-fold for playing this very role, the GCC states did not agree to cooperate with US in the said role. But at the same time, in order not to undermine their dependence on the US during the Iran-Iraq war, the GCC countries preferred to maintain a low-profile.

THE INTRA-GCC DISPUTES:

On this front, the GCC has been relatively successful. After its formation, there has
been some progress in resolving some of the many intra-state disputes which eluded settlement for quite a long time. These include the Saudi-Oman agreement after the 1990 GCC meeting to put the dispute over Burami Island to rest.

On a number of occasion the GCC just stopped a few disputes from getting translated into direct confrontation, such as the one between Qatar and Bahrain over Hawar island in 1986. Timely mediation by Saudi Arabia eased the tension. After the formation of the GCC, the member-countries have also exercised restraint in not raking up the border disputes in the interest of the unity and integrity of the organisation.

However, The number of conflicts the GCC has been able to resolve are fewer than what have yet not been addressed to. The GCC is found lacking in taking up one issue after other unless these flare up. Its approach has been limited to reducing the tension between the confronting states and not effecting a permanent settlement. Thus these disputes remain a serious threat to the cooperation among the council members.

GCC AND THE OUTSIDE WORLD

GCC AND THE UNITED STATES

1) POLITICAL AND SECURITY COOPERATION

The GCC has only officially not been an integral part of the US Persian Gulf security and economic policies. Otherwise, its dependence on the US for both evolving a self-reliant security system and by banking on its intervention to thwart a challenge they are inapt to meet, point to the contrary. For this reason the GCC “can be described as an extension of the US military involvement in the region rather than as an independent regional security arrangement”(115). Even the absence of formal security ties between the two actors is the part and parcel of their cooperation. Both the US and the GCC do not want to push their military relationship to an extent which fuels the very political instability, which they both want to prevent at all costs.

In the 80s, both the US and the GCC countries did not establish direct security link in order not to provoke Iran to attack the Arab countries of the Persian Gulf or to exploit this in abetting internal dissension there(116). And if this arrangement did not work out the GCC leaders knew well that fighters and aircrafts aboard just one US carrier in the Gulf waters would neutralize any Iranian attack.

Over the years the United States and the GCC countries have developed a system of security cooperation, according to which the former would enhance the latter’s ability to defend themselves, by arming them with sophisticated weapons, by deploying a large naval force in the vicinity of these countries and building air bases and other support facilities with a view to deploying its forces quickly.

Regional and extra regional threats necessitated the GCC countries to stay away from establishing direct security ties with the US and maintaining a covert alliance instead. During much of the 80s, danger of Iranian attack in varying degrees persisted. The threats from the
Soviet Union heightened due to its presence in Afghanistan and the renewal of the Cold War with West Asia being its main theater. Russia's political and strategic clout over PDRY and the Countries of Horns of Africa was also perceived by the GCC states as potential threats.

Increasing strategic and political importance of the Persian Gulf Arab countries coupled with the US' increasing capability to move the required troops and logistics to the region in the 80s also facilitated a close GCC-US cooperation(117). Following the Soviet invasion of Afghanistan the probability of Soviet expansion southward became an apparent threat because of which the region's oil assumed strategic importance despite its reduced share in the global supply. Consequently, the region became important for the US on two counts. First, for its (region's) protection from a Soviet advancement. Second, as the landmass to facilitate the logistic and other facilities to US naval maneuverings in the Arabian Sea.

The Iranian revolution threatened the internal instability of the region which had become of vital interest for the US. In effect, the US did not conceal its concern for the security and stability of the countries, thereby clearly stating that it would militarily intervene in an inevitable situation. This commitment can best be ascertained from then American President Ronald Reagan's statement, "USA would not allow Saudi Arabia to become another Iran"(118). So said American President, George Bush, after Iraqi invasion of Kuwait. To quote him "Saudi Arabia's independence is of vital Interest to the US"(119). So the US interests in the security and stability in the region had to be reciprocated. In fact, the GCC-states capitalized this for building up their defense and clinching an informal deal that the US would come to their rescue when asked for.

The only semblance of independence from the US the GCC states enjoy is, however, their ability to keep away the foreign forces from getting directly involved in the regional crisis unless approached. But this right coincides with the US policy to defer intervention so long its vital interests in the region are not directly threatened.

During the Persian Gulf crisis, the GCC and the US practiced what they had unofficially agreed with during the 80s. The US intervention to liberate Kuwait and forestall Iraq from attacking Saudi Arabia resembled its commitment to the NATO, which enjoys a formal security alliance with the US. It started in Saudi Arabia the largest military-build up since its involvement in Vietnam and went whole-hog in battering Iraq. During the crisis both the US and the GCC, particularly the former, mooted the idea of casting the GCC into NATO mould. On September 4, 1990, the then US Secretary of state, James Baker, indicated this in a testimony to the House Foreign Affairs Committee while stating "we need to work together with governments in the Gulf... to build a more durable order. "A global alliance”, he said, “long term security and stability in the Persian Gulf in a way that builds on the unprecedented international consensus that has already been formed” (120).

The idea, however, later did not find much favor with both the GCC and the US, largely because the GCC feared that it would disrupt their newly established cordial relations with Iran. The US too realized that a formal alliance would ignite political turbulence in the region. And yet there are bilateral security agreements between the US and Saudi Arabia and the US and
Kuwait, which in a way amount to a formal security ties between them.

The two countries, Saudi Arabia and Kuwait, are becoming surrogate states of the US. The new elements added to the US-GCC security cooperation in the 1990s are an increased US naval presence, improvement in US ability to reinforce its armed forces contingents in the region quickly by propositioning heavy equipment and strengthening of the military prowess of the regional countries through arms supplies and training of the local armed forces. Thus the US is contemplating the emergence of a GCC security system, with or without other Middle Eastern powers, like Syria and Egypt, which improves the regional states' capability to take on a regional threat but also enhances the dependence of the GCC states for arms, spare parts and its naval forces on it.

2) ECONOMIC TIES:

The 1980s witnessed a major decline in the GCC countries' oil exports to the West. But, the Oil exporting countries were more reliable sources to keep the US awashed with oil (121). Courting only them, particularly Saudi Arabia, the US could influence the oil policy of the whole OPEC, the biggest cartel of the oil supplier. Whatever little amount of oil was imported from the region it remained vital. For, the termination of the supplies would have increased the burden on the sources available with the non-GCC OPEC countries and those outside it, leading to an intense competition among the oil consuming states and increase in oil prices (122).

The GCC countries' industrial development program served the US interests. The US is the largest investor in the region (123). The development of the GCC common market boosted the US trade with the smaller states.

However, the industrialization has introduced an element of unprecedented competitiveness in US-GCC economic relations. Exports of petrochemicals as well as other products from these countries have met with competitive pressure from EEC's, US' and Japanese petrochemical and other commodities producers. In the mid-1980s, the US, like Japan and the EEC, introduced several measures to protect its domestic market from unexpected influx of refined products from the Persian Gulf. The US pressurized the Congress to introduce protectionists legislation. Since for the production of petrochemicals the GCC countries have been dependent on their collaborators—the multinationals from the US and other West European countries—the US has used this helplessness of the Persian Gulf countries as an instrument to prevent the autonomous growth of the this industry in the region.

As mentioned elsewhere in his chapter, the GCC countries have publicly complained that the US has not given up its old policy of treating them as an unequal trade partner even in the changed circumstance. Another complaint against the US trade behavior is that its firms charge too high a price for their goods and services and that the US technology transfer is not according to their expectations and it smacks of a US design to slow down their economic progress in non-oil sectors so as to prevent them from competing with the US in global market.

The differences over trade issues can take serious proportions after the GCC re-emerges as potential oil supplier to the US and its Western allies. The US then would need to increase
its imports to the region to maintain favorable balance of trade.

The compulsion to retain its imports to the region intact would also heighten in view of the US foreign exchange crunch. In a few years from now, it is estimated, it would require a foreign exchange of Over 100 b a year to finance its oil imports.

However, the perceived US dependence on the Gulf oil shall give the GCC countries bargaining power. To the US they may offer to bring the oil prices down in exchange for technology transfer from it for their industrial development.

3) COOPERATION ON ARAB-ISRAELI ISSUE:

The GCC’s and the US perceptions on the Arab-Israeli differ. However, after the Persian Gulf war they both extended support to the PLO-Israel accord on Palestinian autonomy. Unlike many other countries, like Iraq, Iran and Syria, who advocate an aggressive policy towards Israel, the GCC-states have favored a peaceful solution to the Palestinian problem, leading to the establishment of an independent state of Palestine and existence of Israel within the borders as outlined in 1948 UN Partition Resolution.

Yet, the GCC countries have been slightly less than the “moderate Arabs” which the US wanted them to be on the Middle East Peace issue. For they have out rightly rejected US wish to enter into diplomatic relations with Israel. Nor have they “constructively”, from the US point of view, cooperated with the US in finding out a solution to this problem. So much so that these countries have complained to the US that it has been too soft on Israel.

But, the divergent perceptions on the Palestine issue were not an irritant to their otherwise trouble-free relations. It seems that there existed an agreement between the two. The US refrained from using its clout on the GCC in pressurizing it to cooperate with or follow the American line of action. On their part, the GCC reciprocated by not bringing the differences to the center-stage of their relations with the US.

They did not launch a tirade against America for its allegedly Pro-Israeli policy. Rather these countries have given a sympathetic hearing to American viewpoint at diplomatic levels even if as a matter of courtesy. They also, of course in order not to worsen their ties with the US on an extra regional issue, have virtually abdicated themselves from playing a high profile role in Arab-Israelidispute and instead pursued the policy of quiet diplomacy. They also seemed content with Washington cooperating closely with them on security political and economic issues despite maintaining special strategic relationship with Israel. They also feel that the US maintains close relations with Israel, which is their enemy only because of being a non-Arab and non-Islamic entity, and not with the GCC’s real enemies. Also, they take solace in the fact that Israel happens to be situated not in the Persian Gulf region but rather on the Mediterranean side.

The US has the last say. For more than the GCC influencing the US policy of Arab-Israeli issue it has been the other way round. The USA’s leverage with the GCC countries after the Persian Gulf war would have influenced the latter’s decision to welcome the August Accord when similar ones were in the past vehemently criticized by them.
Also, signed by the Chairman of the PLO, Yasser Arafat, and the leader of a community which supported their arch enemy Iraq in the Persian Gulf war, the GCC countries, it was very likely, could have out of enmity opposed the Autonomy plan and castigated Yasser Arafat as the traitor of the Arab cause. Only a greater interest than to defile the Palestinians, PLO and Yasser Arafat seems to have prompted them to fall back upon the US line on the Arab-Israeli Accord.

It is premature to predict whether the US would now exercise its influence to normalize GCC-Israel relations so as to enhance its image of peace-maker in the region as well as the world. That the Arab people have not welcomed the accord is the major constraint before the US. It all depends upon whether the US considers its image-building a preferable choice over the perceived threat of the Arab people's backlash against their governments or not. Nothing at this moment can be predicted with authority as neither the US nor the GCC countries have spelled out their policies in this regard.

GCC AND THE SOVIET UNION:

Soviet invasion of Afghanistan in 1979 was an added 'irritant' in the relations between the Arab countries of Persian Gulf and the Soviet Union. The GCC countries were not merely bitter over the Soviet invasion of an Islamic country, as they officially pronounced, but also took it is as a threat to their own security. The Soviet Union also did not welcome the formation of the GCC dubbing it as a military alliance between the member-states and the US (124). The Soviet Union also rejected the Gulf security project, which did not envisage a role for the US, placed by Kuwait on GCC's agenda to allay the Soviet fear. Meanwhile, The USSR continued publically supporting the national liberation movements in the Arab Peninsular region.

But very soon they both realized the benefits of establishing cordial bilateral relations. Moscow's diplomatic efforts to reassure the governments in the Gulf that it had no intention to move forward or interfere in their internal affairs gradually minimised the spectre of the Soviet threat. The improvement of contacts in the 80s with the Soviet Union, which eventually led to the establishment of diplomatic relations between the GCC countries and Moscow, was viewed by the GCC countries a better option that fitted well in their over all security scheme.

Such a policy, opined the GCC governments, was poised to serve many of their interests. It could have lessened their dependence on the US, improved their chances to play one superpower against the other and in the process a greater maneuverability vis-a-vis the US, demonstrated a non-aligned position more pronounceably, and contained popular opposition to the GCC-US link.

The USSR's strategy was also moderated by increasing its influence among the GCC countries in order to counter the western influence and presence in the region. Threatened with the prospects that in an eventuality of direct confrontation with the US the airfields and the territorial waters of the GCC countries would be used as launching platform for an attack on it, the USSR realized the friendly relations with the former (GCC states) would restrained them
Positive steps taken by the Soviet Union in first few years after the formation of the GCC were seen in slackening support to the PFLO after Oman and South Yemen signed a peace treaty in 1982 even though Oman was moving closer to the US by conducting military exercises with the latter. Moreover, Moscow embarked on a diplomatic campaign to convince Saudi Arabia and other Arab states of the Persian Gulf that it would be advantageous for them to establish relations with it. It continued modest commercial initiatives in the region, resumed sales of weapons to Iraq shortly after the war began, showed a disinterest in a clear cut Iranian victory, and refrained from voicing opposition on a high-profile scale to the US arms sales to the region(125).

The Soviet Union also tried to make the most of US-GCC differences over the Arab-Israeli dispute. The US commitment of marines to Beirut from September 1982 until February 1984, which was criticised by the Persian Gulf countries as US support to Israeli aggression, provided such an opportunity. The USSR backed Arab countries of the Persian Gulf for assailing the US-backed agreement between Israel and Lebanon(126). Before Mikhail Gorbachev came to power in March 1985, the Soviet Union, despite quick successes at the apex of its body politic following Breznev's Andropove's and Chernenko's death, did make some noticeable moves towards rapprochement with the GCC countries. These, beside taking advantage of the US-GCC differences over the solution to the Lebanon Crisis, included support to the GCC-sponsored resolutions in the UN Security Council against Iranian attacks on the Persian Gulf ships and theoffer of arms, such as anti-air missiles to Kuwait. But America frustrated The USSR by promising to meet the Kuwaiti requirements.

The GCC countries' response to the Soviet initiatives was reciprocal. Kuwait supported USSR's policy on Lebanon and its Iran-Iraq policy. It bought arms from it. Oman, UAE, and Saudi Arabia also, toned down their criticism of the Soviet Union's Persian Gulf policy. In the fall of 1984, contacts between Saudi and the UAE officials with their counterpart in the Moscow were reported. Surprisingly, by the end of 1984 the Gulf antagonism towards the Soviet invasion of Afghanistan also became muted. At the December 1984 OIC meeting Afghanistan was barely mentioned and the USSR's connection to it was not at all referred to.

Oman in September 1985 and the UAE two months later established diplomatic relations with the Soviet Union. The Omani decision came as a surprise. It along with Saudi Arabia was the most vocal anti-Soviet state within the GCC. The same year official contacts between Bahrain and Saudi Arabia and the USSR increased, with Bahrain even advocating the GCC members to reconsider their poor relations with the USSR.

The Iraqi invasion of Kuwait provided an impetus to the establishment of diplomatic relations between the USSR and Saudi Arabia and the USSR and Bahrain. It ought to be noted that both Bahrain and Saudi Arabia had hitherto evaded the issue of entering into diplomatic relations with the Soviet Union despite having normalized relations long ago and approved Oman's, the UAE's and Qatar's diplomatic ties with it in the mid 80s(127).
Cooling off of the Cold War, which until now prevented Saudi Arabia, mainly under American pressure, from establishing diplomatic relations with the USSR, along with the Soviet withdrawal from Afghanistan and finally and most importantly Soviet opposition to its own ally’s occupation of Kuwait(128) paved the way for the establishment of diplomatic relations between Saudi Arabia and the USSR and Bahrain and USSR.

Also, the Saudi decision to this effect, taken soon after Saud Al Faisal’s visit to Moscow in September 1990, aimed at isolating Iraq and driving a wedge between the two countries. Bahrain’s decision to establish diplomatic relations with the USSR was announced on September 28 in Washington during a meeting between the two countries’ foreign ministers. The underlying factor behind Bahrain’s decision was to balance its heavy reliance on the western powers in the Persian Gulf crisis(129).

Undoubtedly, the Soviet-GCC relations kept on improving throughout the 80s and onward till the disintegration of the USSR. But they both failed to capitalise on congenial relations between them in realizing and accomplishing their respective objectives. The USSR could not do harm to any of the US interests in the region. It is hard to believe that the friendly ties with the USSR would have really mattered in denying the US strategic facilities in the eventuality of a US-USSR confrontation. Given their vulnerability to such a pressure from the US, the GCC countries would not have been been able to do so even if they wanted to.

As regards the GCC countries, what they could gain from ending their political hostility towards the USSR was an ability to play one superpower against the other when annoyed with one of the two. Otherwise, the nature of relationship with the USSR in security political and economic matters hardly matched that with the US. In other words, this means that the GCC states failed to minimise their heavy dependence on the US.

GCC-IRAN RELATIONS:
The Iranian revolution—particularly the attempt to export by urging the Sh’ie population in the GCC countries to rise against their Sunni overlords—, and the Iran-Iraq war—which in the GCC countries’ perception had the potential to spread over the entire region—determined the GCC-Iran relations in the 80s.

From Iran’s point of view the GCC states’ unstinted support to Iraq in the war and their role in bringing the US military forces in the region mainly to contain Teharan, impeded the chances of the establishment of normal relationship between the two.

However, their mutual relationship was not always all that hostile. Behind the veneer of an apparent and extremely antagonistic relations, there existed an understanding not to worsen the relations to the point of military confrontation. To offset their logistic and financial support to Iraq and to see that it did not provoke Iran to regard them as a party to the war, the member-states of the GCC made conciliatory moves towards Tehran.

Though limited in scope this move often included the holding of official level contacts with Iran, maintaining a modest economic relation with that country and refraining from
resorting to military means to deter Iranian attack on the Gulf ships (130). Moreover, the Iraqi reverses on the war front, increased their fear of an Iranian backlash, which compelled them to adopt a policy that neither of the two belligerents should win the war.

Iran’s threat to declare war against the Arab Gulf countries during the Iran-Iraq war was conditional to the latter’s direct participation in the war from the Iraqi side. The Iranian government also balanced its policy of deterrence by reassuring the Arab states through official statements that it had no designs against the GCC states. Instead, it was eager to establish a realtionship with these countries based on “friendship cooperation and co-existence”.

The Smaller Gulf states were inclined toward normalizing relations with Iran, for they found themselves in a disadvantageous position in case the war spread over. Qatar resented Saudi and Iraqi pressure to sever its contacts with Iran and maintained a semblance of good relations before and after the attempted September-October 1982 Coup, allegedly as an Iran-backed plot to destabilize Al-Thani rule.

Bahrain’s relations with Iran strained after the abortive Coup which the pro-Iran forces attempted in December 1981. But in August 1982, after about eight months of that event, Bahrain reestablished diplomatic relations with Iran.

The UAE maintained a very good relations with Tehran all through the Iran-Iraq war period. It adopted a “true neutrality” and urged the other members of the GCC to be soft on Iran.

After the Iran-Iraq war, the biggest impediment to the normalization of Iran-GCC relations was removed. Iranian foreign minister Ali Akber vilayet was instructed to attract friends for Iran in the Persian Gulf region and avoid any policy that will isolate the country.

The death of Imam Khomeini and Rafsanjani’s ascendance to power brought about a notable change in Iran’s foreign policy which aimed at ending Iran’s international Isolation. The new government finally abandoned Iran’s policy of exporting its revolution to the Arab nations and took the end of the war as an opportunity to shun previous hostility towards Persian Gulf neighbours. The Arab countries welcomed Iran’s acceptance of resolution 598 and conveyed to Iran that the event had thrown up an opportunity to usher in a new era of cooperation.

The Persian Gulf crisis established a thaw in Iran-GCC relations. Improvement of relations with Iran was most crucial objective in the Arab Gulf countries’ bid to isolate Iraq internationally as then Iraq was making unprecedented moves to court Iran by capitalizing on Iran’s enmity with the US and its opposition to the presence of foreign forces in the region. Iraq went to the extent of conceding the Shatt eastuary to Iran for which it ostensibly had fought an eight Year war. The GCC tried to match this with by inviting Iranian foreign minister Vilayeti to Qatar just before the start of Doha summit in December 1990. And the Iranian Ambassador to Qatar, Syed Mirzai, was invited to attend a session of the summit. Indications were given that Iran would be included in a comprehensive Gulf security system along with Egypt, Pakistan and Syria.
Iran expressed its disappointment to invitation to foreign forces by the Gulf Emirates but neither did it criticize them nor did it refuse to cooperate with them in the Gulf crisis. Iranian assurance to the GCC countries that it would not defy UN sanctions against Iraq came as a greater relief even though they regretted Iran’s refusal to take part in multi-forces operation against Iraq. While opposing the presence of Foreign forces in the region Iran agreed to be the part of any Persian Gulf politico-military -security system which excluded the US.

However, the goodwill created in Iran-GCC relations during the Persian Gulf crisis has, as expected even during those days, did not resulted in the establishment of perfect ties between these sides. Desperate to see that Iran remained neutral in the war, the GCC countries went all out to accommodate it. But after the end of the crisis they weighed the pros and cons of Iranian inclusion in the Gulf security arrangement and found that a direct Iranian role in any Gulf security system would be disadvantageous. The fear that the US would not allow this to happen and might sever the security ties with them if this really takes place is the single most important factor behind this. Then there is an added fear that any such security system would be dominated by Iran. Saudi Arabia would not like this prospect and the smaller states do not relish the idea of being placed under dual-domination, of Iran as well as of Saudi Arabia. Thus in Damascus summit the question of including Iran in the proposed security system was indeed discussed but it met with strong opposition from Egypt, Saudi Arabia, Bahrain and Qatar(131).

For Iran, the Gulf crisis ended its diplomatic isolation in the region even though it failed to earn a place for itself in the new security arrangement. This meant that Iran failed to make a major breakthrough in the region in connection with its grand objective to outmaneuver the United States in the region and to emerge as a regional power after the Iraqi defeat and in the wake of Saudi Arabia’s inability to become an independent and strong military force in the region.

GCC AND IRAQ:

Iraq was excluded by fellow Arabs when the latter formed he GCC although its rationale lies in Pan-Arabism. The relations between Iraq and Arab Peninsula states at the eve of the GCC’s formation were by all accounts ‘friendly’, as reflected in their cooperation in ousting Egypt from the Arab-fold, common concern at the threats from Iranian revolution and Saddam Hussein’s consultation with Gulf Emirates on his plan to attack Iran.

But good relations with Iraq caused the GCC fear that the inclusion of Iraq would expose the council as a military alliance against Iran. Whereas, Iran had already warned to launch air strikes against Arab Gulf states if they helped Iraq in the war. Beside, despite the existing goodwill the would be member states were apprehensive of regional ambitions of Iraq. Hence Iraq’s inclusion in the council would have prepared a ground for Iraq for fulfilling such ambitions.

However, Iraqi exclusion from the organization did not hamper its existing friendly relations with the GCC states. Instead, the war gradually gave an impetus to, and strengthened, such ties. So long a swift and single-handed Iraqi victory seemed in the sight and the threat from Iranian revolution remained imminent the Arab countries of the Gulf supported Iraq in the war.
Following Iraqi reverses during March-May 1982 in the war, the GCC states became more outright in their support to Iraq by providing logistic and financial support. In adopting this policy they knew that they would become more exposed to an Iranian attack but they also knew that an Iranian victory in the war would render them more vulnerable either to an Iranian attack or to an internal rebellion backed by Teharan. To meet this paradoxical situation the Gulf states resorted to a policy of continuing support to Iraq and at the same time balancing it by projecting themselves as arbiter of peace in the Iran-Iraq war.

Both before and after its reverses in the war Iraq moved closer to the GCC by making the Arab affinity as its basis so that the Gulf assistance kept on coming. The most noticeable change in Iraqi behavior towards the GCC countries was the abandonment of its radicalism against these states. The long-heard Bathist polemics calling for the overthrow of reactionary Arab governments, describing the Arab states as stooges of Imperialism and aspiring for the unification of the Arab World under Baathist banner seemed to have become a forgotten history.

However, Iraqi government lacked an understanding of the GCC’s predicament for adopting ‘neutrality’ and refraining from expressing their solidarity with Iraq publicly. Saddam Hussein expressed anguish over these countries’ ambivalent approach towards Iraq even though “Iraq had thrown up a barrier before Iranian expansion in the Arab world in general and the Gulf in particular” (132). Otherwise, Iran would have occupied the whole Peninsula, Saddam Hussein warned the fellow Arab countries.

The 10 year-old honeymoon between Iraq and the GCC countries came to an abrupt end with the Iraqi invasion of Kuwait. Though relations had begun worsening two months before the Iraqi demand that Kuwait and Saudi Arabia should waive off Iraqi debt in recognition of its services in defending them from Iran, Saudis appeared to be willing to meet this demand after initial hesitations. Kuwait, however, was adament and refused to oblige Baghdad.

At a later stage, Kuwait agreed only to forego a paltry sum from the total amount due on Iraq. Following this Iraq accused Kuwait and the UAE for illegally extracting oil from Iraqi oilfields and deliberately over-producing oil to keep the OPEC oil-prices low which resulted in Iraq’s inability to generate the required for recovering from economic losses it suffered during a war fought to defend the Arabian peninsula. The GCC countries simply failed to foresee the serious proportions the controversy could assume. They regarded it as a tactical pressure on them to hike the prices. They, therefore, tried to settle the issue at OPEC forum by closely conceding to Iraqi demand for posting the oil prices to $ 25 per barrel. At the end of the OPEC summit, wherein the agreed price was determined as $ 21 per barrel, at Geneva the GCC states had thought that the crisis was over (133) with the UAE president going to an extent of saying that the OPEC summit was a great success.

Still counting on their support to Iraq during the Iran-Iraq war, they did not expect anything untoward from the latter. The GCC countries failed to take note of the Iraqi leader’s grievances that their support was not in proportion to the services Iraq had rendered in shielding the Arab peninsular countries from Iran by shedding “rivers of blood”.


However, the GCC, unlike its approach during the previous months, reacted against Iraqi invasion sharply; by not only denouncing Iraq but also adopting a tough posture on peaceful solution to the crisis. They refused to negotiate with Iraq unless it withdrew from Kuwait unconditionally. They also stepped aside the regional organizations—Arab league and the GCC—in seeking a pacific solution to end the crisis. They instead saw to it that such organizations, regional or international, support the UN’s recommendations for ending the crisis.

Their approach was virtually militant. In part due to US pressure and in part due to fear of a follow-up action by Iraq against Saudi Arabia and other smaller countries they hurried in inviting US forces on their soil to pressurize Iraq to retreat and if this failed then wage a war. This reflects in the following text of the speech given by King Fahad at Doha Summit (December 22-24)

"Brothers we have not made a decision regarding a peace or war, but we have made a decision regarding the return of Kuwait if peace is possible or by war if there is no option but war.... we have not been afraid, hesitant, cowardly or languid (134)".

There has appeared no moderation in the GCC’s tough stance after about three years of the end of the Gulf crisis. Concerned more than the US with remaining military might of Iraq as it is still more than a match for them, the GCC countries have wholeheartedly supported the Post Gulf war UN resolutions for the destruction of Iraqi nuclear and chemical weapons, the continuing of embargo, the US military actions in Iraq and its policies first to remove Saddam and then to limit his rule by creating ‘No War Zones’, south and north of Iraq.

Iraq’s approach to the GCC was no less militant. It renewed Bathist slogans of the 70s, now disguised in Islamic ideology, by calling Arab people to oust the monarchies, declining to withdraw from Kuwait and responding to the GCC’s move to force its withdrawal from Kuwait by taking such actions as annexing Kuwait and declaring it the 17th province of the country. During the war its army captured a Saudi port Al-Khafzi and launched Scud missile attacks on Dehran.

After the end of the war Iraqi Defiance continues. Kuwait is still shown as Iraqi territory in that country's map. Iraq has rejected UN demarcation of its borders with Kuwait by virtue of which the Port of Umm-E-Qasar has been transferred to the former. And it has frequently made incursions into Kuwaiti territory.
REFERENCES AND FOOTNOTES

1. Both the NATO and the ASEAN bear some similarities with the GCC in terms of the number of the members these consist of. The researcher avoids to compare the GCC with the OAU, the OAS and the Arab League as they are larger in size as well as possess a continental character. Unlike these, the GCC, as a matter of fact, is a Sub-regional organization as its member-states are strictly from the Arabian Peninsula even not the Persian Gulf.


4. In 1976 foreign ministers of Iran, Iraq, Kuwait, Bahrain, Qatar, the UAE and Saudi Arabia met in Muscat to discuss the Omani proposal for adopting a common course of action on regional security. That same year the present Amir of Kuwait, Sheikh Jaber Al Ahmad, discussed the issue of regional security at bilateral level with the heads of the states of the region barring Iraq.


10. Beside, Oman, Sudan and Somalia were the other Muslim countries which did not break-off the diplomatic relations with Egypt.

11. It is reported that Saudi Arabia, Bahrain, Qatar and Oman endorsed the concept of Gulf Union but since they did not negotiate on this issue even at bilateral level it may be inferred that their endorsement was mere formal.


13. In terms of its magnitude, the Soviet Union’s Afghanistan invasion can be placed last in the order among the factors behind the formation of the GCC. However, in this chapter, these factors have
been discussed in reverse order.


16. The plan presented by Saudi interior minister, Nayef, provided for: 1) collective efforts at internal security, 2) cooperation in response to the request of any state threatened by local or imported sabotage and in halting activities by international terrorists, 3) strengthening police cooperation and joint communication systems, 4) denial of entry or refugee status to all hostile elements, and, 5) other measures to ensure collective security.


19. Ibid, P. 156.


22. Within a few weeks after the Soviet occupation of Afghanistan, the US and USSR signaled each other of the possibility of direct confrontation in case of physical intrusion in their areas of interests in the Persian Gulf. The US invoked the Carter Doctrine in January 1980 which warned that it would apply force, if necessary, in response to any attempt by a foreign power to control the Persian Gulf region. Then came the Soviet reply what is known as Breznev Doctrine which resolved that the USSR would not allow the establishment of foreign military bases in the region. See Anthony, John Duke., N. 4, P. 41.


26. With most of Saudi oil ports and fields laying adjacent to the territories disputed with bordering states, Saudi Arabia always ran the risk exposing these to destruction in settling the boundary disputes militarily.


29. At organizational level the GCC has developed an ad-hoc structure. This structure comprise at bottom level a committee formed by the Chiefs-of-staff. This committee recommends its suggestions to ministers of defense who meet annually sometimes along with their foreign affairs colleagues. The Supreme Council is the apex body of the structure with whom rests the final decision. The military committee of the GCC’s General Secretariat which plays executive and supportive role. The military committee is assisted by these departments: 1) joint activities, 11) education and training, and 111) armed forces.


31. By September 1983 Washington had lifted its sales restriction of such weapons to Oman.


34. Saudi Arabia, the West and the Security of the Gulf.

35. Iran might re-emerge as a threat to the internal security of the peninsular countries with Islamic awakening gathering momentum in West Asia. Egypt, the most affected by the Islamic fundamentalism, has already alleged Iran’s role behind violent Islamic resurgence there. Most of the clandestine and overt Islamic movements owe allegiance to Iran and see it as a role model. In its quest for improving ties with the Gulf states and the US, Iran has dropped the ‘export of revolution’ content from its foreign policy towards the Gulf. But, if the a little bit de-ideologised policy does not deliver the goods, the future scenario the region favors the success of Islamic resurgence and the hard-liner take over the power in Iran, Iran will return to the erstwhile Khomeinism. See also Kam Ephraim, “The Arab World and the Gulf Crisis” in The Middle East Military Balance 1990-91. According to an Indian scholar, Sreedhar, Iran’s revival of claim on Abu Musa in April 1992 could have been Iran’s “probing of the capacity of the GCC’s capabilities and intentions after their recent security arrangement with the US and its western allies”. See Sreedhar, “Iranian Action in Abu Musa” in Strategic Analysis, Spetember 1992, P. 801.

36. To this end, it was agreed upon by the member-states to train their nationals in three military colleges: the King Colleague in Saudi Arabia, the Zeyad II College in the UAE and the Kuwait Military College.


38. The GCC’s $1.6 billion help to Oman is said to have brought Oman closer to a regional security set up. Earlier, it was in favor a US dominated regional security system and in the wake of the
rejection of its proposal it preferably maintained close strategic ties with the US in pursuance to the
1980 Oman-US Agreement. Oman guaranteed facilities to the US forces. But since 1983 Oman
decided to downgrade its participation in joint US-Oman maneuvers and Washington reduced the
number of its won troops involved.

39. The first Peninsula Shield exercise was held in October 1983 for three weeks in which the ground
forces of all the six GCC states participated by conducting common maneuvers in the UAE. Abu
Dhabi air force supplied the air cover. Saudi Arabia, Oman, Kuwait contributed two battalions of
about 1,000 personnel. Bahrain and Qatar contributed 400 personnel. The the host country’s
contribution was about 3,000 to 4,000 soldiers including the personnel necessary for the air cover.

40. Like Dohfars of Oman or the Utayab, Qahtan and Harab Saudi tribes, several members of whom
took part in the occupation of Great Mosque in Mecca in 1979.

41. The expatriate workers in the region can be divided in four categories 1)non-Gulf Arabs (mainly
Egyptians, Jordanians and Palestinians, 2) Indo-Pakistanis, 3) South-East Asians and, 4) Western
ers.

Vol.7 No. 4 Oct. 1985, P. 855-56.


44. Pasha, A. K. “ GCC: Inadequate and Dependent ?

45. At the Doha summit of the GCC heads of states from DEC 22, the decision regarding GCC-multi
national forces joint military operation was taken.

46. No figures are available on the exact number of troops involved from different countries. In the
first maneuvers in Abu Dhabi, Oman, Saudi Arabia and Kuwait sent two battalions of About 1,000
soldiers. Bahrain and Qatar contributed about 400 men each and the host country’s unit were about
3000-4000 in number, including the personnel necessary for air cover.

Schwarz (eds.) World Politics : Structures Actors Perspectives Bonn, Germany, 1985.

48. Wayne, White E. “The Iran-Iraq War: A challenge to the Arab Gulf States in Crosscurrents in


8-14 1984, P. 36.


55. Among the member states Saudi Arabia is developing light equipment. Some joint ventures with Brazil, Turkey and Germany are also underway.


58. Kuwait is located at the northern end of the Persian Gulf. Iranian and Iraqi aircrafts can strike Kuwaiti targets swiftly and without crossing large international sea lanes. Kuwaiti air defenses are less cohesive, making it more difficult for the Kuwaitis to deal with surprise air-land attack from Iraq and air attack from Iran.


64. For detail see Mikdashi Zuhayer “Oil Exporting Countries and Oil Importing Countries: What Kind of Interdependence”, Millennium: Journal of International Studies, Vol. 9, No.1, P. 4.


68. Ibid, P. 250.

69. For instance the common delegation from the GCC has held high level meetings on trade issues with the USA in December 1985 in Riyadh, in May 1986 in Washington, and in February 1987 in Bahrain. Or on the issue of exports of petrochemicals to the EEC, US and Japan the GCC Secretary General Dr. Bishara, visited Europe several times. A senior Saudi Diplomat, Mamun Kurdi, was delegated as the GCC Chief Negotiator at the international level on the GCC's export of petro chemicals.


71. US Strategy in 1980s, P. 236.


74. The construction of giant petrochemicals plant and the establishment of other industries in the region have given a boost to the arrival of foreign companies, which, in turn, heightens the security fears.


76. Grijesh Pant C., N. 65, P. 82.


78. The Persian Gulf states are committed to granting Egypt $3 b, they have canceled Egypt’s debt and Saudi Arabia has agreed to establish a fund for $10 b for them. See Kam Ephraim “The Arab World and the Gulf Crisis”, P. 128.

Due to the twin factors of fall in price and decline in Gulf exports, the GCC oil revenue declined from $SD 145 billion in 1980 to $ 72 billion in 1983. In 1985 it further reduced to $ 45 billion. Gross Domestic Product contracted, government expenditures was cut in successive years and exports dropped well over 50 percent, of all the states.


Troxler, Nancy C., N. 49, P. 18.


Saudi peace shield program with the USA AND Al Yamama deal with Britain, according to which the two countries are to invests part of their income from arms sales into the Indigenous arms development and civilian development, include a commitment on the part of Saudi Arabia to the payment of the armaments by crude oil lifting.


Pant, Grijesh C., N. 65, Pp. 89-90.

In 1980, Oman ‘s oil production was 2,82,000 bpd. In 1983 it averaged 319,090. In June 1985 480,000 and on some occasions 500,000 per day. By early 1986 it averaged 540,000. See Story Josephl2. C., N. 82 Pp. 317-18.


Dastmaltschi Babak and Hossein Askari, N. 83, P. 104.

Middle East Economic Digest, April 26, 1985, P. 2 in Pant Grijesh, C., N 65, P. 87.

Cooperation within GCC to settle outstanding issues among the member states has been dealt with in a separate sub-heading.
98. International Relations in Contemporary Middle East, P. 239.
101. Actions and sayings of the perophet Mohamed which along with the Holy Quran constitutes as the guidelines for the an Islamic social political and economic system and must be strictly adhered to by the followers.
102. These include, free education, health care, subsidized goods and services and guarantee of jobs with handsome salary and other allowances.
103. For detail see Crystal Jill, “Coalition in Oil Monarchies: Kuwait and Qatar”, Comparative Politics, Vol. 21, No. 4, July 1989.
104. Ibid, P. 435.
105. Kuwait and the Gulf, P. 80.
109. Ashraf, Syed A. Mediation in Iran-Iraq War, Bhavana Parkashan, New Delhi, 1992, P. 68.
110. Iran, in particular, rejected the peace moves by the GCC countries for their alleged role in supporting Iraq in the war. Iran criticised the GCC regimes for supporting Baathists who did not believe in the religion against the Islamic revolution of Iran. They also saw these countries as puppet of the US. Therefore, given its overt anti-US overtures Iran could have never been agreed to accept a peace proposal by the US allies. Even despite doling out logistic and financial backing to Iraq, the GCC countries did not have enough clout on it to compel it to agree to establish peace with Iran. Saddam thanked the GCC countries for their support but had some grudge against them for having officially siding on the Iraqi side. Iraq also resented the UAE’s Qatar’s and Oman’s reconciliatory approach towards Iran. Saddam Huseein is reported to have stated that if all Arab countries have firmly backed Iraq, Tehran “would have laid its arms long ago. For detail see Pasha A. K. Peace in the Gulf: GCC Perceptions, Strategic Analysis, December 1988. Pp. 1025-44.


114. Twinam, Joseph Wright N. 80, P. 118.


117. When the US in 1974 threatened to occupy the oil installations in the Persian Gulf in case oil supply to the West was stopped, many feared that the US did not not have the capability to deploy the required troops and logistics to the region and to sustain that pressure for any length of time. By 1980, Diego was strengthened as a major US Naval base, the US task force was sent to the region and the RDF was structured. See Gopalan Sita “The Gulf Crisis and the Arab Unity “ Strategic Analysis, October 1991, P. 888


119. Ibid, N. 110, P. 176.

120. Ibid, N. 110, Pp. 176-77.

121. Not only was the US capable of bargaining the GCC’s countries’ dependence on arms, ammunition and good and services from the West but it also intimidated them, indirectly, that in case of using oil and money power to undermine position and strength of the oil importing countries the GCC governments would be doing so by putting their nations at extreme risks. This is because a move to this effect by the GCC would have weaken the US and the West vis-a-vis the Soviet Union.

122. Dastmaschi Babak and Askari Hossein, N. 83, P. 86.


124. Kuwait and the Gulf, P. 83.

125. Page Stephen, “The Soviet Union and the GCC States: A Search for Openings” in
The US defused the Gulf criticism of its pro-Israeli stance in the Lebanon crisis by agreeing to sell Stinger Aircrafts missiles to Saudi Arabia and Kuwait. The Congress, however, later did not approve the sale of stingers to Kuwait.


The Soviet Union described Iraqi action in Kuwait as "invasion" in its August 2 official statement on the crisis. It stopped arms supplies to Iraq. Its foreign minister Eduarde Sheverdandze issued a joint statement with James Baker, condemning the "naked and illegal aggression by the Iraqi forces". The USSR also voted for all the Security Council resolutions on the Gulf crisis.

It is reported that GCC seats also doled out $4 b aid to Moscow during the Persian Gulf Crisis.

Kuwait sought superpowers' help to reflag its ships against Iranian Invasion when these intensified. But inherent in this decision was the policy not to take on Iran directly and to avoid the continuous Iranian attacks of ships escalating into a war. For the threat of retaliation from the US could more effectively deter Iran from attacking neutral ships from the Arab countries of the Persian Gulf.

For a detailed study of Iran-GCC relations and contacts during the Gulf crisis see Pasha A.K, N. 110.

Saddam Hussein Quoted in Pasha A. K., N. 110, P. 1033.


Pasha A. K., N. 44.