CHAPTER TWO:

Security in the Persian Gulf Countries
Chapter 2 -

Introduction:

The security issue in the Persian Gulf is one of the most important problems and concerns for the players of the region. The governments of this geographical domain have been making efforts to overcome the present challenges. It is clear that all the regional and foreign countries, especially the strategic players in the area, emphasize on the necessity of security and stability, but everyone presents its own definition and argues according to its own national interest and look upon it from his own point of view. These differences concerning the viewpoints about the security of the region are due to the political, structural and social problems of the regional countries and the level of their dependency on foreign countries. These paradoxical viewpoints concerning the security of their own region lead into a threatening factor for the security of the region.

In addition to these paradoxes and conflicts concerning the different viewpoints about the Persian Gulf security, there are other factors that threaten the security of the region that can be classified as internal security threats and external security threats. The most important factor in the internal Persian Gulf environment is the land and border disputes that create disorder and instability in the region. Iran - Iraq war, Iraq - Kuwait war and the occupation of Iraq cause some severe damages concerning the development and the economic capability of the region in which the instability of the region opened the gate for the foreigners to penetrate into the region.

All the countries in the Persian Gulf region have border and land disputes with each other and perhaps we can claim that there are
not any other regions in the world with such conflicts as we find in this region. There are more than fifty conflicts between the regional countries and their feature is resistance that even the border contracts fail to end.²

The border disputes between Iran and Kuwait are supposed to be solved now, but Saudi Arabia and Kuwait problems concerning Gharo and Omol-Moradom islands, Saudi Arabia and Qatar problems concerning the border areas, Bahrain and Qatar disputes between Saudi Arabia and Emirate (Abu Dhabi) about Liva and Borimi areas, and Emirate - Oman problems about Diba regions are still going on. Sometimes, these problems arouse some challenges among the regional countries in which we can mention some examples such as Saudi Arabia and Qatar border disputes in 1992 and the disputes between Bahrain and Qatar in 1998 in the International Court of Justice (ICJ). Ultimately, the lateral United Arab of Emirate claims about the three lateral Iranian islands, which are Greater Tunb, Lesser Tunb, and Abumusa, lead to sign the Aljazeera agreement in 1975.³

One of other security threats in internal environment of the region is the arms race. According to the statistics, the military expenses of the countries in the Persian Gulf region grow militarily more significantly in the past two decades. Almost in all countries located in the region, except Iran most of the portion of the countries budget is spent on the military sectors. Consequently, this factor increases a pessimistic and distrust atmosphere among the countries.

Persian Gulf has various and different races and religions. The ideological problems between Shiite and Sunni Wahabis are one of the most important sources of conflicts between the regional countries. The most populated country in the region is Iran that is
mostly Shiite and this factor is considered a threat by the Sunni in the region. The second group factors that threaten the security of the region are the foreign threats. The competition and the intervention of the Super and other major Powers in the region have occurred due to various political, economic and military motivations. Foreign powers are always trying to be present in the region by establishing order to remove mutual understandings. Foreign powers have certain goals in the Persian Gulf region, which are “as following”:

1) To guarantee the export stream of oil
2) Use the regional markets, especially armament markets of the region to protect unstable monarchies of the region.

These group factors lead to the instability of the region. In other words, the instability factors of the region are not necessarily external but they are internal too and these internal factors prepare the background of the region for more insecurity. Now-a-days, beyond national threats, governmental conflicts, radicalism, the lack of political cooperation, the appearance of illegal countries, etc, are the most important concerns of this region, which threaten the security of the regional countries.

At first we will study about the member countries in the Persian Gulf, especially their oil and gas condition in this chapter, after that the security threats and paradoxes in the internal environment and important security threats from external environment in to the Persian Gulf region.
1. Territorial Foundation: Persian Gulf countries

1.1 Bahrain:

Bahrain is one of the smallest Persian Gulf States with a population of 643,000 and a total area of 691sq km. This island country is relatively less endowed with hydrocarbon resources than most of its neighbours.

Nevertheless, its proximity to them and its central location in the Persian Gulf has enabled it to flourish by developing a sophisticated telecommunication centre and by venturing into offshore banking. Its other distinguishing features have been an enlightened and modern education policy and moderate policy towards non-Islamic religions. A lot of trade and commercial activity was generated by the discovery of oil in 1932, but Bahrain like Qatar and Oman are not major oil producers.
Bahrain has proven oil reserves of 125 million barrels, which are all located in its only field; Awali. Production has been declining from its peak of more than 0.075mmbd in the late 1970s and in 2004; the Awali field produced only 0.035mmbd of crude oil.

This important situation could change following the 2001 International Court of Justice ruling that awarded the Hawar Island and its potential oil reserves to Bahrain, setting territorial disputes between Bahrain and Qatar.\(^5\)
Bahrain produces only petroleum products, so it must import crude oil to meet its domestic demand. Saudi Arabia sells all of the oil that is produced from its Abu Safa field free of charge, transporting both via Subsea pipeline, much of Bahrain's natural gas reserves of 3.25 Tfc are associated with the oil in Awali field. In 2002, Bahrain produced 327BCF of natural gas and entire gas was consumed locally. Qatar and Bahrain signed a memorandum of agreement in 2002 indicating Bahrain's intention to purchase 0.5-1BCF/d natural gas from Qatar. Bahrain also began negotiations with Iran.

In brief, Bahrain's role in energy supply is so limited that it cannot impose a meaningful direct risk to regional or world supplies. It has also taken important steps to improve its relations with Qatar. However, its political and social reforms are not easing the tension between its Shiite majority and the ruling Sunni elite.

1.2 Iraq

Republic of Iraq is a country that is located in the Western Asia, is bordered by Jordan, Syria, Turkey, Iran, Kuwait and Saudi Arabia. Iraq has population around 31,234,000 with a total area of 438,317 km².

Iraq was the world's 13th largest oil producer in 2008, and has the largest proven petroleum reserves after Saudi Arabia. Just a fraction of Iraq's new oil fields are in development and Iraq may be one of the few places left where vast reserves, proven and unknown, have barely been exploited.
Iraq's energy sector is heavily based upon oil. According to the International Monetary Fund; crude oil export revenues represented over 75 per cent of GDP and 68 per cent of government revenues in 2008.

It may be noted that Iraq's oil sector has suffered over the past several decades from economic sanctions and war and consequently its oil infrastructure is in need of modernization and investment for better output.

According to reports by different agencies, institutions and other international organizations, long-term Iraq reconstruction costs could reach $100 billion or higher.
More damage has been inflicted on vital infrastructure by looting than fighting during the conflict. The institute for the analysis of global security estimated that there were 282 attacks on Iraqi oil infrastructure and personnel between June 2003 to October 2005. In order to ensure the security of Iraq's oil infrastructure, the US army has been responsible for protecting over 7,000 kilometre of pipelines and almost 300 facilities, but those who registered to protect the pipelines were frequent targets of insurgent attacks, that made it difficult to maintain a consistent pipeline guard.

Raising Iraqi oil exports via the Gulf would require an expansion of crude loading and storage facilities to add 0.2 MMBD of capacity.
Now Iraq exported over 1.8 million bbl/d of crude oil in 2008. About 1.5 million bbl/d of this came from Iraq's Persian Gulf port of Basra, with the rest exported via the Iraq-Turkey pipeline in the north. The majority of oil exports go to refineries in Asia including China and India. \textsuperscript{10}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{Iraq_oilfield_map.png}
\caption{Iraq's oilfield map}
\end{figure}

\begin{figure}
\centering
\includegraphics[width=0.5\textwidth]{Iraq_crude_oil_exports.png}
\caption{Iraq Crude Oil Exports (2008)}
\end{figure}
**Natural gas:** Iraq has natural gas reserves around 112 trillion cubic feet. An estimated 70 percent of this line is in Basra governorate in the south of Iraq. Probable Iraqi reserves have been estimated at 275-300 Tcf, and work is currently underway by several IOCs and independent to accurately update hydrocarbon reserve numbers. Iraq's proven gas reserves are the tenth largest in the world and two thirds of resources are associated with oil field including Kirkuk, as well as the southern Nahr (Bin) umar, Majnoon, Halfaya, Nassiriya, the Rumaila fields, west Qurna, and Zubair. Just under 20 per cent of unknown gas resources.

As a result, Iraq will be a moderate producer for at least in the coming decade and any accurate assessment of its future role in the world energy market must wait for a period of greater political, economic and military stability. In the absence of stability, its oil production is likely to remain at high risk.
1.3 Iran

Iran, a Middle East country is in the south of Caspian Sea and north of the Persian Gulf, it shares border with Iraq, Turkey, Azerbaijan, Turkmenistan, Armenia, Afghanistan, and Pakistan. Iran’s population is around 74,196,000 with a total area 1,648,195 km$^2$.

Iran is a major energy exporter that has an estimated 136.2 billion barrels of proven oil reserves, or roughly 10 per cent of the world's total proven petroleum. Iran has 40 producing field, 27 onshore and 13 offshore, with the majority of crude oil reserves located in the South Western Khuzestan region near the Iraqi border. Iran's crude oil is generally medium in sulphur content. In 2007, Iran exported about 2.4 million bbl/d of oil, primarily to Asian and European countries, making it the fourth largest exporter in the world.
Iran is OPEC's second-largest producer after Saudi Arabia. In 2007, Iran produced approximately 4.1 million barrels per day of total liquids.

Now Iran's plan is to increase oil production capacity to over 4.5 million bbl/d by 2010 and 5 million bbl/d after 2015, but foreign
assistance will likely be necessary. Foreign investment in Iran's energy sector has been hampered causing unease due to US economic sanction. According to oil and gas International journals, Iran's 2008 estimated proven natural gas reserves stand at 948 trillion cubic feet (TCF), second only after Russia, roughly two-thirds of Iranian natural gas fields include south and north part, Tabnak and Kangan-Nar. In 2007, Iran produced and consumed an estimated 3.9 TCF of natural gas. Natural gas consumption is expected to grow around 7 per cent annually for the next decade. Both production and consumption have grown rapidly over the past 20 years and natural gas is often used for re-injection in oil fields in Iran. Projections now show it likely for Iran to increase its gas production from 275.3 BCF in 2003, to 384.8 BFC in 2010, to 624.8 BCF in 2010, and to 847.2 BCF in 2030.

![Total Energy Consumption in Iran, by Type (2006)](image)

Source: EIA International Energy Annual 2006

Now Iran has contracted with the Swiss company (EGL) to export initial volumes of approximately 40 mcf/d to Europe, beginning in 2009. After 2012, exports are expected to reach close 400 mcf/d the
gas will be transported from the existing export pipeline to the Turkey.

Iran's participation in the *Nabu* company gas pipeline project remains unresolved. Plans call for a 2050-mile pipeline connecting Iran and other Caspian State to Austria and the Europe through Turkey.

A controversial pipeline proposal is the $74 billion Iran – Pakistan – India (IPI) line that would transport Iranian natural gas south to the Asian Sub continent with a proposed 1724 miles and a 5.4 bcf/d capacity. The pipeline has been stalled in the past due in part to disputes over the cost of shipments. Iran and Pakistan have finalized gas sales and purchase agreements, and now India has participated to extend the pipeline to India.\(^{11}\)
1.4 Kuwait

Kuwait is located in the north-eastern corner of the Persian Gulf Peninsula that bordered by Iraq on the north and northwest and Saudi Arabia on the south and southwest. A small state that it is 17,820 km² (6,880 square miles) with 3,520,000 populations includes nine Gulf islands within its territory, Kuwait city is an important port of oil and the production of petroleum products.

Kuwait has a critical role in the world's future oil supplies. It does however, have growing internal political problems because of divisions and weakness within its royal family, divisive special interest and Islamist politics. Kuwait contains an estimated 99 billion barrel of proven oil reserves, roughly 8 per cent of the world total. The neutral zone area or "divided zone" which Kuwait shares with Saudi Arabia holds 5 billion barrels of reserves, half of which belong to Kuwait. The oil produced in the Kuwait - Saudi neutral zone is shared equally between the two countries. The Kuwait petroleum company owns a 10 per cent share in the Arabian oil company that operates offshore
production in the zone, while Saudi Arabia Texaco operates the onshore production.

Kuwait's oil reserves are located largely in the 70 billion barrel greater Burgan area, which comprises three structures: Magwa, Burgan, and Ahmadi. The greater Burgan area is widely the World's second largest oil field, surpassed only by Saudi Arabia's Ghawar field. It has three other fields with a large quantity of proven reserves: Rawdhatain (6 billion), Sabria (3.8) and Minagish (2 billion). All three fields have been producing since the 1950.

In 2008, Kuwait produced approximately 2.7 million barrels per day (bbl/d) of oil, which includes about 3000,000 bbl/d of production from Kuwaiti oil production comes from the southeast of the century.\(^\text{12}\) Now Kuwait has planned to increase oil production
capacity from its current 2.6 million bbl/d to 4 million bbl/d by 2020, largely via project Kuwait.

Kuwait also has natural gas resources; Kuwait is among the top twenty nations by Gulf standards BP estimated that Kuwait had 5.15TCF or 0.9 percent of the world's reserves at the end of 2004.13

Almost all of Kuwait's gas reserves are associated with oil fields, and the Kuwait production company carries out all of its natural gas production. Kuwait has established gas gathering facilities and pipelines. However, its efforts to find separate gas fields have failed. As a result, gas production has varied with oil production during 1980-1985 and the massive drop in production resulting from Iraq's invasion.
In 2006, Kuwait consumed 441 BCF of natural gas in 2009, Kuwait and Qatar signed an agreement whereby Kuwait would import nearly 67 BCF of liquefied natural gas each summer for 5 years that started from 2009.
1.5 Oman

Oman is located in the South of Persian Gulf that bordered by U.A.E, Saudi Arabia and Yemen. Oman’s population is around 2,577,000 with a total area 309,500 km$^2$.

Oman's oil and gas exports play a role in future global energy balances, despite its relatively small quantity of reserves. Oman has proven crude oil reserves of 5.5 billion barrels, accounting for only 0.5 per cent of the world total.

The Omani economy is heavily dependent on oil reserves, which make up approximately 75 per cent of the country's export earning and almost 40 per cent of its GDP.
Omani oil production increased slightly in 2008. After a fairly constant state of decline from the total oil liquids peak of 970,000 barrels per day (bbl/d) in 2009, Oman produced an estimated 760,000 bbl/d of total oil liquids in 2008, in about 6 percent more than 2007 levels; of 2008, Oman's output has been relatively successful in attracting foreign investment to its energy sector. Its main oil company the petroleum development Oman (PDO) is the country's second largest employer after the government. It holds over 90 per cent of the country's oil reserves and accounts for about 94 per cent of production. The PDO is a consortium compromised of the Omani government (60 per cent), Shell (34 per cent), Total (4 per cent), and Patex (2 per cent). It is managed by shell and operates most of the country's key fields, including Yibal and Lakhwair.

The PDO has actively engaged in exploration and exploitation of potential new fields, especially those in the southern area of the country. Oman has signed offshore contracts with total, Danish firm, maersk oil Oman, Japan's mitsui company with two US firms, Hunt exploration blocks in 2002 and 2004, respectively.\textsuperscript{14}
Oman cannot afford to conserve its oil reserves, and this makes maximizing current export revenues and increasing production a key priority for the Omani government. Fortunately, successful exploration programs over the past several years have resulted in annual reserve increases that have offset production depletions. Some of these newly discovered are uneconomical to develop.

Oman also has natural gas resources, Oman's proven natural gas reserves stood at 30 trillion cubic feet (TCF) as of January 2009. Oman seeks to increase natural gas production to meet rising domestic demand, provide stock for its enhanced oil recovery projects, as well as increase export of liquefied natural gas (LNG). The recent economic downturn, combined with improved efficiencies in production, have provided more time for Oman up with new supplies to meet these goals.
Oman's natural gas production in 2008 was estimated at nearly 848 billion cubic feet (BCF). Industry reporting estimates that by 2013 production volumes could reach 1.2 TCF. Oman contracts with foreign companies to produce gas from technically challenging fields, thus Omani consumption in 2008 was around 475 BCF of natural gas, almost 25 percent more than 2007 consumption. Industry reporting estimates by 2013 consumption volume could reach 580 BFC.

Oman also imports some natural gas via Qatar from *Dolphin* pipeline from October 2008. Also during 2008, Oman exported approximately 385 BCF of LNG of natural gas to South Korea, Japan, Taiwan, India and Spain.\(^{15}\)
1.6 Qatar

Qatar occupies a peninsula, which extends in the northward of Persian Gulf for about 11,437 km² and 1,696,563 populations. The country is bordered to the south by Saudi Arabia for a stretch of 56 kilometres or 4,260 square miles. Doha the capital city is located on the east coast.

A traditional monarchy, the state of Qatar ruled by the Al-Tahani family arrived in Qatar in the early part of 18th century, originally settling in the northern region of the country, and moving to Doha in the mid 19th century.

Sheikh Hamad bin Khalifa Al Tahani has been Emir since early 1995. Shaikh Abdulah bin Khalifa Al Thani is the prime minister. In 1995, the country's first elections were held, to elect a 29 member municipal council. Women were also allowed to vote and stand for office in this election.

Qatar also is a member of the organization for the oil exporting countries (OPEC) and is significant oil producer. The Qatari
government has devoted more resources recently to the development of natural gas. Qatar is the third world's largest supplier of natural gas resources (LNG) after Russia and Iran.

Qatar has 15.2 billion barrels of proven oil reserves. Qatar was the fifteenth largest crude oil exporter in the world in 2008, and of the 12 organization for petroleum exporting countries (OPEC). The onshore Dukhan field, located along the west coast of the peninsula, is the country's largest producing oil field.

Qatar is the eleventh largest producer in OPEC. In 2008, Qatar produced approximately 1.2 million barrels per day (bbl/d) of non-crude liquids. Till 2009 production averages indicate Qatar had
produced an estimated 1.2 million barrels per day (bbl/d) of total liquids (830,000 bbl/d) of crude oil and (370000 bbl/d of non-crude). The country's crude oil production capacity from 2008 to 2009 increased from 960,000 bbl/d to an estimated 1 million bbl/d. At current production levels, Qatar carries about 270,000 bbl/d of spare crude capacity.

Qatar also has proven natural gas reserves that stand at approximately 890 trillion cubic feet (tcf) as of January 2009. Qatar holds almost 15 per cent of total world natural gas reserves and is the third largest in the world after Russia and Iran. The majority of Qatar's natural gas is located in the massive offshore north field; in 2008 Qatar produced approximately 2.7 tcf of natural gas, or more than five times the amount produced in 1995. The expected increase in natural gas requirements of domestic industry, LNG export commitments, piped natural gas exports through the Dolphin pipeline, and several large scale gas to liquids projects.

Qatar's natural gas consumption in 2008 was approximately 715 billion cubic feet (BCF)
During 2008, Qatar exported over 2 tcf of natural gas, about 70 per cent of which was liquefied natural gas (LNG). Qatar's crude oil production capacity from 2008 to 2009 increased from 960,000 bbl/d to an estimated 1 million bbl/d.

In summary, Qatar has some political instability, Qatar lacks political parties and there is no legislature. Public participation remains highly restricted; this does not seem to pose an immediate problem. There have been two coups in the last 30 years but member of royal family staged these. They did not evoke response from the people in general.16
1.7 Saudi Arabia

Saudi Arabia is the largest country on the peninsula located in the South western corner of Asia; Saudi Arabia covers an area of about 2,149,690 sq km of which more than half is desert. It has around 27,136,977 populations; the country is bordered by the Red Sea and Persian Gulf to the West, by the Republic of Yemen and the sultanate of Oman to the south, the Persian Gulf, the United Arab Emirates and Qatar to the east and the Jordan, Iraq and Kuwait to the north. The richest oil fields in the world are found in the Eastern region. Riyadh, the capital and largest city, is located in the east central region of the country. Jeddah, the second largest city, is country's main port through which pilgrims enter to perform Umrah, Haj (Islamic religion activities) or to visit the holy cities of Mecca and Medina.

Saudi Arabia is a monarchy ruled by the Al Saud family. The Al Saud in the mid 18th century with Mohammed bin Saud, who was the ruler of Diriyah in central Arabia, the late king Abdul Aziz Al Saud founded the modern Saudi state, established on 23rd September 1932. The written constitution and bill of rights were introduced during the 1982-2005 reign of king Fahad bin Abdul Aziz Al Saud. Since August 2005, Saudi Arabia has been ruled by king Abdullah bin Abdul Aziz Al Saud.

Oil is the most important industry in Saudi Arabia. The kingdom is the world's largest producer and exporter of total petroleum liquids, and the world's second largest crude oil producer and exporter of total petroleum liquids, and the world's second largest crude oil producer after Russia.
Saudi Arabia's economy remains heavily dependent on oil and petroleum refining oil export revenues which have accounted for around 90 per cent of total Saudi export earning and state revenues and above 40 per cent of the country's Gross Domestic Product (GDP).

Saudi Arabia's hydrocarbon sector operations are dominated by the state owned Oil Company. Saudi Aramco is one of the world's largest oil companies in terms of proven reserves and production of hydrocarbons.

However, government is responsible for petroleum and natural gas policymaking.
Saudi Arabia also is the largest consumer of petroleum in the Middle East, particularly in the area of fuel consumption in transportation (surface, sea and air). In 2006, Saudi Arabia was the 15th largest consumer of total primary energy of which 60 per cent was petroleum based.


Saudi Arabia contains approximately 264 billion barrels of proven oil reserves (including 2.5 billion barrels in the Saudi-Kuwaiti Shared Neutral Zone). Although Saudi Arabia has around 100 major oil and gas fields (and more than 1,500 wells), over half of its oil reserves are contained in only eight fields, including the giant 1,260 square mile field. (Neutral Zone is 2230 square mile between the border of Saudi Arabia and Kuwait that was left undefined in 1922 and contains estimated 5 billion barrels of proven oil reserves, shared between the two countries). (Please see map)
Saudi Arabia exported an estimated 8.4 bbl/d of petroleum liquids in 2008, the majority of which was crude oil. Asia, including Japan, South Korea, China and India now receives an estimated 50 percent of Saudi Arabia's crude oil exports, as well as the majority of its refined petroleum product and LNG exports. Japan remains the single largest importer of Saudi crude in Asia. In order to free up petroleum for export, Saudi Arabia continues to explore for natural gas resources to meet domestic consumption needs.

In 2008, Saudi Arabia exported an average 1.53 million bbl/d of petroleum liquids to the United States, accounting for 12 per cent of total US petroleum imports.

Saudi Arabia is also fourth largest gas reserves in the world after Russia, Iran and Qatar. The majority area of Natural gas is in the Najd region south of Riadh and Ghawar field (the largest in the world).

In totality, Saudi Arabia has the capacity to produce 10 million barrels oil per day. Working towards diversifying its economy, the kingdom is promoting heavy industry, such as petrochemicals,
fertilizers, and steel. Traditionally, fishing and agriculture were source of revenue for kingdom and today Saudi Arabia is one of the world's leading producers of dates and its fishing industry continues to grow.\textsuperscript{17}

1.8 The United Arab Emirates

The United Arab Emirates is a federation of seven Emirates \textit{Abu Dhabi, Dubai, Sharjah, Ajman, Fujairah, Ras al khaimah} and \textit{umm al qaiwain} that is located in the South Eastern corner of Persian Gulf with 83,600 km\(^2\) and 8,190,000 population. The political power is concentrated in \textit{Abu Dhabi}, which controls the vast majority of the United Arab Emirates, economic and resource wealth. The two largest Emirates –\textit{Abu Dhabi} and \textit{Dubai} provide over 80 per cent of the United Arab Emirates income.

In June 1996, in the United Arab Emirates federal national council provisional document that has been renewed every five years since the country's creation in 1971, the establishment of \textit{Abu Dhabi} as
the United Arab Emirates permanent capital was one of the new framework's main provisions. \(^{18}\)

The United Arab Emirates (UAE) has the seventh largest proven oil reserves in the world at 97.8 billion barrels. According to the world oil and gas Journal in January 2009, the UAE also has the sixth largest proven natural gas reserves in the world at 214 trillion cubic feet. It is an important oil and natural gas producer and is a member of the Organization of petroleum exporting countries (OPEC).

The UAE is a federation of seven Emirates with the second largest economy in the Arab Middle East after Saudi Arabia. The Emirate of *Abu Dhabi* is the focal point of the UAE's oil and gas industry, followed by *Dubai*, *Sharjah* and *Ras al Khaimah*.

While *Abu Dhabi* is the hydrocarbon and industrial centre, *Dubai* is the trading, financial and tourist centre of the Emirates. Because of a successful effort at economic diversification, the finance and service sectors in *Dubai* are making the city a favoured base for multinational corporations in the Persian Gulf.
The UAE is in the Middle of major expansion program of its hydrocarbon sector mainly with enhanced oil recovery techniques at existing fields.

According to the oil and gas world journal the United Arab Emirates had 97.8 billion barrels of proven reserves in January 2009, according for almost 8 percent of the world total.

![Top World Oil Reserves by Country](image)

Source: Oil and Gas Journal

In 2008, the UAE produced 1.77 TCF of dry gas. The UAE became a net natural gas importer in 2007 as consumption has grown much faster than production, increased domestic demand for electricity, desalinization of water, growing demand from the petrochemical industry and the need for an enhance oil recovery system based on natural gas injections in mature oil fields have caused the UAE’s domestic demand for natural gas to rise.

According to EIA estimates, the UAE imports amounted about 280 BCF of natural gas from Qatar, and exports in the form of
LNG, were shipped to Asian countries, primarily to Japan, then to the United States, South Korea and Europe.\textsuperscript{19}

2. Domestic Sources of Conflict

Compared to many other regions of the world the Persian Gulf appear to be stable at least as far as continuity of governments is concerned. However, recently some signs of change have become noticeable. Compared to the momentous changes, these might appear to be inconsequential at first sight, but their importance should not be underestimated.

Traditional institution and approaches, which were believed to be responsible for stability in the region, are under severe strain due to forces unleashed by modernization in the economic sector. Social scientists agree that increase in literacy rate, industrialization and improvement in communication facilities lead to higher expectation
and political mobilization. According to Deutsche, modernization generates social forces, which a modernizing regime cannot overlook. The process of social mobilization gives rise to pressures, which necessitates change in governmental attitude to deal with the new agenda. The remedy preferred by Deutsche is expansion of political participation.\textsuperscript{20}

Apter stresses the need for political participation but seems more concerned with creation of mechanisms for stimulating participation. In his view when participation does not keep pace with institutional mechanism created for the purpose the result is political unrest and revolution. His suggestion for dealing with the situation stated above is a form of Pseudo participation, which is supportive of the regime. It is designed to give people a sense of participation while denying them the ability to meaningfully affect the policies of the government.\textsuperscript{21}

Huntington on the other hand does not favour increase in public participation. However, the ideas of Apter and Huntington appear to be refuted by the Iranian case. The Shah of Iran tried both strategies on different occasions but none could ensure the survival of his regime.\textsuperscript{22} The flaw most obvious in Apter's logic is that he does not fully appreciate the limitation of pseudo participation. Political participation, which precludes any meaningful change, only serves to generate expectations without fulfilling them. This process is more likely to result in frustration and alienation, which could be devastating for the political system.

Persian Gulf States fall into two categories depending on their approach to the problem of political participation. In Iraq, Iran and
Kuwait political participation supportive of government policies is encouraged.

**Ethnic and Religious Composition of Persian Gulf State**

<table>
<thead>
<tr>
<th>State</th>
<th>Nationality</th>
<th>Religion</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bahrain</td>
<td>Arabs</td>
<td>Islam</td>
<td>Shia and Sunni</td>
</tr>
<tr>
<td>Iran</td>
<td>Persian (Arabs and Kurds in minority)</td>
<td>Islam</td>
<td>Shia and Sunni</td>
</tr>
<tr>
<td>Iraq</td>
<td>Arabs (Kurds and Persian in minority)</td>
<td>Islam</td>
<td>Shia and Sunni</td>
</tr>
<tr>
<td>Kuwait</td>
<td>Arabs</td>
<td>Islam</td>
<td>Shia and Sunni</td>
</tr>
<tr>
<td>Oman</td>
<td>Arabs</td>
<td>Islam</td>
<td>Ibadies, Shia and Sunni</td>
</tr>
<tr>
<td>Qatar</td>
<td>Arabs</td>
<td>Islam</td>
<td>Shia and Sunni</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>Arabs</td>
<td>Islam</td>
<td>Wahabis, Shia and Sunni</td>
</tr>
<tr>
<td>UAE</td>
<td>Arabs</td>
<td>Islam</td>
<td>Shia and Sunni</td>
</tr>
</tbody>
</table>

In some states, like Saudi Arabia, UAE, Qatar and Oman political participation is highly restricted. The case of Bahrain is slightly different. Although there is no system of political participation but the United Nations was involved in ascertaining the wishes of the
people of Bahrain, which ultimately resulted in the acceptance of Bahrain's independent status.

Political modernization strategists do not have a readymade list of variables, which would be applicable to all states. The search for such variables must take into account the circumstances operating at the regional level.

The variables, which appear to be crucial in the Persian Gulf setting, are:

A. Ethnic makeup of regional states
B. Presence of foreign workers
C. The qualitative and quantitative changes in the educational facilities.

These factors in conjunction with other variables like the dominance of some individuals or ideologies (which are still relevant in the Gulf setting) appear to be crucial in the sense that they also have bearing on interstate relations. The ethnic factor cannot be excluded from the Iran-Iraq conflict but the outbreak of war between the two nations also owed a great deal to the pattern of decision-making and ideological consideration at work in the two countries. Similarly, the Iraq-Kuwait conflict appears to be linked to the decision making process in the two countries, the lack of meaningful constraints on decision makers and the growing significance of economic issues. Other issues like fear of losing face, enhancing national prestige, etc which are part of national psyche also had a bearing on inter-state relations. All those factors constitute the environment in which domestic and regional disputes grow and are expected to be resolved.
2.1 Ethnicity and Gulf States

All Persian Gulf states are multi-ethnic which expose them to a multitude of pressures. In an age of rising ethnicity, states with multi-ethnic composition are at a serious disadvantage particularly when they lack institutions giving their population a sense of participation in politics. Lack of autonomy further complicates the issue.

As already pointed out the presence of some of ethnic Iraqi Arabs in Iran had a direct bearing on their relationship. Bahrain, Kuwait and Oman also have sizeable segments of Iranian population. Historically, this factor has carried implications for their relations. However, in the case of Bahrain, the ethnic Iranians seem to be well adjusted and are not easily distinguishable from the Arab population.

In Bahrain, the division is not simply ethnic it is also sectarian. Bahrain has a Shia majority but the ruling family belongs to the Sunni. Signs of discontentment with any aspect of national politics can, thus, acquire a sectarian dimension. The eastern coast of Saudi Arabia is subject to a similar problem. A sizeable number of people in this region also belong to the Shia community. Their opposition to the government can, thus, be seen in sectarian terms.

Scholars who tend to view domestic politics or regional developments from the prism of sectarian do so under the belief that the Iranian revolution was sectarian in nature. However, in fact Islamic revolution was and is a source of inspiration for many Islamic movements all over the world including Egypt, Afghanistan and Sudan.
2.2 Foreign Work Force: The Political Dimension

Most of Persian Gulf states are trying to reduce their dependence on foreign labour; in this venture they have achieved a measure of success. The foreign workers are normally docile and very submissive and they do not indulge in politics. Even if they have a tradition of political participation in their own countries, they try to avoid it in the host countries for fear of losing their jobs. These people have little incentive to get involved in politics, as their governing factor of motivations is economic rather than political.

The workers belong to Pakistan, India, Sri Lanka, Bangladesh, Philippines, South Korea, Thailand, Sudan, Egypt, and Lebanon, Iranians and Palestinians also visit the small Persian Gulf countries in order to find employment. It is an extremely heterogeneous group in many ways. Culture, languages and political values vary and it is nearly impossible for them to work together in order to pressurize the host government. In some countries (like UAE), foreign workers constitute more than fifty percent of total population. This changing demography has given rise to fears; the fear of losing cultural homogeneity or the possibility of becoming dependent on outsiders might appear to be formidable at first sight but due to a number of factors already mentioned it should not be that awesome.

The danger is not that the presence of foreign workers would trigger a major political upheaval but rather that their interaction might bring about a silent change of political attitudes among the locals. Another likely implication could be in the field of law and order as it was as noticed in the case of Egyptian workers in Kuwait. A dispute between a Bangladeshi and an Egyptian worker recently lead to riots
spread over several days. The Kuwaiti authorities handling of the situation was resented by Egyptian workers. The authorities were entirely dissatisfied with the attitude of Egyptian workers. The presence of large numbers of people with diverse cultures, variety of languages and a likely clash of interests used to give rise to problems for the host country.

Another fear is that a hostile government could enlist some of these foreigners to spy for it or to create subversion. Other types of crimes particularly smuggling of narcotics and small arms could be an additional source of concern to regional governments.

Although according to law workers' unions do not exist and most of the workers have a political approach it should be remembered that many of them come from countries where political activity is more prevalent than is in the host countries. For a number of years the Gulf States have been trying to reduce their dependence on expatriate labour force, which is not an easy task to accomplish.

2.3 Education and Process of Social Change

There has been an impressive increase in literacy percentage since the early 1970's. The rapid increase in educational facilities all over the Persian Gulf region has begun to pay off. Education is free in many states and although not compulsory, more children of a growing age are benefiting from it. Education is reaching all segments of people including women although their literacy percentage is still lower than those of men in almost all states of the Persian Gulf. However, since governments in the Persian Gulf have controlled education in schools,
we should not expect to raise the levels of political consciousness under these circumstances.

Education is the basic prerequisite for social and political change. It shapes the hopes and expectations of people besides opening new avenues for them. The role education has as a catalyst for change can, therefore, hardly be denied. The recent expansion in literacy means that the Persian Gulf region is bound to experience change in ways, which are not difficult to perceive. In some ways, the process of change unleashed by education that has already started yielding results. The demands made by Kuwaiti women to acquire the right to vote and the right to drive their cars and the ongoing democratic movement in Bahrain are indicators of socio-political changes slowly sweeping the Persian Gulf.

2.4 Channels of Communication: The Role of Media

Today more channels of communication are open to the people of the Persian Gulf region than before. The region boasts of some of the finest airports, roads, and networks have been greatly expanded and improved. More newspapers, journals and magazines are in circulation today and their numbers are likely to increase in future. Although, many Gulf governments enjoy control over mass media in their own countries, they cannot have control over foreign TV channels, Publications and other media. People are increasingly turning to these facilities for information and recreation. Technology has made it possible for people in the Persian Gulf region to watch TV programmes produced in Iran, US and other countries. Although lack of knowledge of a particular language may lead to a communication
gap but the severity of this drawback is much less today due to better linguistic skills. English language is widely understood and spoken in the Persian Gulf. Local people understand even Urdu and Hindi. In any case, the point here is that people have access to ideas beyond the geographical confines of a particular state.

Radio broadcasts although normally under the control of governments, which do play a major role in promoting greater awareness. Telephone networks are in the process of expansion and with it; the ability of people to communicate has been greatly augmented. Internet provides yet another avenue, which is particularly attractive for the younger generation.

3. The Security Paradoxes and Threats in the Internal Environment of Persian Gulf

Interactions among the Persian Gulf littoral states play a key role in their bilateral as well as regional and even international strategic policies. Some of the most important incompatibilities, which could create tensions in the region, are:

1) **Traditional-historical factors:** These are cultural factors, which have traditionally been part of the region since the ancient times. Based on social and historical studies, these include ethnic national aggressions, religious differences, clashes between national Iranian-Arab sentiments and religious clashes between the Shiite and Sunni groups.

2) **Structural factors:** These include territorial disputes, economic competitions and a lopsided power structure in regional governments.
3) **Multi-faceted factors:** These factors lead to inconsistent directions in foreign policy, unhealthy economic competitions, territorial and border disputes, distrust and cynicism, dependence on zero-sum game strategies, absence of constructive dialogue and interactions, arms race and in due course conflict and war.\textsuperscript{23}

### 3.1 The Border and Land Disputes Violation in Persian Gulf

In less than a decade, several wars have occurred in the Persian Gulf region, in which the economy of the regional countries has been badly affected and it has resulted in the instability of the Persian Gulf. Therefore, the situation was always ready for foreign interventions, but unfortunately, these wars such as; Iran and Iraq, Iraq and Kuwait wars did not prove to be a good lesson for the regional countries and have made it worse. They created the old border disputes. Saudi Arabia occupied some southern parts of Qatar; Yemen also wanted the occupied provinces to be extradited by Saudi Arabia and Iraq considered Kuwait as its own certain part (the border disputes are concerned with disagreement over the exact location of borders). In some cases, these conflicts, sometimes very trivial, have resulted into regional crisis and, therefore, the expansion of the disputes all over the region.

It is may be true to claim that the Persian Gulf witnesses border and land disputes much more than any other region in the world.

There are more than 50 cases concerning the border and land disputes among the regional countries, the borders of many Persian
Gulf countries are specified by the border regions but not the border lines. Among the 10 land borders between the countries in the Persian Gulf, there are two borders related to Saudi Arabia with Yemen and Oman, which are not specified yet. On the other hand from the 15 marines borders between the countries in the Persian Gulf, 10 borders are not specified yet due to present conflicts in which 3 borders belong to Iran and Iraq, Kuwait and Iraq.

The feature of these border disputes is their stability. In the Persian Gulf region, signing border contracts rarely gave an ultimate end to these disputes.

There is now an arousing question; what factors lead to the stability of such disputes? There are ample of factors, which can be effective in this regard. Some of the most important factors are follows: the imposed border, oil discoveries, and strategic condition of some regions or the island and the expansionist desires of some other countries.²⁴

3.1.1 Iran-Iraq:

Iran-Iraq borders usually have created various problems and had undesirable effects on the international relations and the security of Persian Gulf.²⁵ The histories of these conflicts have started from centuries ago. Iraq was always looking for controlling and having the domination over Arvand River and occupying Khuzestan, the gold and oil province of Iran. Therefore, its policies have continuously established lots of crisis between the two countries. Iraqis were claiming that the majority of the residents are Arab and therefore it must join an Arabian country.²⁶ Ba’ath party, after holding the power,
claimed to have an absolute domination over *Arvand* River and in April 1969 created severe crisis in the region. Thus, the military forces of two countries were alerted and after that the Good Neighbouring treaty gave an end to all the conflicts between the two countries in 1975 and established peace in the region till 1980. After the Islamic revolution victory in 1979, Iraq was tempted to cancel the 1975 *Algiers* treaty and wanted to occupy Iran territories by the imposed war lasted till 1988.

Iraq not only could not gain its declared goals in the war but also on 4th August, 1990, announced that Iraq is willing to solve its dispute with Iran according to the 1975 *Algiers* treaty.

However, there are many problems between Iran and Iraq, which need a long time for the final solution. Some of the most significant problems are as follows:

1) The lack of stability in borders.
2) The lack of dredging *Arvand* River, which needs an estimated 5 to 10 billion dollars.
3) The lack of determining Iran and Iraq marine borders.
4) The lack of signing peace treaty.

3.1.2 Iraq-Kuwait:

Iraq's claim concerning the ownership of Kuwait is historical. In 1933, that is only 12 years after the independence of Kuwait, Iraq wanted Kuwait to join Iraq. Iraqis believed that since Kuwait was a part of Ottoman Empire and Iraq was the Ottoman Empire successor, so Iraq should be regarded as the inheritance of Ottoman possessions in Kuwait.
Iraq has used different strategies in order to join Kuwait to its territory. The most important methods were avoiding to solve financial problems concerning Sheikhs' properties of Kuwait in Southern Iraq, smuggling goods from Kuwait to Iraq, establishing cold war and advertising against Kuwait officials, asking for economic and political concessions; the excuses concerning its inaccessibility to the sea, asking for controlling Varbe and Bobian Islands, avoiding borders determination and asking for joining Kuwait to Iraq and Jordan federation.  

It is obvious that there were two main factors that encouraged Iraq to access Kuwait, which are a considerable amount of oil resources in Kuwait and the geographical problems in Iraq to access Persian Gulf.

As the war began between Iran and Iraq in 1979, Iraq wanted Kuwait to join Varbe and Bobian Island to Iraq due to the security reasons. Iraqi troops occupied Kuwait for few hours on August 2, 1990 and that was declared as Iraq Islands formally on August 8, 1990. Obviously, the occupation of Kuwait by Iraq not only did not solve the problems of Iraq but also created the other crisis canons in the region.  

3.1.3 Saudi Arabia and Qatar:

Saudi Arabia believes that wahabiyen possessed Saudi Arabia Peninsula and the present unusual political situation has been created by the United Kingdom.

The border and land disputes between Saudi Arabia and Qatar include a strip of southern lands of Qatar. Saudi Arabia claims that 23 miles of Qatar southern banks belong to Saudi Arabia. In addition, they
have another dispute about Salva and the South western region. Moreover, the borders of these two countries are not demarcated till now.

The determination of marine borders is very important for them due to the huge amount of oil and gas resources in Salva bay between Saudi Arabia and Qatar. However, determining the marine borders is very complicated due to the existence of some Islands, sand platforms and coral hills. On the other hand, Saudi Arabia has gone ahead about 100 km towards east and 50km towards north in the territory of Qatar. We should remember that the width of Qatar, the country, in its widest point is 88.5 km to 97 km and its length is only 145 km.

3.1.4 Saudi Arabia and Yemen:

Saudi Arabia-Yemen dispute includes extensive regions. Yemen has claim on three oil provinces; Asir, Najran and Jizan. Asir province is located in the north of Yemen and it extends up to the banks of red sea. Jizan province is located in the Southeast of Saudi Arabia and Northwest of Yemen. Saudi Arabia has been digging several oil wells in this region. Najran is also located in the south of Saudi Arabia.

On the other hand, Saudi Arabia claims on the oil region of Yemen like Maareb, Jauf, Robe AlKhali and Hezer mout. Because of these land disputes, the border extension in this area has not been done yet, whether on the map or on the land.

Now, Saudi Arabia enjoys presence of American troops and garrisons in Saudi Arabia. Status in the region, the increase of
defence and armament expenses in the region and internal situation of Yemen and their economic problems. Therefore, Saudi Arabia from a high status intends to take some actions concerning the negotiations between the two countries in order to take some concessions.

However, Saudi Arabia has two concerns: considering the vast area and its population, which are structurally more developed than Saudi Arabia on one hand, and the rich resources of gas and oil in Yemen, which absorbs many attentions towards itself, on the other hand. These two reasons can change the general condition of Saudi Arabia into a more vulnerable one.33

3.1.5 Qatar and Bahrain:

Qatar and Bahrain have some disputes about Zabare. Zabare is located in the north west of Qatar where Bahrain has territorial claim. Hawar Islands is joined to Qatar so that it can be walked towards there easily; these Islands are unclear in the domination of Bahrain that Qatar claims on these borders.34 That can be regarded as an important reason that the border disputes have not been solved successfully, as a rich oil field remains useless on two sides, while both the countries are faced with the lack of oil resources. In recent years, oil explorations have increased the disputes, so that a year after the Persian Gulf War in 1992, Qatar increased the width of its water banks from 3 miles to 12 miles, which angered Bahrain, and consequently has resulted in crisis between the two countries' relations. Bahrain considered it a violation of its nation and land, therefore, the problem was referred to the international court of justice (ICJ) by Qatar.35
3.1.6 Saudi Arabia and United Arab Emirates and Oman:

Saudi Arabia claims on the UAE include two thirds of the UAE lands and include the oil regions such as Borimi, Alain, Zafare and Zarare. Borimi is oil developed and green region which is located in the 10 miles Southeast of Abu Dhabi and includes several villages, which were divided between Oman and Emirates in 1974, so that 9 villages were joined to Emirates and 3 villages were joined to Oman. Saudi Arabia, that had ignored the region, witnessed some parts of the west strategic region of Emirates being transferred to it and at the same time, it obtained the operation of oil fields in Zarareh. Due to this reason, Saudi Arabia ignored its claims on Alain. In addition, Oman and Emirates disputes over Musandam Peninsula have remained a potential source of crisis.\(^{36}\)

3.1.7 Iran and United Arab Emirates:

The disputes between Iran and Emirates are related to the Iranian Islands, Tunb and Abumusa. These three Islands along with the 4 other Iranian Islands in Hormuz strait are considerable as valuable and strategic Islands located on the arrival and departure ways of Hormuz strait in which they act as a strategic chain. One of the reasons for repeating the Emirates claims on these Islands are that they do not want these islands as part of Iran so that the defensive chain of Iran in Hormuz strait will not be completed.\(^{37}\) Although their claim has remained invalid due to the strong and documented proofs presented by Iran, the problem is essentially political. Emirates have mentioned a very big claim in the Arab world, some Arabian and western countries have pursued illogical and unfair reactions against Iran, and at the
same time, they encourage Emirates for its claims\textsuperscript{38}. The western countries also take advantages from the crisis in the region because the instability of the region will justify the military presence of these countries and the sale markets of their armaments to the Persian Gulf countries. Moreover, they will put Iran under pressure. Now-a-days, the silence over the Emirates claim is the result of Iran's extensive attempts to publish and expose the historical and legal documents in the mass media and the important international meeting on one hand and stopping the useless Arabian-wester activities, concerning Emirates claim, on the other hand.

At the end, we should emphasise the fact that the geography, history, cultural and religious ties between Iran and its neighbouring countries in Persian Gulf have joined them firmly together. Therefore, the only choice is negotiation for establishing peace, friendship and cooperation in the region\textsuperscript{39}.

3.2 The armament Competition

Armament competition can be defined as the permanent growth of military powers of two or several rival countries according to the belief that only the increase of military power can specify the security or superiority of a government. This competition has two aspects of quality and quantity. In armament competition of small governments, both the quality and quantity aspects are important. However, in the armament competition between gigantic powers, the quality of weapons is more important than the quantity. This is due to the extensive field of challenges and geographical expansiveness that makes the quality of weapons such as the high level of explosion, the
accuracy of shooting, the power of penetration into the target, the level of destruction and the long-range weapons important. The armament competition itself is the result of natural element of the government's ambitious sovereignty. Power means the ability to perform a work but in relation to people or groups, it is defined as imposing a determination of a person and his domination on the other person. Military force is regarded as one of the permanent instrument that the political sector possesses, as it is the most important element of power. As the Dictum says “power flows from the barrel of the gun”.

**Question:** Are the armament competitions and the weapons considered as the elements for war by themselves or are they regarded as the deterrence of war?

Many analysts believe that armament does not cause wars, but are a sign and symbol of suspense, enmity and conflict between the societies. Fredrick Showman believes that waiting for the disputes to be resolved have resulted in the armament competition and armament has increased due to war and the anticipation of war. Hans J.Mourgentau believes that people do not fight with each other because they have weapons but they possess the weapons, as they need them as essential instruments for fighting.

Considering the armament competition in The Persian Gulf, the statistics show that the military expenses of the regional countries have a more significant growth compared with their national gross productions during the last two decades. Almost, all the regional countries, except Iran, that have spent a considerable portion of the budget expenses enjoy a considerable portion compared with the other sectors.
From 1983 up to 1990, Saudi Arabia received 48 billion dollar worth armament approximately, while the figure is 39 billion dollar for Iraq and 14 billion dollar for Iran.

The armament competition in the Persian Gulf has many bad economic consequences along with severe crisis concerning the relations between the countries.

The increase of the military budget has prevented the proper distribution of optimal resources to the other sections such as education and sanitation and the agricultural section has been facing serious problems. Regarding the high level of population growth in these countries, the agriculture section has remained dependant on importing more food. This will, therefore, result in a decrease in the income of the people and farmers with low payments.

One of the other harmful economic results of the armament competition in the Persian Gulf is the flow of capital from the region due to the lack of necessary security and stability for the investment.

During the recent years, Persian Gulf has encountered several crises. This factor has not only resulted in the failure of absorbing foreign investment into the region but also in the movement of capital and clash from countries to the other areas due to lack of political and military stability and threats to peace and security in the region and also the lack of mutual trust between the regional countries.

Generally, we can claim that armament competition in the region, although resultant from the atmosphere to each other intensifies the lack of security in the region and will be as an essential obstacle for the development and the growth of these countries.
3.3 Political Ideological, Ethnic and Religious Dispute

Basically, the politico-ideological, ethnic and religious disputes have always been some of the main elements for the conflicts and the instabilities in the international and regional arena that has witnessed different ups and down during different periods. Generally, these conflicts have shown themselves as border disputes such as Iran and Iraq where the political and ideological disputes determined the process of border disputes.

Socio-Ethno-religious disputes are considered the factors that intrude the security in the Persian Gulf. There are three main races in the Persian Gulf: Iranian, Arab and Kurdish. The ethnic radical differences exist mostly in Iran and Iraq. Kurds are the important source of malcontent in the two countries in which they have challenges with central government. However, the Kurds' problems in Iran are not related to the racial issues as with Iranians belonging to the Arian race. Therefore, we can consider it as an ethnic problem but in Iraq, the Kurds' problem is not a racial problem. The two countries of Iran and Iraq have used the Kurds residing in borders during the challenges and political conflicts between the two countries and this reason has lead to the insecurity in the Kurdish regions in both the countries. Some Kurds though they belong to Shiite faith but now wants their separate political identity.

The other problem is referring to the Persian and Arab problem; In fact, Arab nationalism is the identity and the honour of Arabs. Therefore, everyone who has Arabic language and culture and is considered an Arab should join the nation. This type of thought enjoys an expansionist nature, such as Iraq that wanted Khuzestan to be
joined to it. This action imposed the war on the Islamic Republic of Iran.

On the other hand, Persian Gulf is a region with various religions, so that we can claim that we can never find any region in the world with such diversity of religions. In this reference various religions mean many sects because religion is Islam, which is being practical according to different precepts and practice.

The disputes between Shiite and Sunni have always been the source of conflicts, which has lead to bloody conflicts and clashes. Iraq has been the centre of Shiite, but due to the English policies in the governments of Iraq, Shiites did not have any economic and military power. In Bahrain also, 70 percent of its population is Shiite, but the political system is governed by the Sunnis. Iran is the most populated country in the region that is mostly Shiite. Therefore, this is considered a threat to peace from the Arab viewpoint. Shiite and Sunni conflicts have been instruments for the foreign powers to misuse.

3.4 Oil as an Element for Crisis

Persian Gulf region has always been the core of the attention of the world powers to have a control on it due to its huge amount of gas and oil resources. These huge amounts of resources are highly significant in creating crisis and insecurity in the region. The finishing of the oil wells is one of the biggest obsessions of the leaders of Persian Gulf. In addition, the presence of different parties in OPEC is considered as another factor for creating crisis and insecurity in the region. OPEC countries are divided into several parties according to their political attitudes and their production capacity.
A. Saudi Arabia, Kuwait, United Arab Emirates and Qatar group wherein their governments have a tendency towards the west. This group is the strongest part in OPEC that due to its high level of production and export and low rate of population, they have invested the obtained incomes of oil in the industrial countries, especially the United States, England and Germany. This trend is followed by importing consumer goods and military products.\(^{45}\)

B. Radical countries: Including Iran, Libya and Algeria. Although this group, unlike the first wing, is not politically correlative, they are in one party due to their independency to the western countries and their consideration to their national interests. This group is the proponent of a higher price. Although they do not have any flexible position, they have obtained significant successes.

C. Other members; including Venezuela, Nigeria, Indonesia, Gabon and Ecuador. This group is mostly included in the first party.

In different stages, the conflicts between these three wings have created crisis in their relations. For example, Iran and Saudi Arabia's competition in OPEC framework and sometimes their relation had an effect on the inside of OPEC and, thus, this resulted in their relations outside OPEC. Iran has always been looking for the increase of oil price. Iran believes that the portion of oil exporter countries should be determined by some important and essential elements such as the extent, population, location and the amount of need for each country.\(^{46}\) Saudi Arabia has obtained a high influence inside OPEC by its high capacity of production. Therefore, considering its influence inside OPEC, it always attempts to affect OPEC by its decisions.
3.5 Internal Problems and Obstacles

There are unsolved political problems in each one of the Persian Gulf countries. They are still obsessed with pivotal issues such as national Identity and political sovereignty. The majority of the Arab countries are governing as the absolute kingdom and consume all their oil incomes to make their traditions. Among the eight Persian Gulf countries, only Iran (1978) and Iraq (1958) witnessed political revolutions. The other six countries are still governing traditionally and by inherited kingdom (Monarchy system). This factor has led to the acute lack of legitimacy and, therefore, the lack of political participation in national and regional affairs.

The national identity is also considered as one of the security threats inside the Persian Gulf countries. The national identity has not been formed in the majority of Persian Gulf countries yet. They contradict each other and ultimately the process prevents the formation of national identity.

On the other hand, censorship is applied in Arabian countries. Saudi Arabia tends to suppress the opposition severely and tries to control the reformist forces. It seems that the regional countries will be fragile against the internal crisis and the external interventions as long as they do not find their national identities and do not acquire their political right.

Moreover, there are other factors, which can be considered as a threat to their national security such as their penetrability, the lack of political participation, the lack of proper wealth distribution and corruption amongst these countries. The rate of population growth is 3 per cent in the region that naturally increases the civil and social needs
of these societies. Military expenses of Arabian countries lead to the dramatic decline in their financial reserves, so that Kuwait, Saudi Arabia and Oman have taken loans from the international banks in order to provide the general needs to peoples' contentment. Now-a-days, the Persian Gulf countries are encountering problems such as the decrease of their budget and the increase of their debts. These countries are used to the consumption, but now they are forced to reduce their expenses, as the salaried government subsidies are being decreased.47

Water is considered as another serious threat for the security of the region; the division of water has become one of the most important issues in some regional countries in recent years. It has turned into a security issue and is considered a national interest. Considering the increasing rate of population in the region, it is expected that it will change into the most important element for intensifying the crisis in the region.48

3.6 Iran's Nuclear Program

For the past seven years, the international community has been unable to resolve concerns raised by Iran’s program of nuclear development. Throughout this period, Iran has maintained that its development of nuclear technology is purely for civilian use and therefore, permitted under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). This treaty guarantees the “inalienable right” of all State Parties to develop research and produce nuclear energy for peaceful purposes. As part of its NPT obligations, however, Iran is also party to a comprehensive Safeguards Agreement with the International Atomic Energy Agency (IAEA), the international body that monitors
nuclear activity and supervises compliance with safeguards obligations under the NPT. Under the Agreement, Iran is obligated to ensure the transparency of its nuclear program and allow for independent verification that nuclear materials are not being diverted to military applications. Iran, however, has not been transparent about its nuclear program, and the IAEA has been unable to confirm the peaceful character of Iran's nuclear activities.

As a result, international concern about Iran's nuclear aspirations has not abated. Since the first revelation of Iran's nuclear development program in 2002, various steps have been taken as part of an international effort to confirm Iran's assertions of peaceful intentions and to persuade Iran to halt all of its nuclear development activity until an independent verification has been made. In particular, there have been intensified inspections of Iran's facilities by the IAEA and repeated multilateral negotiations offering Iran economic and trade incentives to suspend enrichment activity. Further, the issue has been referred to the United Nations Security Council, and targeted sanctions have been imposed against Iran under Chapter VII of the UN Charter. To date, none of these efforts have succeeded in either confirming the peaceful character of Iran's nuclear program or persuading Iran to halt further development. Indeed, Iran remains in breach of the Security Council's decisions and its obligations under the NPT.

In addition to these multilateral efforts, the United States and certain European states have taken unilateral measures against Iran in response to its continued non-compliance with its NPT obligations. In some cases, these measures have been in the nature of retorts. In other cases, the measures go beyond mere expressions of disapproval and involve the suspension of the performance of international
obligations otherwise owed to Iran.\textsuperscript{51} Over the past year, particularly in response to the September 2009 revelation of yet another previously undisclosed uranium enrichment facility in (Qom) Iran, news reports have indicated that these states are considering the adoption of still further non-forcible unilateral measures against Iran perhaps based upon a new, broader interpretation of existing Security Council resolutions possibly as countermeasures outside of the UN Chapter VII framework.\textsuperscript{52} Recent reports have suggested that in the face of continued deadlock in the Security Council, the United States and its European allies are considering ways to bring further pressure to bear on Iran in the event that the Security Council fails to do so.\textsuperscript{53}

3.6.1 Impact of Iranian Nuclear Program on Persian Gulf Security

To assess the impact of Iran's nuclear program on Persian Gulf security, it is first necessary to distinguish between indirect and direct impacts. Indirect impacts refer to broader international and regional dynamics that would be influenced by an Iranian nuclear weapon and how these, in turn, will affect the Persian Gulf. Direct impacts concern more specific links between Iran's nuclear ambitions and the possible responses of the Persian Gulf countries and others, including the United States and Israel, in terms of multilateral, bilateral and unilateral national security strategies. The second requirement is to consider what differences will emerge, depending upon the scope and nature of an Iranian nuclear program. For Iran to limit its program to a small, initially covert weapons program, one set of regional and
international responses can be anticipated. However, Iran embarks on a fully-fledged overt program.

However, the most important variable is the nature of the Iranian regime for some countries (especially US), a nuclear Iran that is to say, an Iran with nuclear weapons, be isolated and the most importantly become hostile with the United States. In other words, the international circumstances propelled Iran to deteriorating relations between Iran and its neighbours.

The interference of US and others in the Iran’s nuclear programme is unnecessary; conglomeration of nuclear club on the Iran’s development of nuclear activity is nothing other than jealousy, which is not being digested by the nuclear capable nations.

Iran’s nuclear programme is within its national interest or on the same philosophy and logic on which other nations have developed their nuclear capability. Thus, why such international, hue and cry over Iran’s nuclear programme?

4. Foreign Interest and Concerns on the Persian Gulf Region

The geopolitics, economic and political importance of the Persian Gulf is due to fact that the region is the bridge of many civilizations since a long time ago; the Persian Gulf is characterized by its natural resources such as copper, pearls, oil and natural gas and attracts the powers to focus this area for their national interest.

The importance of the Persian Gulf had appeared during the 19th and 20th century when colonial countries came in to the area to dominate the trade, the economics and military power. Petro dollar is
the main concern of foreign interest and entire international politics revolve around this only. This petro dollar politics has witnessed the bloodshed in two Gulf war led by US.

4.1 British Interest and Concern in the Persian Gulf

The British had settled along the Persian Gulf in the 17th century to secure their route to India and they expelled the Portuguese who had already been there, and then they did the same to French and Dutch. Generally, Britain assigned itself the guardian of the Persian Gulf so as a British Lake and first defence line for India. During the Second World War, Iran gained great importance specifically and the Persian Gulf generally due to the geopolitical and strategic factors.

When Germany occupied a large area of Russia, the Baltic Sea or North Sea as it was under the protection of the German submarines and the northern parts of Russia mostly with frozen waters, which hindered the navigation. Then allies decided to communicate through Iran and Persian Gulf which was the easiest and nearest to the battlefield. The British together with Russians invaded Iran and occupied it under the military orders of the allies. After the end of the Second World War and the victory of Britain, Britain started to review its policy towards the Persian Gulf region.

The British government recognized that the presence of its military force in the Persian Gulf was not useful after struggles by the revolutionaries in south western Oman and Aden. British recognized that it was not welcomed as a colonial force anymore and the presence of the military force means the domination of the people's capabilities, which lead to hatred and will never secure the oil investments but will
be dangerous for them. The main reason was that it could no longer afford economically, to maintain a military presence in the Persian Gulf and Indian Ocean.

Britain found that it was not the only capitalist country that had economic and oil interests in the region. After the Second World War, other capitalist countries entered the Persian Gulf without military force, such as the USA, so the Britain government decided to withdraw its military force from the Persian Gulf. 55

4.2 Russian Interest and Concern in the Persian Gulf

The Russian Interests were very old, but it collided with Britains that forced Russia to forbid it to gain the warm waters. The Russians entered by political scope of more expansion in Iran and they gradually penetrated in the northern parts of Iran, they gained the trust of the Shah by giving him loans. They built a Russian bank in Tehran shared with the Shah for investment purposes. 56 The increase of Russian influence in Northern part of Iran had increased the British fear from their targets specially that Iran has strategic position, which may threaten the British influence areas in the Persian Gulf. What increased Britain's fear was what had been said by the minister of finance in Russia, "Surg I watt". Then the president said that the northern part of Persia will be a part of Russia in the near future. Or in the least Russia procured some votes from the army officers and Russian officials claimed to go south to gain access over all of Iran as Russian influenced area and then to Persian Gulf. It was known by the British through some information that Russia wanted to gain Bandar Abass port, Bushehr, Ghashem, Hengam Lark and Hormuz. The plan of
Russia was to connect those ports with railway extended from Tehran to *Bushehr* by Esfahan and Shiraz. In 1907, the Russian British agreement had been signed, which divided Iran in two parts, the northern part under Russian influence and southern part under British influence and in between the two was neutral area. In that way Britain stopped the Russian creep to the Persian Gulf waters until 1917, on that year the Russian Bolshevik revolution occurred, which resulted in political changes.

Russia did not care about Persian Gulf area at that time because of its internal troubles and to protect the revolution from outside and inside enemies. After the stabilization of the revolution, Russia began to care about Iran again and made an agreement in 1921. According to that agreement, Russia disclaimed most of its privileges and gave Iran some rights in Caspian Sea, which Iran was prohibited from. With that agreement, Russia gained the Iran's cordiality and gained many distinctions and Iran got rid of the Britain influence.\(^{57}\)

**4.3 American Interest and Concern in the Persian Gulf**

In the first seven decades of the 19\textsuperscript{th} century, the United Kingdom as the great foreign power in the Persian Gulf established a security arrangement, which was based on the installation of puppet regimes, British naval forces deployed in their regional headquarters, and keeping sensitive and key positions in the hands of the British officers in their client states. Such a security system could maintain the stability and grip on the region to the benefit of foreign powers and helped them to keep their appointed status quo.
After the British withdrawal from the region in 1971, the United States took the responsibility of supporting the pro-western Persian Gulf regimes. Therefore, Washington invested in a large military presence and brought the microstates of the region under its security umbrella. Since 1983, the Persian Gulf has come under the control of the US Central Command or CENTCOM. The US forces have been involved militarily in the Persian Gulf since escorting the Kuwaiti oil during the tanker war against Iran (1987-88), the Iraqi invasion of Kuwait on 2nd August, 1990 and the 2003 military campaign against Saddam Hussein Regime. They have kept Iraq under occupation and they are still there. The Bush administration entangled US troops in a costly war in the region under the pretext of destroying non-existent WMDs. There have also been speculations about scenarios in Washington and Tel Aviv on probable ‘pre-emptive’ attacks against Iran and its civilian nuclear program but bold Iranian government did not care for such speculations.

The American strategy in the Persian Gulf has been based on the three principles of energy security, Israeli security and establishing stability through supporting the pro-American regimes. During the 1960s and 1970s, the United States acquired Iran’s alliance for containment of Iraq, other anti-Western states in the region, and in turn supported Iraq in its 1980s imposed war against Iran. In 1990s, it adopted the strategy of dual containment strategy vis-à-vis both Iran and Iraq. The end of the Cold War had paved the way for adopting such a strategy against the two US regional foes (Iran and Iraq). In the words of Anthony Lake (Clinton national security advisor), one of the architects of his US policy, “The US no longer needs to worry about the influence of the then Soviet Union in the Persian Gulf. The
strategic importance of Iraq and Iran has been declined to a great extent and they no longer have the edge to put the two super powers against each other.” However, the Persian Gulf was never a serious battleground of US-Soviet during the Cold War era rivalries, since it was mainly US sphere of influence. Although Soviet Union managed to establish close relations with Iraq, it never could manage to infiltrate into the region. Even now, Russia is not directly involved in the Persian Gulf region, perhaps because the officials in Moscow (since the 1980s) have come to believe that by abandonment of intense and active geostrategic rivalry with US could secure ample economic interests. However, in light of growing Washington influence in the former Soviet bloc, especially in the Central Asian and Caucasus regions, Baltic and Ukraine, Moscow’s ties with Syria and Iran have apparently become more important at least as a bargaining chip versus Washington. During the Cold War, the US was the ally of Iran and Saudi Arabia. The US and the UK also had broad presence in the six littoral states, since they needed US for protection against the threats of domestic unrest and the intervention of the then Soviet Union. Nevertheless, they had the notion that such an explicit dependence on foreign powers brings about domestic resentment by their people and their anti-Western neighbours. The then Soviet Union while not playing a key political role in the region, its puppet regimes and allies such as Iraq, Syria, Egypt and South Yemen were seen as a security threat to the monarchic regimes of the Persian Gulf. Subsequent to the first, US war with Iraq, all Persian Gulf Arab states agreed to take part in the 1991 Madrid Summit and for the first time talk face to face with Israel. Though Saudi Arabia and Kuwait showed little interest to resume ties with Tel Aviv, the four other states took measures to
normalize relations with Israel. Of course, they also supported apparently the idea of having an independent Palestinian authority in the West Bank and the Gaza Strip as well as the establishment of a Palestinian state later through negotiation with Jewish state. However the Arafat’s support for Saddam during the Kuwait invasion in 1990, made the littoral states to stop their financial aid to Palestine.⁶⁰

In 2007, the Bush administration and US Neoconservatives, instead of considering future challenges, devised the American strategy based upon the past equations. Considering the supposed purpose of US as real in playing the dominant power role to support the security of the Persian Gulf and secure the free and stable flow of oil from the region to the world market, then the United States would have had only two options:⁶¹

- First, US should strive to ensure the Persian Gulf security in collaboration with Japan and the European Union so that it warrants the interest of oil importing countries; or it could try to reduce its dependency on the region’s oil and gas and invest in other energy-rich regions such as the Caspian Sea.⁶²

In his State of the Union address in 2006, President George Bush referred to the second option when he outlined his now famous “Advanced Energy Initiative”. The chief aim of the initiative was to replace 75 per cent of the oil imported from the Middle East by the end of 2025. To this end, a 22 per cent raise in a special budget was allocated for the US Department of Energy to increase its advanced research. The assumption was that by diversifying energy resources, the percentage of the Persian Gulf oil flow to the European continent and the US would drop dramatically. This could also automatically help the US draw down its military presence in the Persian Gulf,
restricting to its ‘Over-the-Horizon’ marine forces to the international waters only. This way, the US would no longer have to set up military bases in the Persian Gulf host countries. To implement the initiative, Washington should have put an end to its unilateralism and seek help from the EU. This way, it could effectively ensure security in the Persian Gulf region for the sake of oil flow, of course. At the same time, the littoral states have taken new steps to establish closer ties with the EU member states in order to minimize the adverse impacts of their extreme dependence on the United States. On January 14, 2007, the PGCC and the EU attended a conference on setting up a free trade area. Kuwait in December 2006 signed a security treaty with the NATO on the exchange of security intelligence. The ministers of Saudi Arabia and Italy signed a security pact in September 2006 as well. Also in 1995, these two countries had already signed a MOU on defence cooperation. The new security agreement included important issues such as fight against terrorism, subversive activities, organized crimes, drug trafficking and money laundering. (Saudi Arabia, 2006) The extensive presence of the US forces in the region goes back to two decades years ago when Iraq invaded Kuwait. Hundreds of thousands of US forces were dispatched to Saudi Arabia and the Persian Gulf. Nevertheless, in the aftermath of the 9/11 terrorist attacks on the US soil, Washington gradually withdrew its troops and dispatched them to other key areas such as Kuwait, Qatar and Bahrain. In course of invasion to Afghanistan and Iraq, US forces was using of it 36 bases, and currently they also have access to 14 more bases including four in Iraq. Washington has long-term plans for its armed forces presence in the region, which requires continuous access to Bahrain, Kuwait, Qatar and Oman territories. The Persian Gulf air corridors offer proper link
for the US forces to gain access to the region by using airbases in Turkey, Southern Europe, as well as Central and Southern Asia. The strategic access to airports such as the airbase of Al-Adid in Qatar to provide logistics for the American and allied forces in war against the Taliban in Afghanistan is equally crucial. According to a report by the US defence department, some 147,796 US military personnel were deployed until November 2006 of which 124,266 were on duty forces, and other 23,530 in reserve and/or at the National Guard Service.

The littoral microstates in the Persian Gulf are not against the American military presence in the region. During a 2003 interview, the Qatari foreign minister said, “The US aims to stay in Qatar not only to protect its own interests but also our interests. This is because we have common strategic interests.” On whether the US military officials’ visits to Doha and the presence of US bases meant Qatar might possibly accompany them in the war against Iraq, he said, “We don’t allow US forces to use our soil to attack other regional states. However, this has nothing to do with Iraq and for the same reason we have allowed the US to build military bases on our soil.” The other question asked was if being small was the reason for Qatar to allow the US to build bases on its soil, especially given the fact that Lebanon is also small country but still managed to defend itself against the Israeli invasion. The Qatari official answered, “Let’s compare this to the EU in order to justify the US presence over here. Luxemburg is a tiny state and cannot be seen easily on the map. However, it does not face an imminent destruction or a security threat. The hope is that the experience in the EU would also be used as a good example for us all.”

The US has used the deterrence strategy against two possible threats in order to justify the presence of its armed forces in the region:
1) To prevent non-governmental groups and factions such as Al-Qaida from organizing suicide attacks against ships; secure energy flow through the Strait of Hormuz; and stop terrorists from using weapons of mass destruction to terrorize people and oust the pro-American regimes.

2) To prevent a regional state (such as Iran) from using traditional or non-traditional military means to strategically or politically challenge the presence of a super power (such as the US) in the region. A quick look at the costs of war and occupation of Iraq will demonstrate that the American taxpayers have been paying a heavy cost for the so-called deterrence measures. In 2003, before US invasion of Iraq, nothing was discussed about the likely costs of the Iraq war in political circle. Even the White House lambasted a report written by Larry Lindsey, the Bush’s economic advisor in which he estimated the war costs around $200 billion. The White House dismissed the report as unrealistic, and a number of US Neoconservatives of the Bush administration (including Paul Wolfowitz) claimed that Iraq could secure its reconstruction costs by selling crude oil to the West. Under the circumstances, Lindsey was forced to amend his estimates by the White House, and finally claimed that the success in Iraq war could also prove effective for the prosperity of the US economy. However, the Iraqi war proved otherwise the presumed scenarios by Washington Neoconservatives. For instance, no WMDs found in Iraq; There was no connection between the Al-Qaida terrorist group and Saddam’s Ba’athist regime; Iraqi People did not (and do not) get secured; and generally speaking, there existed no imminent threat (to the US security) to justify a pre-emptive war and occupation of Iraq thereafter.
It has now become clear that Lindsey was also wrong in underestimating the war costs. By the end of November 2005, the US congress allocated well over $357 billion on its military operations, building its embassy in Baghdad, securing its military bases in Iraq, and providing financial aid to the foreign aid programs vis-à-vis Iraq and Afghanistan. The figure comprised of $251 billion for military operations in Iraq and $82 billion for providing security to the US bases and its embassy. The average monthly costs had gone up from $4.4 billion to $7.1 billion since the start of the conflict in 2003. Military costs during 2004-2005 also saw a 20 percent increase. The committee on budget in US Congress also put the war costs at well over $500 billion – although it fell short of including the economic costs related to the rising oil prices and the reconstruction of Iraq that came after.\textsuperscript{66}
Conclusion:

The littoral states of the Persian Gulf’s sub-system with a population of well over 150 million and an approximately 4,898,000 km of land area are home to a great portion of the world’s energy resources. They also have an easy access to the strategic international trade routes and waterways but many Persian Gulf states still have unresolved territorial disputes with their neighbours, such as the disputes between Qatar and Bahrain, Qatar and Saudi Arabia, Iran and the UAE, Iran and Iraq, Kuwait and Iraq, and Oman and Saudi Arabia. Despite these disputes, the Persian Gulf littoral states share common defensive interests and should try to bring about regional security and stability. Maritime trade constitutes a great portion of the region’s exports of crude oil to the Europe and Japan. Indeed, the economic and commercial value of the Persian Gulf area for oil producers is undeniable; at least around 30 per cent of the oil produces every year.

On other hand, especially over the past hundred years, the regional states have never been in charge of ensuring the Persian Gulf security. The British Empire reigned for almost two hundred years until after World War II, because of oil resources, oil exports and free trade. After that, The United States started to play the role of guardian for the Persian Gulf and this region became a US national security interest. Especially after Saddam’s invasion of Iran in 1980, the Tanker Wars, Iraqi invasion of Kuwait and occupation of Iraq by US troops in 2003, the Persian Gulf region was faced with insecurity in areas that needed new strategic plans for securing this region.
References:


5. EIA,country analysis briefs, "Bahrain", at: http://www.eia.doe.gov/cabs/Bahrain.

6. Ibid.

7. EIA,country analysis briefs, "Iraq" at: http://www.eia.doe.gov/cabs/Iraq.


11. EIA,country analysis briefs, "Iran", at: http://www.eia.doe.gov/emeu/cabs/Iran.


15. Ibid.


30. The political office and the advertisement and public relations assistance of the Islamic Republic Army, *The Crisis in the Persian
Gulf, The Crisis in Kuwait, the political and ideological organization of the Islamic Republic of Iran's army, 1991, p 39.


36. Ibid, p122.


104


50. Ibid.

51. *EU Imposes New Sanctions on Iran*, BBC News at [http:// bbc. co.uk / 2/hi/Middle -east/7469283](http://bbc.co.uk/2/hi/Middle-east/7469283).


57. Ibid.
61. Ibid. p 66.
64. Lawrence Korb, "The Persian Gulf and the US National Security Strategy" *Emirates Lecture Series*, No5, Dubai, the Emirates Center for Strategic Studies and Research.