

THE 16TH HEADS OF STATE SUMMIT: INSIGHTS AND INDICATIONS

by

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The 16th annual Gulf Cooperation Council (GCC) Heads of State Summit was held in Muscat, Oman from December 3-5, 1995. A wide range of needs and interests to the six council members- Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE)- was addressed. First-time observers and the media concentrated on the absence of Saudi Arabia's King Fahd for health reasons and on Council member Qatar's absence from the closing session in protest over the matter in which the summit elected the GCC's new Secretary-General, H.E. Jamil Ibrahim Al-Hujaylan of Saudi Arabia.

These two incidents made for very interesting commentary outside the region, but they were hardly momentous, headlines notwithstanding. Neither event called into question the GCC's near-term or future viability. While Qatar's unprecedented behavior at the end was irksome, it paled in comparison to the numbers and kind of flareups and embarrassments that the GCC and other Arab countries have experienced within the Arab League both prior and since the GCC's creation.

Simmering among many observers at all such gatherings is a desire to detect and comment upon any hint of discord or conflict that will transform the mundane into the unusual, the daily grinds into exciting sound bites. Analysts who read such observers' reports without context and background often have difficulty determining whether the pithy phraseology reflects real change or a slow news day.

For those whose interests are affected by whether a GCC summit reflects change or steadfastness, this report provides context, background, and a more nuanced perspective of the summit's achievements. It also notes what the summit considered but did not accomplish for lack of consensus and, according, either postponed or referred back to the GCC's Ministerial Council for further study and recommendation. Appended to the report is a description of what ordinarily transpires at any given GCC heads of state summit in terms of advanced preparations, agendas, process, decision making, and follow-up.

The author's viewpoint is informed by an awareness of the agendas and priorities of all the summits, of what transpired at those gatherings, and of the ways in which this particular summit compares with previous ones. At this summit, the positions of the GCC's leaders differed on some issues from their stances in previous meetings, whereas, on certain other issues, the focus and emphasis was greater than in earlier summits.

Special care has been taken to convey a range of viewpoints expressed to the author by officials of and advisers to the governments of individual GCC countries and the GCC secretariat. Many of these viewpoints are seldom reflected in the Western literature on what the GCC countries would likely to do or not do in relation to various defense, economic, and foreign policy scenarios. In several instances, the insights and indications imbedded in such viewpoints reflect

perspectives that are at variance with conventional American thinking. For that reason, they need to be considered in conjunction with any planning and implementation of U.S. policies and positions toward the GCC region.

STRATEGIC ISSUES: BORDERS, DEFENSE AND SECURITY

BORDERS

Oman

A prominent feature of the previous summit's conclusion in Bahrain was outgoing GCC Supreme Council Chairman King Fahd's challenges to his colleagues to exert their utmost effort to resolve as many intra-GCC border disputes as possible before the Muscat Summit. In this regard, major progress was achieved between Oman and Saudi Arabia, between Oman and Yemen, between Oman and the UAE, and between Saudi Arabia and Yemen. With all but a few minor touches remaining to be incorporated onto Oman's border agreements with the UAE- involving mere meters in dispute in the village of Dibba which Oman shares with the UAE Emirate of Sharjah on the Musandam Peninsula- the Sultanate is likely to be the first GCC country to have fully demarcated borders with all of its GCC neighbors.

Saudi Arabia

In August 1995, Oman and Saudi Arabia agreed to the last remaining territorial issues in dispute between them, with the Sultanate conceding a few meters to the Kingdom. Earlier, Oman had relinquished to Yemen its claim to disputed territory near Yemen's easternmost, and Oman's southernmost, border. As one of the Sultanate's ministers put it, "Our rationale for adopting such a conciliatory stance towards Saudi Arabia, the UAE, and Yemen is strategic. It is in our best interests that there be a keen sense of 'usness' in the relationships we have with our most immediate neighbors."

Qatar

In the wake of the governmental change in Qatar in mid-year, an Omani official informed me that a mild detente had been reached prior to the summit between Saudi Arabia and Qatar over that part of their border which had been the cause of dispute, and even armed clashes, in the past two years. He gave partial credit for the achievement to pre-summit, behind-the-scenes mediation and diplomacy orchestrated by Sultan Qaboos of Oman, who met with the Qatari and Saudi Arabian principles directly involved.

However, a potentially more complex border issue between these two countries may be in the offering as Saudi Arabia proceeds to develop the Shaybah oil fields, most of which lies in the Saudi territory and a small portion in Abu Dhabi. By agreement between Abu Dhabi and Saudi Arabia in 1974, the party developing the majority of the field, in this case Saudi Arabia, has the right to own the field in its entirety and to have the full financial benefit of its development.

Once the field is ready for production and export, Saudi Aramco intends to send the crude through a pipeline yet to be built that will link up with existing Saudi Arabian facilities at Abqaiq. From there, it would be sent northward to terminals within the kingdom at Ra's Tanura

or Ju'aymah. Whether the implementation of such plans could involve heightened Saudi security presence in the area of Qatar is a matter of some concern to various Qatari officials.

The significant breakthroughs of the past year's efforts notwithstanding, progress on the other longer-standing border disputes continues to lag. The main case in point remains the contentious and multifaceted border dispute between Bahrain and Qatar. Even so, this particular summit brought the Bahraini and Qatari heads of state and their respective foreign ministers together privately for more than two hours – their longest talks in quite some time.

UAE

The UAE's territorial dispute with Iran over three islands claimed by two UAE Emirates – Ra's Al-khaimah and Sharjah – is a matter of an altogether different nature. The power discrepancy between the two countries' populations – sixty to one in favor of Iran – rules out any realistic UAE resort to force as a means of rolling back Iran's occupation and fortification of Abu Musa Island, the larger of the three territories in dispute and the one claimed by Sharjah. In the past several years, Tehran has imposed its de facto total sovereignty over Abu Musa Island, taking over the island's administration and building missile sites.

The UAE has repeatedly called for dialogue or other peaceful, legal, and diplomatic efforts as a means of resolving the dispute. Specific UAE suggestions have been to refer the issue to the International Court of Justice in The Hague or to a bipartite commission, such as the one that settled the border dispute between Oman and Yemen. Thus far, Iran has refused to consider either suggestion.

Tehran has, moreover, been adamant in refusing to agree that the key issue from the UAE side – sovereignty over all three of the islands – ought to be a legitimate item for discussion. The most recent effort to settle the matter through third-party mediation occurred on the eve of the Muscat Summit at a meeting of the two sides' representatives in Doha, Qatar. However, that effort, like all the others to date, foundered over Iran's continued refusal to show any flexibility on the sovereignty question.

Kuwait

The effort to demarcate Kuwait's border with Iraq once and for all registered progress in the past year in terms of the United Nations' involvement but remains a matter of pan-GCC concern. On one hand, leaders in the GCC countries acknowledge the unprecedented historical significance of the Kuwait-Iraq border's being demarcated and guaranteed by an international organization's key decisionmaking body, i.e., the UN Security Council.

On the other hand, many GCC leaders believe that the overall atmosphere regarding the border between the two sides is so unhealthy as to signal the strong likelihood, if not certainty, of an Iraqi attempt to alter the status quo at the first opportunity. Unless the situation changes, the fear is that the seeds sown by the UN's solution in favor of Kuwait are already ripening in such a way that it is only a matter of time before Iraq will challenge the border again. Such an act would risk setting in motion a possible renewal of the 1990-1991 conflagration between Iraq and Kuwait, which no one in the region – Kuwaitis, their fellow GCC members, and a great many Iraqis included – wishes to see repeated.

Some of Kuwait's GCC colleagues are troubled by their perception that Kuwait seems to endorse a Maginot Line or Berlin Wall approach to their border with Iraq. Kuwait's critics argue that neighbors who do not communicate with one another in a continuing search for common ground will likely have little inclination to behave toward one another in a neighborly manner.

Kuwaitis find such views patronizing and lacking in empathy for the trauma that they continue to feel as a result of the horrors of Iraq's invasion and occupation. Non-Kuwaitis counter that this is all the more reason for Kuwaitis to redouble their efforts to put the past behind them in the interests of the pressing demands of the present and the future, i.e., when the sanctions against Iraq are lifted.

A novel and bold suggestion of how Kuwait might proceed came from a GCC country's cabinet minister. This individual argued that much good would likely result if Kuwait were to lead an all-Arab effort to administer the humanitarian aid that is presently being distributed to the Iraqi people exclusively by non-Arab international organizations.

DEFENSE

The inability of the GCC members to resolve all of their border disputed continues to have a direct impact on the nature and extent of their cooperation on pan-GCC defense matters. This is not to overlook, however, the following: the pan-GCC military exercise in the UAE in 1983, in Kuwait in 1984, and in Oman in 1987; the establishment in 1984 of Peninsula Shield, a symbolic joint force combining units of all six countries at Hafr Al-Batin, in Saudi Arabia; the annual meetings between the armed forces chiefs of staff and ministers of defense since the GCC's inception; and the bilateral, trilateral, and multilateral exercises between various GCC countries and the U.S., Great Britain, and France.

Additional accomplishments include the GCC countries' inviting Egyptian and Syrian senior officers to observe some of the GCC's joint military exercises; the signing by four GCC countries of Defense Cooperation Agreements (DCAs) with the United States and similar cooperative undertakings with Great Britain, France, and Russia; the implementation of agreements to pre-position U.S. military equipment as a contingency to prevent a conflict or defend against one that has begun; the purchase, primarily by Kuwait and Saudi Arabia, of significant amounts of advanced weaponry and defense systems; and the highest level of cooperation in the history of American involvement in the region in such matters as intelligence sharing, joint training, and familiarization visits between and among senior staff.

No one denies that each of the aforementioned elements of progress is and continues to be part and parcel of a long-term effort to build a credible system of deterrence and defense. Neither does anyone deny the immense importance of the U.S.-GCC consensus reached on the following strategic essentials: coalition building, the necessity of U.S. power projection capabilities and a forward presence, the frequency of combined exercises, and the maintenance of U.S. security assistance programs as well as a readiness to fight.

Yet, despite these achievements, a range of very real and pressing defense needs has moved far more slowly toward a satisfactory resolution. Some of these needs are specific to one or more of the GCC countries. Among the remaining challenges to resolving satisfactorily pan-GCC defense needs are: (1) the still skeletal structure of the six countries' joint defense force; (2) a timetable

and other specifics related to the GCC members' commitment to expand the force's numbers from 10,000 to 25,000; (3) the UAE's long-delayed decisions on major weapons procurement; (4) the diminished financial ability of some customers to pay for purchases already committed to; and (5) in the eyes of some of the GCC members' defense establishments, the questionable validity of various regional security threat assessments being pressed upon the GCC countries by their allies, especially the United States.

Discussion of the specifics of various GCC leaders' reservations and concerns regarding such matters would entail a longer paper than this report permits. However, increased misgivings at the popular level, if not also among the top-ranking leaders, are behind the second thoughts being expressed by some about the GCC countries' defense needs and policies in light of what are considered by many locally as likely near- and longer-term threats to the region.

Financing

Driving much of the pan-GCC concern about matters pertaining to defense are economic issues – need and affordability, questionable priorities regarding the allocation of scarce financial resources, and the fact that the boom period of the 1970's, when major defense purchases went largely unchallenged, is long since gone and unlikely to return again in the foreseeable future.

Various GCC leaders also acknowledge that the financial demands to meet their national and collective defense requirements are being increasingly questioned on the following grounds: (1) the purchase of expensive arms and defense systems is perceived by local critics as siphoning away an inordinate amount of the countries' wealth to foreign countries and corporations whose interests are not always the same as the GCC countries, and (2) a belief that the enormous amounts of arms purchased in the 1970s and 1980s went largely unused by the U.S. and other Allied Coalition forces in reversing Iraq's aggression against Kuwait.

A more pervasive reason expressed to this writer by several GCC countries' policy formulators is that the U.S., as the world's sole superpower and a country heavily dependent upon the continued free flow of oil from the Gulf, may be overstating its views with regard to the nature and extent of perceived threats to regional security. To paraphrase the words of one among several leaders who expressed this view, American military leaders are being disingenuous if they expect the GCC countries to believe that unless they purchase massive amounts of equipment from the U.S., Washington will grow weary and wary and perhaps consider withdrawing its commitment to ensure the Gulf's security for the foreseeable future.

Giving these viewpoints further salience and legitimacy in the eyes of many among the GCC countries' political elites is the fact that the Iran-Iraq War and the 1990-1991 Kuwait crisis hit all six GCC members with a level of unexpected expense that is without a parallel in their history. They are still trying to recover. In addition, their chief sources of revenue, petroleum, remains tied to the U.S. dollar for strategic economic reasons. The continued linkage is not cost-free. Because of the dollar's continuing fluctuation against other international currencies, not to mention the U.S. Government's mounting fiscal difficulties, the GCC countries' coffers—and, also, the best efforts of their economic and defense planners—are often adversely affected by U.S. – related factors over which they have no control and little influence.

Strategy versus Tactics

GCC-U.S. differences in appreciation of strategic and tactical imperatives drive such points further home. From a U.S. view, Iraq's threat to Kuwait in October 1994 required a response of an entirely different nature than the U.S. and other international reaction to the Iraqi buildup against Kuwait in late July 1990. In 1994, from a U.S. strategic perspective, American credibility turned heavily on decisiveness and speed of mobilization and deployment.

The views of the U.S. and the GCC officials who spoke to this writer about Operation Vigilant Warrior offer interesting contrasts in terms of perspective analysis. U.S. leaders involved in the Operation emphasize that a dynamic interplay of several complex factors, some occurring simultaneously and others in rapid sequence, resulted in the U.S.-led coalition response that deterred Iraq from attacking. First, according to a senior official, there was the period, spanning fourteen consecutive days beginning in late September, when "Baghdad intensified its denunciations of UN sanctions and escalated anti-American, anti-coalition, and anti-Kuwait rhetoric. Then towards the end of this period, Iraq mobilized and deployed large numbers of forces, uploaded ammunition, and increased the readiness of its air defenses to levels not seen since the end of the conflict in 1991. By October sixth, two Iraqi Republic Guard Divisions were headed toward assembly areas south of the Euphrates."

"With these reinforcements, Iraq could threaten Kuwait with eight divisions, their lead brigades being positioned a mere fifteen miles from Kuwait City. Opposing Iraq's military was a relatively small package of coalition air, ground, and naval forces. Given initial Iraqi advantages, the Iraqi military was capable of rapidly seizing Kuwait City and continuing its attack into northern Saudi Arabia. Collectively, these indicators provided unambiguous warning of impending hostilities. Subsequent American and coalition air, ground and naval deployments were designed to block and defeat such an attack.

He continued, "We now know from various intelligence sources that Saddam did intend to attack and that it was the joint and combined make-up of the force deployments that deterred him from attacking. Moreover, on the matter of consultation, U.S. military and American embassy personnel, throughout the period in question, were in close contact with regional leaders, sharing intelligence, informing them of the threat, and working with them to devise appropriate responses."

Despite the strategic successes of the operation, the perspectives and perceived needs of GCC analysts, facing the same October 1994 threat, were in some cases quite different, both then and subsequently. One Cabinet-level official who discussed the subject with this writer asked, "Are we expected to accept that the U.S. seriously thought that Saddam Hussein, after all his country has gone through and continues to suffer, with no end in sight, would really try to invade Kuwait again?"

Another asked, "U.S. strategic and domestic considerations of the moment aside, wouldn't the deployment of a single U.S. military unit inside southern Iraq have served the same purpose to deter Saddam from going any further and thereby saved everyone a lot of expenses and needless anxiety?" He continued, "Of course, one can always see things in hindsight more clearly than they appear at a given time."

“At the end of the day,” he said, “Washington presented us with an enormous bill for covering the operation’s costs. Given the struggle that all of us are facing with our budgetary deficits, now into the twelfth consecutive year, the massive U.S. deployment and the amount we were billed for it could not have occurred at a worse time.”

On the somewhat different matter of U.S. unilateral policy initiatives toward Iran, similar discordant views were expressed to this writer by officials of the three southern or lower Gulf GCC countries, for whom the greater threat to regional security is not Iraq but Iran. The comments of one such individual, whose views closely paralleled those of others who spoke their minds on the matter, merit citing in full.

“Given the length of our general defense cooperation over the past decade and a half,” he said, “one wonders what lessons our American partners have learned regarding the sensitivity of our leaders and even ordinary people as to how we and our strategic partners relate to our biggest and most powerful neighbor, Iran. As all of us border Iran, we have no choice but to find some way to get along with it. One would think this would translate into Washington’s taking our views into consideration whenever it considers confronting or dramatically changing any of its policies toward Tehran. However, when the Clinton Administration announced its unilateral embargo against Iran this past Spring, we were not consulted.”

“What would be the reaction of Americans—the executive branch, congress, and the media”—he asked, “if we were to declare unilaterally that we had severed all economic ties with Canada or Mexico and that elements within our government were seriously considering punitive actions against those who filed to follow suit?”

“As it is,” he said, “even 15 years after the fact, we are still trying to live down the consequences of Washington’s refusal in 1980 to obtain permission to use or facilities for invading Iran in an effort to free the American hostages. Perhaps most U.S. officials have forgotten, but many here still remember. I hope I’ve made my point.”

Role Differentiations

The views of individuals such as those who work the issues on a day-to-day basis and are in touch with popular sentiments are by no means monolithic. Neither do they necessarily represent the views of their heads of state or their defense and foreign ministers, although these and other high-ranking leaders are dependent upon such people for a portion of their support and overall legitimacy.

At the operational level, the adversarial or negative tone of such views is partially offset by the more senior officials. Many of these are quick to acknowledge the strategic logic of a role differentiation between the U.S. and the GCC countries on matters pertaining not only to Iran and Iraq but to other issues as well (e.g., burden-sharing, coalition building, the proliferation of weapons of mass destruction, etc.).

That is, at the highest levels of national leadership, within the six GCC countries, there is broad agreement that a superpower such as the U.S., and to a lesser extent France, Great Britain, Russia and China, performs an important role in helping to deter would-be aggressors or intimidators in Baghdad and Tehran. Moreover, notwithstanding the misgivings of many about the U.S. unilateral embargo against Iran, on one hand, and the reservations of many GCC Arabs regarding

Washington's and London's adamancy that Iraq be made to comply fully with UN Security Council resolutions stemming from its aggression against Kuwait, on the other, various GCC leaders acknowledge that the end result—a deterred Iraq and Iran—is in their strategic interest.

As one official put it, “Washington’s role—to prevent the expansionist or hegemonic aspirations of Baghdad and Tehran—is one that, unaided, we would not be able to accomplish. This entails that, in our joint efforts to strengthen regional security, the U.S. has no choice but to be present and engaged with our defense forces. Our task necessitates a different approach. Being neighbors of two countries that in the past decade and a half have threatened our security, it is to moderate and mediate the U.S. and other allied roles. At the end of the day, our respective roles complement each other.”

Most U.S. defense and foreign policy planners seem to realize that more and more GCC Arabs are questioning the underlying rationale for current U.S. Gulf defense policies. As the situation is not as clearcut as it seemed to be in the immediate aftermath of Operation Desert Storm, the strategic window of opportunity for hammering out additional defense cooperation agreements and informal memoranda of understanding may be rapidly drawing to a close. The reasons, as indicated herein, are several. They reflect, in each instance, an undercurrent of unease, palpable among different categories of GCC elites, with the substance of U.S. defense and foreign policies vis-a-vis Iran, Iraq, and the GCC countries.

If evidence of additional indications of this trend is needed, one, in the realm of political-military affairs, was provided by three UAE nationals who followed the GCC region’s foreign policy dynamics closely. All three expressed what they claimed was their and many of their colleagues’ resentment at perceived U.S. strong-arm tactics designed to pressure their government into implementing a Status of Forces Agreement (SOFA).

The need for the U.S. to manifest an appropriate degree of sensitivity to the controversial nature of these unprecedented undertakings in certain GCC countries, in the eyes of these informants, remains of paramount importance. Any failure to exhibit such traits, they emphasized, can all too quickly become a lightning rod for disaffection among elements opposed to heightening any further the defense and related foreign policy components of the GCC-U.S. relationship.

Behind GCC critics’ concerns over this issue is their knowledge of how such agreements fanned the flames of anti-Americanism in pre-revolutionary Iran and Libya. Similar tensions imbedded in the same kinds of agreements came close to exploding in recent months in Okinawa. Several GCC countries’ leaders expressed the view that U.S. insistence on having its views prevail in matters of such sensitivity to the host country could easily jeopardize, as the Okinawa incident demonstrated, the trust, intimacy, and confidence – key factors in effective defense cooperation—between two countries.

A related criticism expressed was that U.S. regional security threat to assessments are understandably tailored to serve U.S. strategic, economic, and corporate interests, but of questionable validity if measured against the yardstick of GCC national, regional, and intra-regional interests. Examples cited relate to the transparent U.S. interest in having the GCC states assist the U.S. economically in shoring up the American military-industrial complex, in extending the life of production runs and lowering the per unit cost of key defense items, in buoying the profitability of U.S. arms manufactures, and in pressing the GCC militaries to

purchase expensive manpower- and maintenance- intensive defense equipments when smaller, less expensive, and more easily maintained and interoperable equipment would likely suffice to meet the kinds of threats that many GCC leaders envision as realistic.

U.S. realpolitik critics are often quick to dismiss such views as naive and ill-informed. One such individual quipped, “Our differences of perspective and viewpoint are only natural. They flow from the inherent asymmetry of power and responsibilities at work here. The U.S. as the world’s sole superpower, may be expected to, but in fact it cannot, be all things to all people in need of protection. In the Gulf, the need for mutually agreed priorities and agreements on burden-sharing function as constants as to what we and our GCC partners are able to accomplish.”

“No one,” he continued, “is downplaying the impact of domestic sentiments on foreign policy. This is something with which both sides have to contend. The GCC countries need for us to do certain things a certain way and for us to avoid doing certain other things that, in their culture, would be offensive if not explosive. Likewise, if we’re to succeed in making the region more secure for the future, we need for these countries to do certain things a certain way and to avoid doing other things that could prevent our objectives from being achieved.”

“The U.S. decision to adopt and implement a policy of high-level and broad-based engagement in pursuit of Gulf security was bound to be and will likely remain controversial in the eyes of Iran and Iraq. The decision, however, needs to be viewed in context and compared to the previous much lower key “Over-The-Horizon” approach of the 1980s. The decision was driven by the strategic need to ensure that neither Baghdad nor Tehran entertains any illusions or doubts with regard to U.S. intentions. It was designed to convey the magnitude and seriousness of our commitment to do whatever is necessary to ensure the Gulf against future international conflict. And it was made in close concert with the extensive input and comment of the GCC countries themselves, whose goals, if not always the preferred means, are the same as ours.”

Within the GCC region, the strategic wisdom of such formulations is disputed less than its practical implications. In this regard, more than one GCC analyst pointed out that it is often the patronizing, condescending, and at times seemingly heavy-handed manner of the senior partner that unnecessarily offends and demeans the junior member in a relationship. Several GCC countries’ representatives wondered whether the U.S. was sufficiently apprised of these and other factors behind the mounting hesitancy of some UAE leaders to purchase a significant number of advanced U.S. fighter aircraft, helicopters, and/or naval vessels.

Reinforcing such reluctance are considerations related to price, affordability, relevance to perceived threats, and suitability in terms of manpower requirements for maintenance and interoperability – not just with U.S. specifications equipment and systems, but also those of other countries contributing to the Gulf’s defense. Regarding the latter, of particular importance is the GCC countries’ need to maintain a semblance of geopolitical balance among the UAE’s and other GCC countries’ major defense suppliers, e.g. especially France and Great Britain and even Russia.

Such superpower-smaller power discrepancies in analysis and viewpoint are natural. They flow from the different foreign policy interest that characterize the U.S. to give prime consideration to viewing Gulf defense requirements from within a strategic context such as the necessity of being able to fight two regional conflicts simultaneously. Such a context is at once global and regional

in perspective. It is also influenced by American domestic politics that continue to weigh in, sometimes heavily, on practically any matter regarding U.S. military relationships with Arab and Islamic countries.

It is equally natural that the GCC governments consider in their viewpoints and decisionmaking processes factors that do not apply to an American-formulated equation. Why and how GCC leaders feel they have little choice but to relate differently than others to Iran and Iraq is rooted in the understandably and inevitably different perspectives of their national, regional, and intra-regional interests.

In sum, U.S. and GCC interests are more convergent than divergent. Resolving, ameliorating, or in some cases managing the divergences effectively is inherent in the challenge that both sides continually face in the effort to build and sustain a more credible regional system of deterrence and defense.

SECURITY

The summiteers acknowledged the need to strengthen their cooperation on ways to combat terrorism and other forms of politically inspired violence. Note was made of the series of violent acts since the last summit: the attempted assassinations of Egyptian President Husni Mubarak and Lebanese President Elias Hrawi, as well as the continued instability and violence in Afghanistan, Algeria, Bahrain, Iran, Iraq, Israel, Lebanon, Somalia, Sudan and the West Bank and Gaza.

At the previous year's summit in Bahrain, no one spoke more pointedly and forcefully about this subject than Oman's Sultan Qaboos. His speech condemned in the strongest possible terms the regional rise in militancy, extremism, fanaticism cloaked in the guise of religion. He called for a proactive approach to dealing with the individuals and issues that fueled such trends. He also served notice that the GCC leaders would not tolerate those who, in espousing radical alternatives to the existing systems of government, would sow chaos and havoc among the most peaceful and prosperous countries in the developing world.

Bahrain

There was much more concern with this subject this year than last, illustrating how seriously the GCC leaders view the phenomenon. No one doubted the reason. The summit convened barely two weeks after an unprecedented bomb explosion at a key facility of the Saudi Arabian National Guard in Riyadh, after the assassination of Israeli Prime Minister Rabin, and amidst threats by opposition leaders in Bahrain to engage in mass demonstrations against the government if prisoners still being held as a result of arrests linked to political protests over the past year were not released.

In the mist of this year's summit, the GCC leaders backed up their commitment to counter any and all such treats to the member countries by a show of force in support of fellow member Bahrain. Before the summit had ended, the first of some 4,000 members of elite Saudi Arabian National Guard units had begun moving across the causeway linking the island state and Saudi Arabia. Such a move was intended to confront any disturbance during Bahrain's December 16 National Day festivities, when the demonstrations and civil protests were threatened to take place. These did occur, but not on the scale envisioned.

Two reasons for the lesser disturbances were the early and largely effective first-time joint deployment of the Bahraini Defense Force and the Saudi Arabian National Guard units. (During last year's demonstrations at the same time, Bahrain and Saudi police units handled the disturbances.) The Kingdom's actions in support of Bahrain came under the aegis of the December 1981 Bahrain-Saudi Arabia Security Agreement. A nearly identical 1992 agreement exists between Riyadh and all the other GCC countries except Kuwait. In addition, a pan-GCC security agreement which is designed to deal with similar contingencies has been in place for several years. The GCC leaders are particularly concerned that they convey the maximum support for Bahrain's increasingly difficult challenge of dealing effectively with a well-organized opposition movement.

Bahrain's opposition movement is fueled primarily by a growing number of unemployed who claim to be discriminate against economically and politically. In a breakthrough of sorts, Kuwait made a serious offer at the summit to absorb as many of Bahrain's qualified, currently unemployed citizens as possible.

The leaders' denials notwithstanding, it is also true that the opposition's specific targeting of the country's ruling family is, and has for some time been, aided and abetted by "outside forces," and a thinly veiled expression for Iran. Of interest, however, is that the exceptional intimacy between Bahrain and the United States in the field of defense cooperation has thus far not been an issue among the dissidents.

Saudi Arabia

Least their concern go unnoticed, the summiters, in informal side meetings, also discussed the aforementioned recent bombings of a Saudi Arabian National Guard facility in Riyadh. The summit host, Oman, places extraordinary strategic importance on its close ties to Saudi Arabia, accounting for the tenor of the strong support given the Kingdom at this time as it wrestles with its own brand of domestic terrorism. Some of the terrorism is encouraged by outside forces, as in Bahrain and Oman.

Prominent in relationship to the Kingdom's approach to such matters is the array of new talent that has been infused into the country's Council of Ministers and the civil service in recent months. Without exception, one non-Saudi Arabian after another at the summit remarked to this writer how impressive they view the depth and breadth of indigenous Saudi talent, which, in scope and size, exceeds the core of professionals of all the other five GCC countries combined. Neither was the lesson lost on anyone that Saudi Arabia did not arrive at this position overnight. It was a result of the Kingdom's strategic decision in the 1960s, during the reign of the late King Faisal, to commit the maximum resources possible to educating and training the coming generation to be the country's leaders.

In private asides, more than one non-Saudi Arabian expressed concern about the Kingdom's domestic situation regarding the government's relationship with the country's radical extremists. Most GCC analysts acknowledge the historical antecedents of the phenomenon, i.e., the late King Faisal's placement of large numbers of conservative leaders close to the religious establishment in positions of importance to counter the radical Arab nationalist trends of the 1960s.

Awareness of the context of and background to the current situation, GCC leaders who discussed the issue with this writer admitted, is one thing. Having a strategy in hand to confront the dangers that the situation represents, they acknowledge, is quite another. In the present context, none offered an easy answer to the challenge that radical Saudi Arabians professing religious ideas represent in the quite profoundly different circumstances confronting the Kingdom in the mid-1990s.

As a result, in the intervening period of a year since the last summit, the concerns of various GCC leaders have deepened. A common theme running through their concerns is a fear of what could happen if the Kingdom is unable either to reign in or increasingly curb the extreme activities of its fringe groups. The fear is that radical individuals and groups elsewhere in the region may interpret the perceived Saudi irresolution of the challenge these groups represent as a license to accelerate their own efforts to infiltrate or otherwise influence the state apparatus of other GCC governments.

To be sure, significant progress has been made in the GCC's first 15 years to enhance intra-GCC commerce. From a beginning low of barely three percent of their total GDP coming from their trade with one another, the level has steadily climbed to between four and five times that figure.

Prognosis

However, the old adage that "what's past is prologue" would appear to lack validity in this instance. That is, insiders who work the issues on a day-to-day basis acknowledge that further significant growth in this direction in the near future is unlikely because of the ongoing impact of several constants which act as constraints. For example, the nature and orientation of the six countries' economies are still more duplicative of and competitive with than complementary to one another. More specifically, the major customers for the GCC countries' exports continue to be not each other, but the energy consuming markets of Asia, Europe, and America.

This trend is likely to continue until the oil runs dry or at least until substantial economic diversification has taken place in the GCC. But the latter goal remains thwarted by the fact that the immense private wealth in the region continues to find far more lucrative investment opportunities abroad than at home. How to reverse these trends and realities, i.e., how to devise a system of appropriate rewards to persuade their respective private sectors to invest more in national development enterprises and projects, is one of the greatest economic challenges facing the GCC countries.

The International Dimension

The GCC's ongoing economic dialogue with the European Union (EU) was also emphasized. The dialogue is older, much more developed, and far more structured and focused than the GCC's discussions with Japan and the United States. Highlights were the GCC's ongoing meetings with EU officialdom in Brussels, the most recent GCC-EU industrial dialogue in Grenada (the sixth such meeting—to date, there have been no such dialogues with the U.S. or any other countries), and the upcoming GCC meetings with International Atomic Energy (IAEA) officials in Vienna.

Far less commentary was devoted to the GCC-U.S. Economic Dialogue whose next meeting is scheduled for March 10-13, 1996 in Bahrain, where an ambitious private sector component, comprising an envisaged 400 American and GCC region, is a reflection of how far behind the U.S., in comparison to Europe and Japan, remains in its seriousness of intent and dedication of resources for cultivating the GCC market.

Although many Americans will dispute such an assessment, arguing instead that the U.S. ranks in either first place or no lower than top five among the trading partners of all six GCC countries, the counter view highlights other facts. For example, the annual value of the European Community countries' exports to the GCC is nearly double that of the U.S., and growing, at America's expense.

Second, even in the best of circumstances favoring American business, four out of every five GCC purchases of foreign items are goods and services that are not American. Third, time and distance considerations from the continental U.S. often make doing business with the U.S. significantly more expensive than with a European Union country. Fourth, the U.S. government, in the eyes of the GCC business leaders, continues year in and year out its self-imposed barriers (e.g., tax, licensing, and other legal requirements) which preclude greater U.S.-GCC business relationships.

Yet another factor that the GCC foreign policy strategists and economist consider in this regard is that the U.S. dwarfs all others in two key facets of its relations with the GCC countries – energy and defense. They are as strong as, if not stronger than, they have ever been. However, the non-oil private sector-to private sector dimension of the GCC-U.S. relationship is not nearly as strong.

No GCC or U.S. leader denies that the foreign competition for winning and retaining GCC business is intense and extensive. For one thing, America's competitors are free of almost all the technical and legal shackles which hamper U.S. efforts to capture and maintain a growing share of the GCC countries' markets. Second, U.S. competitors benefit considerably from an array of their governments' financial support packages that, in the case of the U.S., are either illegal or politically and ethnically unpalatable. The bottom line is that, in the eyes of many GCC business leaders, the competitors are seen as enjoying a much easier, if not free, ride at U.S. official and private sector expense.

Finally, increasing numbers of GCC analysts are of the view that it is unwise for any country as dependant upon the GCC region as the U.S. is for its strategic, economic, political, commercial, and security needs to place such a large percentage of its long-term planning eggs in the GCC's energy and regional security baskets. Admittedly, from a strategic, economic, and political point of view, these are the big-ticket items. Moreover, in a post Cold War era were the United States is the world's sole superpower, the U.S. has little choice but to remain focused continuously on the grand strategic constraints and variables that determine whether the region is at peace or in conflict.

The British, Dutch, French, Japanese, and others, however, are relatively unencumbered by such constraints. In most any Gulf geopolitical or security calculus, they can afford to and almost always do act tactically. It is not that anyone in the GCC would prefer the U.S. to lessen its concentration on strategic issues. Rather, it is to suggest that the overwhelming focus on such

matters by the U.S. risks neglecting appropriate emphasis on other, related components. Such components, over the long term, can be just as key to building and sustaining a more well-rounded and mutually beneficial relationships.

Two examples of perceived U.S. weakness in this regard, with respect to the GCC members as a whole, are the lack of sufficiently strong people-to-people ties, including those with members of the U.S. Congress, on one hand, and, on the other, robust private sector-to-private sector links. If the 1990-1991 Kuwait crisis is in any indication, the absence or presence of those two elements could potentially determine the degree of public support necessary for the U.S. to deploy again massive numbers of American troops to the region to reverse an aggression against one or more GCC countries.

ANNUAL MAJOR FOREIGN POLICY ISSUES

Priority Number One: Iraq

Many analysts fail to understand why the GCC countries have continued to place their unfinished business with Iraq at the top of their annual foreign policy priorities for the past five years. Although Iraq is hardly the threat it was before, although a growing number of GCC Arabs are increasing concerned with how the repeated extension of the UN-mandated sanctions against Iraq is hurting the Iraqi people, and although various GCC leaders have expressed sympathy for the humanitarian needs of the Iraqi people, there is not a fundamental and pervasive weakening of the GCC countries' resolve with regard to insisting that Iraq be made to comply fully with the UN-mandated sanctions.

Something different and far more profound lies behind the GCC heads of states' reasoning on this issue. In deciding a course of action in a pan-GCC context that will assist their respective interests, each GCC member places itself empathetically in the shoes of a fellow member who has been aggrieved by a non-GCC country. In such a context, the overriding consideration is that all due support and benefit of the doubt be given to the victim as the victim states its case to the other five GCC members.

Failure to do anything less, or professing to be neutral, would, in GCC eyes, be the worst possible position to adopt. Accordingly, GCC members are collectively opposed to a position of neutrality, least the same thing happen to them were they to call for help against an aggressor.

There is no possible reason that a GCC country would want to jeopardize, even if only potentially, the unqualified support of its fellow GCC members and other Arab allies vis-a-vis such a failure contingency. No GCC member country wishes to see such a precedent established. Living as the GCC countries do in the shadow of two overwhelmingly stronger neighbors, Iraq and Iran, Ben Franklin's sage advice of "hanging together, least each hang separately" is applicable. From the perspective of their own national interest, needs, and concerns, the GCC countries have no difficulty placing themselves in Kuwait's shoes.

Behind their continued hard-line support for Kuwait is the following. First, virtually every single GCC leaders is appalled by the lack of any serious, good faith effort by Iraq to address such issues as compensation for Iraq's aggression against Kuwait, reparation of the Kuwaiti and other nationals that the Baghdad regime continues to hold hostage in Iraq, and return of the vast

amounts of scientific data and equipment and priceless Arab and Islamic cultural artifacts that Iraqi soldiers looted from Kuwait and carted off to Baghdad during the occupation of Kuwait.

Second, noting that Iraq's compliance with relevant UN resolutions relating to the dismantlement of Iraq's weapons of mass destruction programs, equipment, and facilities continues to be unacceptable to the Western world and UN inspectors and intermediators, GCC representatives say that one need only imagine how negative in some cases frighteningly intimidating Iraq's behavior appears to its GCC neighbors.

Anything less than their continued firm statements on the necessity for Iraq to comply with the letter and spirit of the UN resolutions risks sending the worst possible message to Baghdad, and potentially to Iran. In other words, any softening of their resolve on this issue, or the voicing of any sincere intention of joining the chorus of those demanding that the sanctions be suspended in the name of ending the suffering of the Iraqi people, is neither a valid strategic nor other policy option.

Third, leaders in the GCC countries continue to believe, as do many Americans, that the lessons learned from the 1990-91 Kuwait crisis are profound, fundamental, and far-reaching, especially in view of the quest for establishing a post-Cold War international order. The GCC countries, for their own self interests, seek a semblance of the same kind of security and predictability that characterized much of the world's inter-state relations, including those in the Gulf region, from the late 1940s until the mid-1980s.

It is not just the global and regional implications of the U.S. and other Allied Coalition interest and policies that are at issue. Equally and more immediately pressing are the implications for what the GCC countries continue to seek in the way of a new inter-Arab order for the near term and foreseeable future. In this context, it is of transcendental importance to the GCC countries that there be no weakness, no wariness, no withdrawing of international resolve regarding the basic principles imbedded in UN resolutions levied against Iraq in response to its invasion and occupation of Kuwait.

"After all," as one GCC country's minister put it to this writer, "the sanctions are upholding UN-approval, legitimate, and non-violent means of forcing Iraq to comply with the will of the world's most important international organization. Who, in all seriousness wand with an eye to the consequences, would argue to the contrary, i.e., that the Iraqi regime not be held accountable for violating its neighbor's internationally recognized rights to national sovereignty, political independence, and territorial sovereignty?"

As another GCC country's analyst explained it, "The course that was set and outlined in the UN resolutions of 1990 and 1991 was unanimously agreed to by the UN Security Council members. The frustrations in not seeing the sanctions produce the desired results to date is hardly a reason for switching to a different policy of appeasing and rewarding Iraq for its having been successful in consistently lying to and defying the UN so as to avoid compliance."

He added, "We see no reason to abandon the strategy behind the policy. Instead, we feel an appropriate course of action was charted by the navigators responsible for the resolutions. Don't forget the legitimate and non-violent objectives of these resolutions: the provision of

compensation to the victims of Iraq's invasion and the prevention of a recurrence of Iraqi aggressive action in the future."

"Critics who claim that the policy is responsible for causing hardships to thousands of innocent Iraqi people," he continued, "are technically correct, but misleading. Any informed observer will acknowledge that we ensured that very specific arrangements were provided to alleviate any and all humanitarian and related needs to the Iraqi people. Moreover, specialists are aware that Oman, during its two-year tenure on the UN Security Council, worked as hard as any country to ensure that practical ways of meeting the Iraqi people's legitimate humanitarian needs were put into place."

Adding to the GCC's firmness on such matters at the Muscat Summit were the revelations this past August that accompanied the defection of Iraq's Hussein Kamel, the uncovering of a much vaster Iraqi biological weapons program than Baghdad had hitherto acknowledged, and the discovery of a continuous illicit Iraqi effort to obtain spare parts for its missiles and other weaponry in violation of the sanctions.

In sum, any lessening of international resolve on an issue of such global importance to the system of international relations being fashioned for the future would, in the view of many GCC leaders, have potentially disastrous consequences for their hopes of being able to forge a more credible system supportive of regional peace, security, and stability.

Priority Number Two: Iran

Many observers at the summit had difficulty understanding why Iraq overshadowed Iran as the top priority on the GCC's agenda. They argued that an Iraqi capability for posing a serious threat to the GCC in the short run pales when compared to that posed by Iran. Moreover, they pointed out that Iraq is under international surveillance, inspection, and control. Iran, by contrast, borders all six GCC countries, has tens of thousands of its citizens working in several GCC countries' economies, and is only under international surveillance—mainly by the U.S.

The case for the GCC's singling out Iran for special attention is but a mirror image of the rationale explained above with regard to Kuwait and Iraq. That is, each GCC member recognizes that one day it, too, could find itself vis-a-vis Iran in a situation similar to fellow member UAE, i.e., a dispute over territory, e.g., an island here, an offshore oil field there, or here and there a disagreement about maritime boundaries.

Any effort to contest such a dispute physically would pit the vastly under-manned and under-armed defense forces of the GCC countries against the overwhelmingly greater power represented by Iran's much larger populations—at 60 million, more than twice the size of the entire GCC countries' citizenry—and its far more numerous and experienced armed forces. The latter, at just under 400,000 soldiers under arms, are more than double the armed forces of all the GCC countries combined.

To be left standing alone or bereft of neighborly allies in such a potentially gross mismatch of strength is a plausible nightmare that each and every GCC country seeks to avoid. Recognizing that each could fall prey to Iranian territorial acquisitiveness or intimidation at some point in the future, no GCC state wants to risk being unable to marshal the maximum intra-GCC support

possible against an aggressor or an intimidator willing to threaten the use of forces in pursuit of its objectives against one or more of the GCC countries.

The UAE, as noted, faces Iranian occupation of these islands long claimed by UAE member states Ra's Al-Khaimah and Sharjah, Iranian military fortification of the largest of those islands, the imposition of de facto Iranian sovereignty over all three of the islands, and repeated Iranian refusal to discuss the question of sovereignty over the islands. In wanting to avoid any escalation of the conflict, elementary prudence and strategic wisdom argues that the GCC, as a whole, strongly support the UAE's case against Iran. The same considerations dictate that the GCC as a whole, like the UAE individually, seek to solve the dispute through dialogue and diplomacy and not through resort to armed force, saber rattling, or inflammatory statements.

The UAE, with the full support of its GCC colleagues, is keen to continue enunciating the principles at stake. It is also determined that Iran's persistent refusal to discuss the substance of the dispute not come cost-free. The UAE insists on linking its own and the other GCC member's willingness to expand their relationships with Iran to Tehran's willingness to engage in meaningful dialogue aimed at settling the dispute peacefully.

Of all the GCC countries, Oman and Qatar are the two most keen to maintain dialogue and continuously search for positive common ground with potential adversaries, such as Iran and Iraq, as a means of persuading them to alter their policies. For this reason, throughout the summit's deliberations, Oman and Qatar, except for supporting the UAE in the case of the disputed islands, refused to single out Iran by name.

A majority of the other GCC members, however, were willing to go further and stated their very specific fears vis-a-vis Iran's developing its nuclear program. Moreover, few defined that one of the main reasons for the GCC's stepping up its dialogue with the European Community countries and its planned meetings with the IAEA in Vienna in 1996 is almost entirely related to their concerns regarding Iran. The purpose is to explore ways of stopping the largely European-based network that is supplying Iran with much of its nuclear materials and technology.

Oman, as host and the GCC's key policymaking and decisionmaking coordinator for most of 1996, succeeded in deleting certain pointed references to Iran. On the nuclear issue, for example, the final communiqué was oblique and subtle in the way it conveyed the summitters' sentiments, i.e., it expressed reservations about Israel's failure to sign the Nuclear Non-Proliferation Treaty and its refusal to allow inspection of its nuclear facilities by the Vienna-based IAEA.

Such reservations were coupled to a much broader one which, the communiqué's bland and innocuous language notwithstanding, left no question that the focus was exclusively on Iran. The GCC leaders' insisted that the GCC region be made free of nuclear weapons development programs by any country. In other words, a condemnation of Iran's nuclear program had been proposed and largely agreed.

A second, not as subtle, way of advising Iran to change its ways if it harbors any hope of establishing and maintaining a relationship of trust and confidence with the GCC countries was the way in which the summitters couched their statements regarding terrorism. Here again, the members chose not to mention Iran by name.

The GCC leaders condemned terrorism as nothing more than a ruse by secular extremists to capture power by employing the rhetoric and other trappings of religion. In so doing, some observers thought that the GCC must have had in mind the extremists behind the recent string of violent events in Algeria and Egypt. To be sure, all GCC countries' leaders sympathize with the efforts of the incumbent governments of those two countries to cope with religiously-cloaked radicalism on their soil. Once more, however, the six countries' overriding concern was directed toward Iran.

Resort to a third device drove the pan-GCC concern about Iran home. A literalist would have been unable to tease from the GCC countries' very pointed statements of support for fellow member Bahrain's ongoing efforts to contend with externally supported unrest that the remarks were aimed exclusively at Tehran. Notwithstanding the severe economic problems that lie at the root of Bahrain's domestic unrest, many agree that Iran is implicated in having helped to provoke and sustain the repeated demonstrations against the Bahrain Government by opposition groups during the past year.

Priority Number Three: The Middle East Peace Process

There was a brief spell during the formative period following the GCC's establishment in May 1981 when some analysts of Middle Eastern affairs thought that the GCC countries might seek to influence the perennially deadlocked Israeli-Palestinian conflict and ancillary, the Arab-Israeli dispute. In a significant way, albeit other than some had envisioned or preferred, these analysts were not disappointed. Saudi Arabia's then Crown Prince Fahd, with the backing of the leaders of the other GCC countries, was as forthright as any Arab head of state in tackling a key dimension of the conflict. Working in close consultation with Palestinian leaders, Fahd offered very practical proposals for resolving the conflict peacefully through the creative use of politics and diplomacy.

Specialists have not forgotten that it was this intra-GCC strategic initiative – known first as the Fahd Plan and later as the Saudi Arabian Plan – which helped to bring about such dramatic transformations in the PLO's peace strategy from 1982 onwards. Few subsequent plans helped as much to point the PLO and ultimately the peace process in the direction that carried it forward from the Madrid Conference in 1991 to all the meetings between Palestinians and Israelis and Israelis and other Arabs ever since. Indeed, with the possible exception of Egypt and Jordan, no other Arab country, or in the case of the GCC certainly no other grouping of six Arab countries working in close concert, has preserved as assiduously and astutely from behind the scenes to nudge the peace process further along the road to a settlement.

Against this ongoing background of concern or bringing one of the longest of the twentieth century's unresolved conflicts to an end, the GCC's heads of state reviewed the peace process' achievements to date and the challenges that remain. Regarding the latter, they reviewed the unfinished business between and among the Palestinians, Lebanese, and Syrians, on the one hand, and the continuation of Israeli politics that perpetuate Israeli occupation and deny Lebanese, Palestinian, and Syrian sovereignty, on the other.

In the past two years, the GCC and its member countries have taken several unprecedented steps to help the peace process continue along its forward-looking path. Among these have been

Bahrain's, Qatar's, and Oman's separate hosting of the first meetings between Israelis, Palestinians, and others ever held in the Arabian Peninsula.

The GCC countries have been surpassed only by Egypt, Jordan, and Morocco in being at the forefront of all the Arab countries that seek to establish as much common ground among the protagonists to the conflict as possible. The evidence is several-fold. The GCC countries stand second to none among Arabs and Muslims in their financial support for the Palestinian Authority. They collectively decided in December 1994 to resume their participation in the forty year-old secondary and tertiary economic boycott of Israel. Oman hosted the late Israeli Prime Minister Yitzhak Rabin on December 24, 1994, and Qatar agreed to be the host for the 1997 Middle East/ North Africa Summit. The latter event will be one in a projected ongoing series of meetings between large numbers of Israelis, Arabs, and others aimed at fostering greater regional economic and business cooperation.

The GCC countries' proactive interest in broad support for the Middle East peace process is acknowledged by their leaders as one thing. Quite another, say some, are their reservations about the way in which issues of such great sensitivity as Jerusalem have been and are being handled by the Israelis and the principle sponsor of the peace process, the United States.

GCC leaders and ordinary citizens alike are bothered by the way that Israel, the most powerful protagonist in the process, has continued to act in the less-than-good-faith mode of past Israeli governments on this and certain other contentious issues. Jerusalem is the main point in dispute, but questions about how other issues, such as water sharing, Israel's insistence on the rights of its citizens to continue to colonizing Palestinian land, refugees, security, and borders, also remain to be addressed and resolved.

Uncertainties regarding these issues abound among GCC countries' leaders and ordinary citizens alike. They lie behind the less than optimistic outlook of many about the prospects for an early end to this constraint in the politics of the possible in the GCC countries' relationships with other Arabs, not to mention their relations with the United States. Many GCC leaders believe that the obstacles yet to be overcome between the Israelis and the Palestinians, Lebanese, and Syrians, both singly and collectively, are likely to require years of protracted effort by all the parties concerned.

U.S. and to a far greater extent Israeli domestic political posturing on sensitive peace process issues will likely continue to make matters difficult for GCC leaders. It is probable that Israeli and U.S. policy on two questions – Jerusalem and the Israeli settlements on Palestinian and Syrian land, including extraterritorial Israeli legion control the settlers, without the provision of reciprocal rights for Palestinians and Syrians inside Israel—will continue to fuel anti-Israeli and anti-American sentiments within the region.

On the eve of the Muscat Summit, the U.S., in the eyes of GCC leaders, did not stand tall vis-a-vis such issues. The U.S. vetoed a UN Security Council resolution on Jerusalem that all of its allies and other members had favored. The resolution merely condemned any and all Israeli actions which would impose demographic and administrative changes in the occupied territories. The veto increased to more than forty—more than half of all the vetoes the U.S. has cast in the history of the U.N.—the number of times that the U.S., as de facto plea bargainer for Israel

within the UN Security Council, has defied the democratic voting results of the Council's members.

In a related act that was difficult for America's GCC and other Arab and Muslim friends and allies to accept, the U.S. abstained from a vote calling on the members to refrain from locating their embassies in Jerusalem as long as portions of that city are under Israeli military and civil occupation. One hundred thirty three General Assembly members voted in favor of the motion.

In effect, both U.S. negative stances, in the eyes of GCC leaders, came close to paralleling the U.S. Congress' officially declared sentiments on the question of Jerusalem. Prior to the summit, Congress signaled its intent to force the United States to relocate its Embassy from Tel Aviv to Jerusalem in the next few years.

That the Congress did so by overwhelming vote was only one part of the concern expressed. That it did so without regard to what might be the status of the Middle East peace process at the time the policy would be implemented, and in stark contravention of the long-standing U.S. policy on this question dating back to President Truman, was cause for even greater concern, as it seemed to have been done in deliberate defiance of the U.N on this sensitive issue. Some asked how such U.S. actions could be reconciled with the notions of governmental accountability, a concept and a principle that the U.S. has increasingly incorporated into its dialogues with GCC and other developing countries' governments.

OTHER FOREIGN POLICY ISSUES

Weapons of Mass Destruction

The GCC countries' leaders are second to none in their concern over the potentially serious implication of ever-increasing purchases and the ongoing proliferation of weapons of mass destruction (WMD). They want no part in this proliferation and spare few opportunities to underscore their vested interest in ensuring that their neighbors forgo the development and purchase of such weapons.

In this regard, the GCC members' concern is immediate and centers on Iraq and Iran. The continuing revelations about the extent of Iraq's ambitious WMD development program have been on prolonged wake-up call about the danger if such trends are allowed to go unchecked. The extent to which Iraqi officials have repeatedly denied the existence of such programs and their innumerable efforts to deceive UN and IAEA inspectors alike continue to have a chilling effect throughout the GCC region.

Equally disconcerting, but of a somewhat different nature, are the potential regional security implications of Iran's WMD program. Within the GCC, broad strategic agreement exists on the justification for concern about Iran's capabilities and possible intentions. However, there is less agreement on the best way to address the concern. GCC leaders have decided to press their European interlocutors on the matter since, apart from China, North Korea, and Russia, Europe is among the main sources of nuclear technology, equipment, and supplies for Iran.

The same reasoning is behind the GCC's intent to open a dialogue with the IAEA. In embarking upon this and other campaigns to deal with the looming Iranian and Iraqi nuclear, chemical, and

biological warfare threats, the GCC countries seek to leave no stone unturned in getting their point of view across to as many concerned parties as possible.

The larger strategic goal is to slow, if not halt or bring under effective international supervision and control, the WMD proliferation among their neighbors. Short of that, they seek to ensure that other countries cannot expect to conduct relations with the GCC countries on a business-as-usual basis if, at the same time, they are aiding and abetting Iran's and Iraq's quest to become a nuclear power, or a dangerous chemical or biological weaponry power.

Bosnia

In past GCC summits, a significant amount of attention was devoted to the pan-GCC angst about the agony of their religious kinfolk in the former Yugoslavia. However, in this summit, the atmosphere was different. One reason was because the Dayton Accords had been hammered out among the disputants immediately prior to the Muscat meeting's opening. It was also different because of the belated but welcomed effort by the United States to see that the Bosnian Muslims be allowed to exercise their legitimate right to self preservation through self defense, albeit in concert with a largely American-lead Allied Coalition.

The Damascus Declaration

The summiters also took the opportunity to reaffirm their support for Egypt and Syria, their two greatest non-GCC Arab allies. Many Westerners find more symbolism than substance in the GCC countries' relations with Cairo and Damascus. GCC leaders respond that such observers continue to read into the Damascus Declaration something that was never there or seriously intended, i.e., a formal commitment on the part of Egypt and Syria to lend greater credibility to a system of regional security in the Gulf.

To be sure, early discussion of such possibilities occurred in the immediate context and aftermath of the Declaration's promulgation in Damascus in March, 1991. However, that discussion was very short-lived and has not resurfaced. The GCC is strongly in favor of forging greater informal defense cooperation with Egypt's and Syria's armed forces. Indeed, Egyptian and Syrian military observers attended the Fall 1995 multilateral military maneuvers involving several GCC defense forces in Kuwait which were designed to enhance their collective deterrence and defense capabilities.

The main thrust of the Damascus Declaration is not on matters related to regional defense. Rather, it is on enunciating ways to strengthen the strategic and geopolitical dimensions of the eight signatories' respective interests. To this end, Egypt is seen as bringing significant demographic, political, and defense assets to the calculus of GCC power and foreign policy equations. Syria, in turn, brings impressive Arabist credentials to any regional forum, lends balance to the GCC's interest in the eastern Mediterranean and within the Arab League, and is viewed as an important geostrategic counterweight to its neighbor, Iraq.

Other Arab Countries

In the period leading up to the summit, if there was one overarching theme to putting the damage wrought by the 1990-91 Kuwait Crisis behind the GCC countries' concerns as rapidly and effectively as possible, it was reconciliation within the broader Arab community. To this end, it

was noted that Saudi Arabia's relations with Jordan and Yemen had improved substantially and that Kuwait's position vis-a-vis these two countries and the PLO, while still strained, showed signs that a reconciliation of sorts might not be too far distant.

THE PERIOD AHEAD: TWO LOOMING ISSUES

QATAR

Qatar's Case For Itself and Against the GCC

A case can be made that in each of the GCC countries the dynamics of change continue to occur apace, but, in Qatar, comparatively more so than in the others. Qatar has embarked upon what is arguably the developing world's most ambitious, long-term, liquefied natural gas development scheme, aimed at fulfilling a 20-year market niche for assured customers primarily in Asia at a development cost approximating \$20 billion; it remains locked into a three-part territorial dispute with neighboring GCC member Bahrain that slows GCC political, defense, and foreign policy momentum; and, in June 1995, there was a change in rulers, the first such change in the GCC's leadership structure since 1982, when Saudi Arabia's King Khalid died.

These factors exemplify Qatar's unique situation. They also provide background and context essential to understanding the manner in which Qatar has chosen to deal with the challenges that these phenomena pose to the country's decisionmakers. For example, Qataris are aware of the potentially dire implications for the development of their gas reserves since the offshore field from which the reserves are to be exploited lies partly in Iranian waters.

A potential reverse Kuwait-Iraq Rumaila Oil Field scenario—the reference is to a Kuwaiti oilfield that lies partly in Iraq, which Iraq cited as one of the reasons for its invasion of Kuwait in 1990—cannot be ruled out. A future Iran could decide to employ a similar rationale for threatening Qatar, thereby posing a major challenge to the still evolving system of Gulf security.

Qatar's proactive response to the possible implications of such a scenario has been to weave a web of as many interlocking benefits as possible between itself and Iran. The strategy is similar in many ways to "constructive engagement" which the United States and other countries employed to wean the apartheid regime in Johannesburg from its pariah status.

The manifestations of this strategy include Qatar's offering to help finance the building of a trans-Gulf underwater pipeline that would carry sweet water from Iran's Karun River to Qatar to recharge its depleting aquifers; Qatar's hosting of a meeting between Iran and UAE officials to mediate the territorial disputes between those two countries; the Doha's unilaterally asking The World Court in The Hague to intervene in its territorial dispute with Bahrain.

In a more generalized context, Qatar is viewed by its fellow GCC members as less of a team player and more of an autonomous actor without due regard to the other members' needs and sensitivities. Cases in point would be Qatar's positions and policies vis-a-vis Iraq and Israel. Qatar's manner of dealing with Iran and high-ranking Iraqi officials has at times been viewed as unseemly by other GCC members. Kuwait and Saudi Arabia, the only two GCC countries that border Iraq, are especially insistent that Iraq comply with the UN Security Council resolutions resulting from its invasion and occupation of Kuwait.

Qatar explains its policy of engaging Iraq by emphasizing the common ground that exists between the two countries—Iraq, too, is a Gulf country, its peoples are overwhelmingly Arabs and Muslims, there are close family ties between many Iraqis and Qataris, the day will come sooner rather than later when Iraq is reintegrated geopolitically into the regional scheme of things in the Gulf, etc.—as strategically prudent. Qatar also admits to a strategic need to be on good terms with Iraq in the event that Iran were to threaten Qatar at some point in the future.

As similar mix of strategic and geopolitical imperatives drives part of Qatar's increasingly close relationship with Israel. Qatar was among the first GCC countries to hold private meetings with Israeli premier Shimon Peres and other Israeli officials; to host Israelis for one of the peace process' multilateral meetings in Doha; to explore the possibility of supplying Israel with natural gas; and to attempt to replace Egypt as the site for the 1996 Middle East Economic Summit, which brings Arabs, Israelis, and others together to further regional economic and business ties.

Qataris defend their initiatives in these areas. They note that the region is presently in flux because of the end of the Cold War, the advent of the peace process, the formation of new economic and trading blocs, the proliferation of weapons of mass destruction, the regional ascent to political violence, and other developments of potentially far-reaching significance to the GCC and other countries. Such times, many Qataris reason, call for breaking out of previous modes of thought and behavior.

The perception of many Qataris is that, in the matter of their territorial disputes with Bahrain, the deck is stacked in Bahrain's favor. That is, since the late 1980s, Saudi Arabia has been the principal mediator of the dispute. Qatar's reservations stem from a profound disbelief in Saudi Arabia's ability to be impartial in such a role. Qatar points to the territorial, resource sharing, business, financial, political, and people-to-people relationships between Saudi Arabians and Bahrainis as evidence that the ties between Riyadh and Bahrain dwarf any comparable relationships of intimacy, trust, and mutuality of benefit between Saudi Arabia and Qatar.

An equally pronounced and similarly rooted discrepancy, Qataris are quick to emphasize, prevails between Qataris and Americans, on the one hand, and Bahrainis and Americans, on the other. In searching for a way to level the playing field, Qatar astonished a great many people when it devised a three-fold strategy of cultivating simultaneously the United States, Israel, and influential friends of Israel in the United States. Despite the controversiality of its approach, Qataris have indicated to critics that they are not inclined to relinquish such a strategy, and the tactics that accompany it, without satisfactory compensation.

In addition to courting the support of Israelis and American supporters of Israel for Key Qatari viewpoints, Doha has sought to ingratiate itself to U.S. political-military officials by quickly acceding to a U.S. need for additional sites to preposition American defense equipment in the region for future contingencies. Moreover, in a move that was interpreted by many as an act of one-upmanship vis-a-vis the other GCC countries, Qatar went further and announced that it would allow the U.S. to have an additional site in Qatar if it so desired.

Even Qatar's critics concede that the ghost of Machiavelli must be alive and well in Doha these days. Not only does each of the aforementioned strategies contain within it an almost airtight body of strategic and tactical logic and reasoning, but each also has a fallback or secondary tier upon which to rely in the event the main stratagem fails. That is, backing up the pro-Iran

stratagem is a pro-Iraq stratagem, backing up the International Court stratagem is an American one and, in the event the U.S. stratagem weakens, there is an Israeli stratagem.

Finally, some GCC analyst believe that backing up all of these strategies and tactics is an as yet untested, but potentially master, stratagem to provide Qatar the political clout it seeks. According to this view, if and when Qatar's GCC colleagues reach the point of pressing Doha to alter its behavior for the good of the region, Qatar is likely to listen to the complaints and reply, "If there are things we have been doing to which you take exception, we're glad to know that, as there are things that you are doing to which we take exception. If you are ready to talk about matters of substance, we're ready whenever you are."

The GCC's Case For Itself and Against Qatar

Leaders in all five GCC countries are increasingly perturbed by aspects of Qatar's foreign policy behavior. However, there is no monolithic viewpoint as to what irritates them the most. Officials in all five countries share a broad-based consensus as to the questionable efficacy of some of Qatar's policies, but are averse to commenting negatively on what Doha would claim to be matters pertaining to its sovereignty.

These reservations aside, virtually all of Qatar's fellow GCC members feel strongly that Qatar's behavior has delayed progress on a much more developed system of cooperation on regional defense issues than has transpired to date. As these members point out, hardly had the guns that liberated Kuwait in 1991 grown silent than the United States, Great Britain, and France launched discussions with GCC countries' defense leaders on how best they might collectively ensure that such a massive allied mobilization and deployment would not have to happen again.

From the beginning, a key component of the strategy to avoid such a recurrence has been a much greater degree of intra-GCC defense cooperation than existed during the Iran-Iraq war and the Kuwait crisis. GCC defense leaders emphasize the extraordinary demographic and financial restraints that preclude early or rapid progress on this front, but few disagree with the soundness of the strategy.

Qatar's critics claim that even if such constraints did not exist, Qatar's not being a team player, roiling the political waters within the GCC, and boycotting major GCC policy formulation meetings preclude significant progress. As long as Qatar stands removed from an optimum intra-GCC relationship of trust and confidence on the overriding strategic priorities of GCC and GCC-Allied defense needs, the pronouncements of GCC leaders on regional defense cooperation, in the eyes of many GCC analysts, will not be taken seriously.

In addition, most GCC members believe that Qatar's strategic depth is Saudi Arabia, not Iran. The case is regularly made that Qatar has a vested interest in ensuring that there will always be Saudi Arabian popular support for Qatar against Iran, Iraq, or any other non-GCC country. The same is true with regard to the corollary, i.e., few if any in the GCC can envision that Qatar or any other GCC country would side with Iran against a GCC member.

By alternating between a standoff and a provocative relationship with Riyadh, Qatar's policies in the eyes of many GCC countries' leaders, do not make long-term strategic sense; rather, they equate to short-term brinkmanship with regard to Saudi Arabia and irresponsibility with regard to Iran, if not also Iraq. As there are 300 Iranians to every Qatari, GCC critics of Qatar's policies

argue that posturing about the merits of constructive engagement – especially at the expense of strengthening intra-GCC ties -- is not likely to carry much weight in the eyes of any future Iranian leaders Benton threatening Qatar.

Employment and Youth: Two Pan-GCC Challenges

As this report has sought to indicate, the GCC countries are certain to have their hands full with pressing economic, defense, and other foreign policy challenges until well into the next century. This derives from the implications of where they are, what they have, and what they do—they lie astride major land masses and sea lanes linking Asia, Africa, and Europe; they have an abundance of energy reserves; and they have a day-to-day impact on global economic well-being unlike any other six countries in the world.

Less well known are a range of domestic challenges with which each of these countries is simultaneously faced. How they address such challenges will reveal much about the overall prospects for their achieving the goal of regional peace, security, and prosperity.

In this regard, a domestic nuance and sub-theme that surrounded the 16th GCC Heads of State summit stood in marked contrast to some of the issues highlighted at other summits. That is, it was self-evident in this summit that whether the countries are richer or poorer or larger or smaller than one another, their leaders are increasingly preoccupied with the question of how best to address two recurring challenges: (1) the rapidly rising demands for citizen employment and (2) one of the most rapid rates of population growth in the developing world.

The basis for such concern is increasingly apparent. Between fifty and sixty percent of all the GCC countries' citizens are under sixteen years of age. This means that the majority of GCC nationals have no recollection of "the bad old days." Instead, they take the prosperity of the last 20 years as the base line for evaluating their present and near-term status.

This younger generation has never know anything except an age of regionally unprecedented prosperity, of heavily subsidized essentials, such as health services, education, housing, and employment. Many have come to view such benefits as their birth right, as a perpetual entitlement. Many, too, are aware that substantial revenue inflows to their countries' governments have enabled such systems of largesse to continue. In the GCC region, no less than elsewhere, the continuity of comfort can be a seductive, if not also addictive, force. The pattern has been to demand more and more or, failing that, at least more of the same.

The challenge facing each GCC country's government, both presently and for the foreseeable future, is therefore, to demonstrate that the patterns of the recent past cannot be sustained any longer. The revenue is no longer sufficient; the financial reserves accumulated from the 1970s onward do not exist any more. The consequence is that a veritable sea change is at hand in terms of realistic opportunities for sustaining the kind of development the region has experienced for the past two decades.

Some GCC leaders seem to be in a mood of denial that an era has ended. Those at the very top, however, are all too aware that their options for addressing the implications of such phenomena are relatively few, and none offer a painless way forward.

The analytical construct for the next situation is as follows: the past twenty years were fueled by a vision that rested on revenues from fossil fuels and commitment to building an effective infrastructural system without rival in the developing world. As the GCC countries' economies currently stand, such development—more specifically, the broad range of governmental support sectors that such development made possible—can no longer be maintained.

Neither can the role of the GCC governments as the central business leaders of their countries' economies continue. The challenge for all GCC countries' governments, therefore, is not so much whether they can make the jump, but rather, how they will go about switching from one engine to another—i.e., from the government to the private sector—in order to move their economies forward in the period ahead. In facing up to this challenge, the positive news is that most GCC leaders are aware of the nature of the challenge and the potentially ominous implications for domestic stability-- and possibly regional security—if they should fail to meet the challenge successfully.

Of all the GCC countries, Saudi Arabia has been among those most actively seeking to address this challenge for much of the past decade. Its tactic has been to engage its private sector leaders in an ongoing dialogue. The discussions have been aimed at confronting head-on the almost certain dire consequences if the public and private sectors fail to deal with the challenge realistically and forthrightly.

Bahrain, Oman, and Dubai, one of the member emirates of the UAE, have in common the fact that their oil reserves are minimal and dwindling. All three have been tackling the same challenge, albeit, as in the case of Saudi Arabia, with mixed results. Kuwait and UAE members emirate Abu Dhabi are also seized with how best to contend with an expansion of citizen demands on a significantly diminished resource base for the foreseeable future.

The keys to what the GCC countries are attempting to achieve in this regard are contained in their respective five-year plans. In Oman, for example, the development plan for 1996-2000 allocates the country's Ministry of Development a budget of only one-third that of the previous plan's budget. How to make up the difference? The answer—part hope, part prayer, part patience, part persuasion, and part persistence in informing the Omani people of the facts, as facts are stubborn things—is through the private sector.

Oman's challenge is an example of the multiplicity of challenges that these economic trends indicate for practically every GCC country. At the beginning of 1995, the Sultanate was taken aback by a World Bank report that was highly critical of Oman's economic health. Rather than refute the report's numerous negative conclusion regarding the direction in which the economy was headed, Oman held a conference entitled "2020," which gathered economists and developed planners to consider ways of addressing the challenges.

The conference resulted in numerous recommendations that Sultan Qaboos incorporated in his annual National Day address. Key emphases were the need to create a framework for new directions in the areas of management, diversification, privatization, capital formation, foreign ownership, taxation, and laws regarding agencies and distributorships.

Some examples of measures already underway to come to grips with the implications that such challenges represent are the establishment of stock exchanges, the launching of power generation

plants though the private sector rather than the government, serious consideration of the privatization of such areas as health services, sewage and water treatment facilities, ground transportation, and even introducing toll roads.

Such discourse, however, has not included such security-related areas as the oil and gas industries, telecommunications, and, to varying degrees, civil aviation. There are also widespread reservations among government planners about allowing state-run enterprises to become wholly privatized in light of the likely attendant consequences of increased unemployment and lessened government revenues after the initial buyouts.

How and to what extent these developments are likely to affect U.S. interests remains an open question. A perspective shared by many in the GCC is that strengthened GCC-U.S. relations come with increasingly high economic and political costs. The American approach to building a credible defense is seen as very costly, if not prohibitively expensive, by a growing number of GCC planners. Four of the GCC's member countries—Bahrain, Oman, Qatar, and the United Arab Emirates—have thus far avoided any substantial acquisition of U.S.-manufactured defense equipment and systems.

The first three named of these countries, in contrast to Saudi Arabia and to a lesser extent Kuwait, have also forgone the billions of dollars in outlays necessary to expand their gas and other energy production capabilities. The pursuit of such ventures in Qatar and Oman is deliberately tied to foreign underwriting so as not to burden further their far lower base of financial revenues and reserves.

Because the employment and youth issues are implicitly linked to future prospects for domestic stability, the political baggage that any intimate relationship between the GCC countries and the U.S. portends cannot be ignored or dismissed. Underlying the manifestations of such concerns are some of the perceived insensitivities alluded to earlier in conjunction with the necessity to factor adequately into U.S. foreign policy formulations and actions the needs, concerns, and interests of its GCC country partners.

CONCLUSION

Beyond its economic, defense, and other foreign policy ramifications, the GCC, despite its weakness, stands as proof that regional accord among an important group of Arab countries on a host of issues of interest and concern to its members is possible. Moreover, the experiment thus far demonstrates determination among six Arab governments to assume a steadily increasing measure of responsibility for dealing with a broad range of regional challenges, with the concomitant diminution of the need or pretext for intervention by outside powers.

Fundamental to the GCC's successes to date has been the capacity of its leaders to benefit from all the failed past attempts at Arab regional integration. The numerous previous unsuccessful attempts to establish durable instrumentalities encompassing two or more Arab countries provided, and continue to provide, the GCC's founders and its present leaders, to paraphrase Rudyard Kipling, with "no end of a lesson," and one which, collectively, has done them "no end of good." These lessons imply that incremental increases in the GCC countries' integration can be achieved only through a slow, steady, and frequently painstaking process of forging consensus on a series of issue-specific agendas.

As a first step, the collective need for sensitivity, to the particular dynamics, sovereignty, and separate national interests of the individual states was agreed to by the members as the *sine qua non* for any successful *modus operandi*. Accordingly, at no point has there been any effort to merge massively or quickly as in Arab integrationist schemes attempted elsewhere. The approach of the GCC's architects, acknowledging the extent of intra-GCC diversity in terms of differing local traditions, resources, and circumstances, essentially has been one of seeking to coordinate the members' policies and positions on issues of importance to the GCC as a whole. Without such flexibility at the outset, it is doubtful whether the GCC would ever have come into being.

Various disparities between and among the members not only exist, but, in several cases regarding economic differences and commercial competition, they are especially pronounced. Some of these disparities, such as forms of economic dependence or complementarity, undoubtedly have facilitated the integrative process. Other, rooted in different historical traditions or contemporary circumstances, have slowed the momentum. In this light, it is not surprising to note periodic divergences of viewpoint among the members as, for example, over how best to deal with Iraq and Iran. Finally, different population bases, education levels, and other factors related to development potential have naturally resulted in different domestic concerns and national priorities.

The competing, and at times divergent, interests, however, at no point have been so great as to reverse the forward momentum of intra-GCC cohesion. A common language, religion, and culture and many attributes of a shared history have been subtle but strongly influential factors in undergirding a sense of togetherness necessary for a common approach to a range of contemporary challenges and future uncertainties.

The compact land mass which defines the GCC— an expanse considerably larger than all of Western Europe—provides for a sense of common identity, much as the similarity of much of the members' history offers a common perspective on the outside world. Indeed, consensus as reflected in the existence of broadly similar viewpoints among the members on the benefits to be gained from addressing a range of common external threats and domestic concerns has severed as much as anything else to sustain the cooperative process and, in many cases, to propel it forward.

It may be instructive to place the GCC's achievements to date in perspective by making some comparisons to the European Community (EC), subsequently the European Union, the principal prism through which most Westerners, often erroneously, have insisted on viewing the GCC. The comparison denotes that the GCC has had no choice but to proceed in a milieu that has been, and continues to be, vastly different from that of the EC at the time of its establishment. At the end of World War II, the EC countries faced economic devastation. The miracle allowing full recovery was the U.S.-financed Marshall Plan. Such circumstances hardly could have been further removed from those confronting the GCC at the time of its inception.

Second, the GCC has moved forward as far as it has without the formal assurance of a great power protective security umbrella, such as that which the American-backed NATO provided for the EC. Third, the process has occurred among countries which, certainly in the beginning, lacked a stimulus comparable to that present in the case of the European countries—broad

economic-resource complementarily and a long-standing history of interstate trade relations in industrial fields, as manifested by the European Coal and Steel Community.

Fourth, the GCC has taken root and registered its achievements at a time and in a place where two far more populous neighbors, Iraq and Iran – each with nearly twice as many men under arms than the GCC's combined defense forces—have warred with one another or against the GCC states throughout much of the GCC's existence. The Gulf is only 19 minutes away by plane at its widest point (between Iran and Saudi Arabia) and less than ten minutes at its narrowest point (between Iran and the UAE and Oman).

Viewed in this light, the GCC stands out as the most prominent example of Arab regional collaboration in an area which has seen numerous other attempts at such an ideal fail. The GCC's achievements are all the more remarkable when one considers that at the time it was founded in 1981, many, if not most, observers predicted its speedy demise. Now into its sixteenth year of cooperation, it is evident that the GCC countries have not only contributed significantly to the stability of the region and to the welfare of their citizens, but, together with the GCC Secretariat, have been a force of reason and responsibility for the Arab world as a whole.

When Gulf events of recent years, problematic on many fronts, are considered in light of this reality, the result is a cautiously optimistic outlook for the organization and its member states. Such a guardedly upbeat prognosis applies not only to the GCC's hopes for further economic and defense coordination, but also to the prospects for maintaining local security in the absence of a determined threat by Iran or Iraq. It is certain that the will to do so exists on both fronts and that, for most of the GCC's leaders, the will to follow the necessary course to achieve these goals is strong.

At the end of the day, a successful GCC poses no credible threat to anyone. As this report on its most recent heads of state summit indicates, it has already done, and continues to do, much to enhance the cause of both Gulf and global security. Regardless of its weaknesses and shortcomings to date, the GCC in the mid-1990s can still be reckoned as the most boldly cooperative multinational unit that the eastern Arab world has ever attempted.

APPENDIX

The Summit's Priorities

Analysts approaching the GCC from the outside often mistakenly perceive the GCC leaders' priorities as being similar to, if not exactly the same as, those that they themselves expect to see discussed. Examples include the recent peace-making efforts related to Bosnia, the current status of the Middle East peace process, the recent assassination of Israeli premier Yitzhak Rabin, and the unprecedented bomb explosion at a Saudi Arabian National Guard facility in Riyadh.

Many political-military analysts hope to learn about any progress the GCC's members may have made, or failed to make, toward forging a more effective system of deterrence and defense. Economic analysts are always keen to know if the member states made decisions related to their ambitious 1981 Economic Unity Agreement, which envisions the eventual establishment of a customs union and a common market. Still others seek to know whether the summiteers addressed the implications of the international petroleum industry's consensus that the world price for oil, by far the most important source of revenue for the GCC countries, is likely to remain relatively flat or lag behind inflation for the foreseeable future.

Each of these issues, among others, was discussed at the summit. Although the members' context and perspective were similar, they were seldom synonymous. As each member state represents a country that is distinctly different from all the others, it is natural that their viewpoints on their national interests and on the contemporary regional situation also differ.

Since the GCC's inception, its leaders' needs and concerns, like their counterparts in other international and regional organizations, have been heavily influenced by phenomena rooted in their own countries and neighborhood. Additionally, because of the GCC countries' geographic location and the importance of their energy resources to the world as a whole, attention has also been given to issues of importance to their principal friends, allies, and strategic partners.

Like summits the world over, the GCC's final communique included the accomplishments of the summit. Decisions that dealt with such sensitive matters as defense and security issues, however, are touched on in the communique only in the most general way. Unless one is privileged to have off-the-record discussions with some of the principals, it is understandably often difficult to discern what was agreed upon and the reasons why some of the issues discussed eluded the members' consensus.

Examples of important developments that transpired at the Muscat meetings were the members' emphasis on deepening and broadening their economic links with the European Union countries and their other trading partners: the announced intent of all six countries to conduct in Kuwait in March 1996 their first pan-GCC military maneuvers since 1987; the decision to have citizen photo ID cards replace passports and visas for documentation related to intra-GCC travel; and agreement to launch the initial phase of an eventual pan-GCC energy grid—linking Bahrain, Kuwait, Qatar, and Saudi Arabia first and, later, these four with Oman and UAE.

The Year in Review: Highlights and Process

At each summit, the heads of state review the year-end reports of the outgoing Chairman of the Supreme Council, the President of the Ministerial Council, and the Secretary-General of the

Secretariat in Riyadh, i.e., the GCC's highest decisionmaking, policy-formulating and administrative bodies, respectively. The reports cover the gamut of fields in which the member countries seek to enhance their respective national and collective interest through cooperation.

The issues deliberated are as important and topical, both internally and externally, as economic, security, defense, and foreign policy coordination. At a lower level of public interest, but of no less importance to GCC hopes for building over the longer term, are reports on such phenomena as youth and sport exchanges, standardization of textbooks, and intra-GCC cooperation on information, education, and human resources development policies.

Recommendations from the GCC's Ministerial Council, a body which meets every three months and is comprised of six countries' foreign ministers, are reviewed for purposes of decision or further study by the GCC's Supreme Council. The latter meets annually and is comprised of the six countries' heads of state. The Secretariat's reports are both general and specific, with the latter covering the work of the several standing technical committees, e.g., the Economic and Financial Committee, which is comprised of the six countries' Ministers of Finance. The Committee was established to work on issues of interest to the members as a whole.

The summits, in this regard, are much like many institutions' annual board meetings. As such, there is always a review of agreements from the previous meeting, financial reports, reports of an administrative nature, and discussion of old and new business. Much of the information shared and discussed in the process of attending to this housekeeping side of the GCC's work is of little interest to the outsider. To the principals, however, such reports are the bricks and mortar of the GCC's foundation and building blocks. They contain the details of agreements that, in some cases, took several years to reach and will likely take even longer to implement. They are the support beams and portals of the GCC's evolving structures and systems.