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**POLICYMAKING OPPORTUNITIES AND LESSONS LEARNED FROM REGIONAL
GEO-POLITICAL DYNAMICS: THE ARABIAN PENINSULA (GCC COUNTRIES AND
YEMEN)**

Chair:

Dr. John Duke Anthony

Speakers:

Dr. Abdel Aziz Abu Hamad Aluwaisheg - Assistant Secretary General for
Negotiations and Strategic Dialogue, Gulf Cooperation Council.

Dr. Abdulkhaleq Abdulla - Professor of Political Science, United Arab Emirates
University (Abu Dhabi); lead author, 2008 Arab Knowledge Report.

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University; author, Kuwait's Ceaseless Quest for Survival in a Hostile Environment.

[Remarks as delivered]

[Dr. John Duke Anthony] We are focusing on an institution and a movement that is increasingly well known in the United States but hardly to a degree that is necessary. In the televised debate between then President George H W Bush and Governor of Massachusetts Michael Dukakis, when then President George HW Bush was running for reelection he gave an answer to a question put to him by the interviewer pertaining to the United States having the support of the Gulf Cooperation Council.

Many in the American media thought he was speaking about something pertaining to the Gulf of Mexico. For the longest time Americans were unsure whether the Gulf Cooperation Council was animal, vegetable or mineral. However certainly in the last two years most especially within the last year and a half almost all Americans who follow international relations are aware of the increasingly participatory role of the Gulf Cooperation Council. But they are not really anywhere near knowledgeable in understanding its member states on the issues that the GCC has for itself, including its relations with the United States and its quest to be better understood by the American foreign affairs practitioners.

We have a distinguished panel of individuals from the region who will tell their story and go beyond the headlines to allow us to understand and see and envision America's relations with this important part of the eastern part of the Arab world.

First will be His Excellency Dr. Abdel Abu Hamad Aluwaisheg who is the Assistant Secretary General responsible for negotiations and strategic dialogues, and will be able to explain the kinds of breakthroughs that have occurred in the past year regarding which too few Americans are as yet aware. Dr. Aluwaisheg.

Dr. Abdel Aziz Abu Hamad Aluwaisheg: Thank you, John, for having me here, and happy Eid to all. I think its testimony to how much regard we hold John in the GCC countries that we are all here celebrating with you instead of with our families back home. Thank you very much for coming.

I would like today to talk first about a new frontier I believe in U.S.-GCC relations, and then if there is time I will talk in more detail about what the GCC has been up to in the last few years.

The U.S. has always enjoyed good relations with individual member states of the GCC, but until this year had in fact limited interactions with the GCC as a group. Of course there were the pro forma meetings for coordination and briefings that American officials gave on special occasions or when new issues came up. But this year the two sides took a quantum leap towards a more strategic partnership. On March 31st at the GCC headquarters in Riyadh, the GCC-U.S. Strategic Cooperation Forum was started. Forty ministers from the six member states of the GCC in addition to the U.S. Secretary of State met to launch the forum. I believe there were several reasons for this development.

The new approach by the U.S. Administration to enter into a more organic and closer cooperation with the GCC as a group, as a regional group, the Obama Administration in effect reversed the previous administration's preference for dealing with the GCC as bilaterally, with each member state separately.

I think first of those reasons probably that the U.S., as John has pointed out, has recognized the growing role of the GCC in the region, but also I think of the increased cohesiveness that has been proven once and again of the GCC as a regional organization.

We saw how the GCC worked in Yemen, in Libya – the GCC was the first, in fact, group to call on the Security Council to shoulder its responsibility towards Libyan civilians, followed by the Arab League, and then by the U.N. itself. In Yemen, the GCC initiative was the one that succeeded finally in ending the impasse over the transition of power and with President Ali Abdullah Saleh leaving in November of last year.

Second, I think, the forum was a response to new and heightened threats to the region, including threats to the freedom of navigation in the Gulf, and the spread of ballistic missile technology.

Finally, I think the new shift by the U.S. Administration can be seen in the light of the changing balance of economic power after the global financial crisis. The GCC was one of the few areas that had emerged almost unscathed by the crisis, and in fact growing at fairly healthy rates. The combined GDP of GCC member states exceeded \$1.4 trillion last year, and is growing – doubling almost every five years. It's expected to exceed \$3 trillion by the end of this decade – definitely a growing economic power.

A related issue I believe is the decided shift in GCC trade away from its traditional partner, the United States, towards Asia – China, India, Korea, Japan, among others. Until recently, the U.S. was number two trading partner of the GCC after the EU, a group of 27 countries. Today it's number six. Our trade with Asia for example today is about 60 percent of all GCC trade with the external world, with the United States only about eight percent.

Just take China only, for example, over the last twenty years. In 1992, GCC trade with the United States accounted for about 15 percent of its overall trade – with China it was only two. In fact less than two – it was 1.6. In 2002, just ten years ago, trade with the U.S. was down to 11 percent, while with China it doubled to four percent. Last year, 2011, trade with China has doubled again, and reached over 10 percent, while with the United States it shrank to less than eight percent.

Obviously these are cause for concern for both U.S. exporters in the region and to trade officials, and in several meetings over the last decade actually we discussed this issue and how best to reverse that trend.

So what is new in this forum? I think what is new in this forum is not to hold more meetings with individual member states or jointly with all the GCC member states together, nor is it about assessing the threats, because already I think the GCC member states and the United States shared a common assessment more or less over the threats and challenges that both the United States and GCC member states face in the region. I mentioned some of them. Spread of nuclear weapons for example is one. Spread of ballistic missile technology is another. There is the freedom of navigation, the need to protect critical infrastructure in the GCC, as well as to counter piracy, terrorism, and arms smuggling more effectively.

So all of that was already there, so what was needed was the establishment of a formal body to oversee cooperation in all these areas, and probably more areas of common interest, but from a strategic perspective instead of an ad hoc, piecemeal approach which was common in the past.

In other words, the new idea was to establish a framework for political, security, economic, and people-to-people cooperation, with the GCC as a cohesive, effective organization to face those threats and challenges I just mentioned.

Obviously this collective approach would not be a substitute for bilateral cooperation with individual member states, but in addition to it – it would enhance it and augment it. It is clear that some of the challenges I mentioned are best dealt with collectively to enhance and complement existing bilateral forms of cooperation. However, for some other areas it has become in fact necessary to deal with them collectively. This includes nuclear weapons proliferation and ballistic missiles.

So the forum was launched in March, and the second meeting was held in New York less than a month ago, the 28th of September. So what happened in those six months? I think many people were skeptical – including myself, by the way – but in fact several steps were already taken by the September meeting.

For example, a high-level U.S.-GCC security committee was already empanelled with a number of working groups and working under its supervision, dealing with counterterrorism, border security, as well as combating piracy and arms smuggling. Again to make it clear – these things existed in the past on a bilateral level. The new thing is to have them in a collective fashion, a multilateral fashion.

Second, a U.S.-GCC framework agreement for trade, economic, investment, and technical cooperation was signed last month in New York. This was I think – as far as I know – the first U.S. agreement with the GCC as a group. Working groups on education, health, environmental disasters and natural resources management have already been formed. Discussions were underway to enhance ballistic missile defense cooperation in a region-wide approach. This would be in addition to ongoing U.S.-GCC cooperation in this area at the bilateral level.

Next there was increased cooperation on counter-piracy and maritime security through a newly established Maritime Operations Center in Bahrain, with which the U.S. will work more closely to improve interoperability of maritime forces, harmonize maritime communications procedures, and expand combined U.S.-GCC Naval operations.

Next, the two sides started to work together to preserve freedom of navigation in international waterways, and to deter potential threats to the Strait of Hormuz, in particular, or interfere with regional and international commerce. The idea is not only military here, talk also about other means, other measures both legal and political and diplomatic. The GCC and the U.S. took part in the September 2012 mine countermeasures exercise, and it is the job of the joint committees that I mentioned to identify ways to further build up on this collaboration.

There are several other examples, but look at the forum in general, and these steps in particular from the viewpoint of the GCC. We find that the forum fits well within

the strategic objectives of the GCC as outlined in the charter and also in recent practice. And obviously the U.S. has its own strategic objectives in the region and elsewhere. So working together within the newly established Strategic Cooperation Forum believe the GCC and the U.S. could work to further those objectives and serve their common interests.

And a question that has been raised – I’ve been asked several times since I came to Washington – will there be any change if there’s a new Administration in Washington? Obviously I don’t know actually, but the process of consultation that took place in the GCC and within the U.S. Administration involved so many agencies that I believe that the forum is an expression of genuine interests that probably will not change with the change of the administration – if there is a change in the administration. So I’m not concerned about that.

The preparations for this forum go back to 2010 – took a long time to consult. Was more difficult for us probably because we have six countries and six sets of bureaucracies, and also for the U.S. as well. So I think that the decision to enter into this relationship, into this strategic cooperation relationship probably will not change over time, except there may be differences in style, assuming that there is a new administration. Thank you very much.

[Anthony] Thank you. Thank you, Your Excellency, for providing us with information and an update that I think is probably brand new, first time being heard for 95 percent of the people in this audience.

Our next speaker is Dr. Abdulkhaleq Abdulla from the United Arab Emirates, who’s become a prolific author and a popular speaker, much in demand not only by his university students, but by practically any and every seminar or conference dealing with the GCC these days. Dr. Abdulkhaleq.

Abdulkhaleq Abdulla: Thank you, John. I’d like to bring to your attention a few concerns and new trends when it comes to the US-GCC relationship, and although as Dr. Abdulaziz and other speakers have said that the relationship is solid and mutually beneficial and very promising, I think there are areas of differences and concerns and things do not look as solid as we move into the future, and I’d like to bring to your attention some of these concerns and some of the new developments and trends in the region and in the GCC foreign policy thinking.

To understand the GCC’s thinking, I want to bring to your attention the three pillars, the three pillars, the three major components of the GCC’s foreign policy. And they have to do with pillar number one – security, pillar number two – economy, and third – identity; security, economy, and identity. These are the tripartite of GCC’s foreign policy, and there are a few things, new developments in each of these components that has to do with the relationship with the United States of America. And let me start with the first component, which is security.

Under security, the GCC go to the United States and the West firmly. This has been the pattern in the 40-plus years. For security, Arab Gulf states immediately think America, the United States, the West. That's where the security comes from.

For the economy nowadays, as Dr. Abdulaziz has said, the thinking is go east – Asia, China, India, Korea, etcetera, etcetera, the Pacific.

And for the identity, we go to the Arab world. That's where the Arab world, the affinity is.

Now, from the new and recent development in this tripartite foreign policy or strategic thinking is that the GCC states have to adopt themselves to the post-America world. America is not necessarily in decline, America is not necessarily collapsing, it's not fading away as a superpower, but it is no longer the place to go for solid security assurance as it used to be ten years ago. America is positioning itself, there is a lot of problem here, paralysis in Washington, new emerging powers in Asia and around here and there, and belief in the GCC states is that it is not wise strategy to put all your security eggs in one basket.

In light of the bad performance in Iraq and the not so convincing performance in Afghanistan, America as an insurance company, as a security insurance company, is no longer to be totally trusted. Something is not settling about this new superpower, and hence it's wise to diversify. The name of the game, the strategic thinking is security diversification. Not just economic diversification, but security diversification. It's better to branch out, to go around here and there and find out not alternatives, but plan B, plan C. So I think despite all the talk about the solid relationship, even in the security like things are not as solid as you would expect here in Washington. And I think that's the security pillar.

Second – economy. As Abdulaziz said and as all the facts are showing it is Asia is the place to go to. It's no longer the West. There's a huge drive to go to East, not to the West when it comes to the economy, the economic link of the tripartite. Asia is booming – if you're looking for oil, it's going to Asia, investment, market, opportunities, Asia is looming large in the economic pillar of the strategic thinking of the GCC. And I guess everybody's going East and going to Asia and going to China, and so is the Arab Gulf states.

The Pacific age is coming – America is going that way, everybody's going that way, and so are the Arab Gulf states. They are finding Asia, and Asia is approaching the Arab Gulf states, so the two are meeting on that very important link of the thinking, of the strategic thinking, of the economic link.

Just two weeks ago, me and Dr. Abdullah in Kuwait, from Kuwait, attending a conference, the Asian Summit. Fifty-two Asian states met on the summit level, foreign policy level, and expert level in Kuwait, and that was the first Asian Summit of its kind. And the thinking is that Asia is emerging as a center, as the new center,

and Asia is now thinking, dreaming of Asian community along European community, and maybe in 100 or 200 years into the future even develop something along the line of Asian union. It might be a dream, it might be just wild idea there, but the thinking is the start. And the Arab Gulf states want to be part of that future thinking. So on the second leg of the strategic thinking in the Arab Gulf states is Asia, China, Korea, India, not the United States and the West anymore.

Third leg or third pillar of the strategic thinking and the new trend and something that Washington needs to be alerted to has to do with the identity of course. The identity issue, the affinity. Where do we get our identity from? Of course it's in the neighborhood, in the Arab world, firmly there. But something really huge has happened in the Arab world during the last two years – the Arab Spring.

Something really historically huge has happened in the last two years in the Arab world, and I think the Arab Gulf states are not immune from the changes that are sweeping the Arab world, they are part and parcel of Arab history, of Arab identity, of Arab culture. Anything that happens there is bound to influence it. And two things are associated with this Arab Spring, which presents a huge challenge to the Arab Gulf states. Two historical movement trends that are associated with the Arab Spring.

And one trend is the Arab world is becoming more democratic. Egypt, Tunisia, Morocco, Libya, etcetera, etcetera – the Arab world probably is becoming more democratic than it used to be during the past 60 years. More democratic Arab world is possible. It's still in the making – democracy is difficult as everybody has heard, and there is no easy manual to build a democracy. But the Arab world is becoming more democratic.

Simultaneously at the same time the Arab Spring is producing a second trend, and injecting a new future trend, which is the Arab world is also becoming more Islamic. More democratic Arab world is very likely; more Islamic Arab world is also more likely. Two trends. Both of these trends are considered a huge challenge to the Arab Gulf states. And I'm not going to talk about the democratic part of it, but the Islamic part of it is more worrying. And it has something to do with the GCC-U.S. relationship.

And what we see here, the big story of the last two years, the big story of the hour in the Arab world is the rise of political Islam, the rise of Muslim Brotherhood. That's the big story for the hour in the Arab world. But the real concern when it comes to U.S.-GCC relationship is the way Washington is starting to flirt with political Islam, or engaging, or managing political Islam, and pushing or empowering Islamists in places like Egypt and Tunisia and throughout the region, that is sending some messages and raising a few concerns on many levels. Let me just briefly go through some of them, because it's a huge concern at this moment in the Arab Gulf states.

The concern here is not just that the United States has made a shift, a sudden shift from old allies, the moderate regimes, to the new forces of change, but the suddenness of policy shift is raising some concern and creating mistrust. Suddenly from demonizing Islamists and Muslim Brotherhood, the Muslim Brotherhood are given red carpet in Washington and considered to be the new allies. A 180 degree shift is not settling very nice in the Arab Gulf states. To go from one extreme, to treat the new forces of change represented in the Islamists, political Islam, in such a massive way is sending some wrong messages.

How can you trust America when it shifts from one position to the other? Some call that shift in the region, the Arab Gulf states, as being naive. You really don't know the Islamists as much as we know them, and they could come back at you with revenge and vengeance, as they did during the Mujahedeen in Afghanistan, and other places you can tell. But that raises a problem for the Arab Gulf states, to replace. Is it possible if you make that shift, are you also in America ready to support Gulf Islamists, which are rising. If you make this sudden shift from one ally to another, what guarantee is there that you will not come to bargain, to make a grand bargain with Iran, and all of a sudden there is this question that we are left out of it. So it's sending a lot of messages – most of it is not settling.

Finally I want to end up by saying that these have few concerns on that economy, security, and identity level, but there is something which is also important to conclude with, and that is that the GCC of 2012, the Arab Gulf states of 2012, are vastly different, are vastly different from the Arab Gulf states of ten years ago, or the Arab Gulf states of the 1980s.

The Arab Gulf states of 2012 are more self-confident, are acting more assertively in regional politics, are promoting themselves as more independent. They are no longer to be viewed the "little ducklings" of the 1980s, the vulnerable little small states of the past. And indeed if you look at the facts and figures and the real stuff, this is the Arab Gulf States moment in contemporary Arab history. The center of gravity is changing from the traditional capitals from Cairo and Baghdad and Damascus and Beirut and everyone else to the new centers of activities and creativity and gravity which is Doha, and Abu Dhabi and Riyadh, and these places, the smaller states. They are in the drivers seat when setting the regional and Arab agenda. It's no longer Egypt. Egypt might recover, but maybe four or five years. Syria is in shamble. Iraq is completely knocked out. There's nobody around except for the GCC and Arab Gulf states, and they are acting independently, assertively, and to say the least self-confidently. And you have to treat them that way, and you have to come to terms with them on these grounds.

In many ways the United States, just like the West who's going through all the financial problems and political paralysis, et cetera, et cetera, and inner looking are probably in need of the Arab Gulf states as much as we probably need them. And this is a shift, a historical shift in who should decide the rules of the game and the rules of the relationship from now on.

So – one thing for sure. If there's one final advice, do not take the Arab Gulf states for granted anymore. And do not, if you can, mess around with them anymore. These guys are smaller states with big egos. Some of them really have the big ego, and you know who I have in mind, but it is a different reality.

So in conclusion, the relationship is solid and sound, and the fundamentals are not as good, but there are new concerns and new trends and new developments. And I think you should take all of these developments very seriously if we are to conduct business from now on. Thank you very much.

[Anthony] Thank you, Dr. Abdulla. Our next speaker is Abdullah Al-Shayji, who's been an American Affairs Advisor for the Speaker of the Parliament in Kuwait. He's a professor of political science, has his PhD from the University of Texas at Austin, and he's become an increasingly prolific – he always was – but even more so now, writer and contributor to the media. Dr. Al-Shayji.

Dr. Abdullah Al-Shayji: Thank you, Dr. John Duke Anthony, for the invitation. Thank you for hosting us. Salam alaikum. [Greeting in Arabic] When I accepted to join or to participate in this panel, I never thought it was going to coincide with Eid al Adha, which is today, which is the most festive occasion for Arabs and Muslims all over the world. One point six million Muslims today are celebrating this festive occasion, and we are here because a commitment is a commitment, John.

So I'm glad I'm here. I'm glad with this distinguished panel here with my friends, and I'm glad to join with you to talk about what could be a major change in the region following on what was said by both my colleagues, Dr. Aluwaisheg and Dr. Abdulkhaleq.

I'd like to tackle this issue from another angle, from the angle that the relationship between the United States and the GCC states have been for too long a symmetrical relation between junior partners and the largest and most powerful country in the world. This relationship has witnessed its ups and downs, and there are – sometimes we see eye to eye, sometimes we don't see eye to eye, but given the Arab culture there is a lot of apprehension about saying your mind.

Having said that, let me point out that with the U.S. election this year, it seems that many leaders and people around the world, not only in the United States, are following closely with much anticipation and apprehension the unfolding U.S. presidential election to find out the outcome of the November 6 presidential election, which will weigh in on many issues and might affect the well being of many countries and many nations. Because of that there's a stake here in following United States elections and its outcome.

We are seeing United States retreating. We are seeing United States as not the indispensable country that Madeline Albright, the former Secretary of State, spoke

about United States as the indispensable country in the world. The world is now shifting towards a more multi-polar world as my colleague Dr. Abdulkhaleq Abdulla pointed out aptly, that now that there are major powers rising all over the world, especially in Asia. We have the BRICs, which is a new important bloc of major countries that have Brazil, China, India, Russia to contend with.

People are looking East. And the Middle East and the Arabian Gulf, which have borne the brunt of much of U.S. blunders in the last three or four decades, and its missteps which left in our neighborhood where we live, Iraq shattered. United States pulled out, left Iraq for home, and what kind of Iraq was left? Emboldened Iran, and upset the fragile balance of power in the Arabian Gulf, which has been the major cause of instability for too long in that region. Now the U.S. has coined a new phrase for its allies and foes. For us it seems an oxymoron term, and that is leading from behind. What does that mean? How could you lead from behind? The United States did it seems in Libya. Was it war fatigue? Was it the economic crisis? United States is most debtor nation in the world – \$16 trillion dollars your national debt. So how could you – real reality is kicking in. You're dealing with a superpower that is a broken superpower, that's completely in an election year submerged in its domestic politics, and as the famous Tip O'Neill said, all politics is local.

So how do you perceive the United States from 10,000 kilometers away or 7,000 miles away from these shores? There is also an understanding in the Gulf region that there is war fatigue for the United States. There is public and growing disenchantment – Americans, according to many surveys – are fed up with wars and with wasting lives and money. The U.S. was caught by surprise during the early phase of the Arab uprising, or as it's called in non-academic jargon, the Arab Spring, which is still a work in progress, and where people were mesmerized following the election in a nail-biting real race down to the wire in Egypt, for instance. It was a first.

And election in Tunisia and Libya, and the mayhem in Syria that is really a major disaster – we are witnessing it before our eyes, and we couldn't do much about it. Also we witnessed some of what I call GCC baby steps regarding some kinds of reforms, which now has been regressing rather than progressing in the last few months. But the real question here is should we expect that these changes, or the changes in the White House would make any difference in the future regarding the U.S.-GCC relations.

My argument is that the United States is an institution, is a country of institutions. All my friends in Kuwait are asking me what if, as Dr. Abdulkhaleq said or even Dr. Aluqaisheg said, what if Romney comes to power? What if Romney on the evening of November 6th becomes the U.S. president? What are the changes to expect? People are now thinking about this seriously, because Romney is closing in, in the polls, especially in the swing states, and that is a fundamental thinking now in the region, about the changes in the United States.

There has been much disappointment in many quarters of the Arab world with the lackluster performance of U.S. President Barack Obama, who was expected to deliver more, and assuage and mend much of the traumatized relationship between the Arab and Muslim world and the U.S. under his administration. President George W. Bush, the relationship between the United States and many Arab countries witnessed its lowest ebb because of the wars that he launched in Arab and Muslim lands, succumbing to neo-conservatives' agenda, made the MENA region especially in the Gulf region more unstable by what was called or coined at that time constructive chaos. The costly and bloody occupation of Iraq/Afghanistan, the longest war now for the United States is in Afghanistan. Wrecking the fragile balance of power in the Gulf region, making U.S. allies more vulnerable to hegemonic Iran, fragmented Iraq, and stole Middle East peace process, and also al-Qaeda seems to be on the rebound.

I want to take this opportunity also to commend what I heard this morning from the Palestinian panel before us. I hope the voices that we heard won't be voices in the wilderness, and I also thank Dr. John Anthony for that panel, and also the panelists for speaking something different in Washington that rarely is being heard in this town. And that is because in my opinion of much of the argument in the United States by naïve Americans. Why do Arabs and Muslims hate us? If those people that ask those questions would come and listen to the panel before us, the Palestinian panel, they probably would start to have some kind of a clue about why Arabs and Muslims hate United States' policies, not people.

During the election year in the United States, all foreign issues seem to take backseat. The incumbent President who is too busy with his campaign issues, travels, debates, swing state visits, seems to outsiders and foreigners running for election as a governor, and not for the President of the United States. Since all politics is local and all major foreign policy issues and agenda during the election years and especially this election year seem to center on local issues and all foreign policy and security issues are put on the backburner until after the election dust is settled. From the Middle East peace process to the Iran nuclear showdown, all these issues have to wait. The consequences of the Arab Spring or Arab uprising to how to deal with the rising power of the Islamists, which is something that all of us have to contend with, and how the United States – as Dr. Abdulkhaleq stated eloquently – what do we make of the United States shifting positions from, its position regarding Islamists and especially Ikhwan, to befriend them and to deal with them, that's probably a pragmatic approach, but that does not instill confidence in United States as a country that could stick to its really principles.

And this is another story. I remember Secretary of State Condoleezza Rice, former Secretary of States Condoleezza Rice, stated in a very frank tone back in 2005 the dilemma of the United States' relationship with the Arab world and democracy versus security. She said at the American University in Cairo in 2005 after the U.S. invasion of Iraq and talk about democratization and President Bush talking about fighting tyranny. That was a time when the United States was naïve about the issue

of spreading democracy in the region. Secretary Rice stated that for 60 years my country, the United States, pursued stability at the expense of democracy. After 60 years, we have achieved neither. Now, we want to have new start and we need to concentrate on democracy.

Maybe that is the issue that we should understand about the United States – the United States could shift positions regarding its interests, because it seems that stability comes first rather than any other issue. I believe in the Arab world and the Arabian Gulf states the survey that most people prefer to have President Obama – a recent survey by BBC News – over 21 countries, 20 countries out of 21 countries preferred President Obama over Romney by 50 percent for Obama, 9 percent for Romney. In the Gulf states, in the Arab world I think the results could differ, because GCC states think that Republicans usually are tougher and could take tough stand regarding their issues, but Romney also at the same time is not helping his standing in the Arab world and in the Middle East, and especially on the Palestinian issue regarding his position of the Palestinians being culturally lazy.

Let me move to my second part of my paper. As Dr. Aluwaisheg stated it was this year a welcomed move by the United States to engage the GCC states, and to elevate its strategic ties from its bilateral country by country relationship with the GCC states to deal with the GCC collectively as a single entity and as one body.

I opened a piece in the Gulf News newspaper in Dubai back on April 16, 2012 arguing this move represents a major shift in U.S. strategic thinking and shifting the U.S. ties with the GCC allies, in a move from alliance to partnership, because for too long the United States has dealt with us on a bilateral basis.

Even from the time Kuwait was liberated until this year – and I can tell now I was glad to hear from Dr. Aluwaisheg, his assessment or the fact that there has been now working groups and there has been now more strategic thinking, and I think this is the way we should go about it, about the relationship between the United States and the GCC states, which is the major player in the Arab world. And I think the new thinking by the United States to elevate the relationship between the United States and the GCC states did not come out of vacuum, because the GCC states have proven over the last two years that they are the major player in the Arab world and Arab politics.

The Arab political order since the breakout of the Arab uprisings have gradually pivoted towards the GCC states, the new kid on the block. The GCC states have emerged as the engine and the unrivaled leader of the Arab world now. The GCC states have been the lightning rod in directing and shaping the Arab transformational changes by combination of soft and hard powers. Tactics, initiatives, financing, post-revolutionary changes in Egypt, Tunisia, show a leadership role in dealing with these changes. That role manifested itself in both soft power through Al-Jazeera – the TV news network, and Al-Arabiya, and other lesser

known religious media and TV networks highlighting the plight of the citizens in the Arab republics undergoing transformational changes and reforms.

It manifested itself in initiatives that led to the abdication of Yemen President Ali Abdullah Saleh from office by drawing a line in the sand against regional meddling in Bahrain by Iran, a fellow member state in the GCC club, and came to the rescue of Oman, another fellow member state. The GCC leadership was present in galvanizing the Arab order to rally behind the Libyan people, and passing a no-fly zone over Libya by the Arab League, a first by a pan-Arab organization against a fellow member state. The GCC states led by Qatar and United Arab Emirates participated with NATO forces in military operations against Kaddafi's forces in Libya where United States led from behind. The GCC states are spearheading the Arab efforts today to hold Syrian President Bashar al-Assad accountable. The GCC states recalled their ambassadors from Syria, and expelled the Syrian ambassadors from the GCC capitals. The Qatari Emir is on record demanding Arab forces to be sent to Syria.

If we take all of this together, what we have now – we have moved in the relationship between the GCC states and the United States from allies to partnership, and this is as I said a welcomed sign. Especially that we are facing joint or shared common threats that are emerging in the region that really need to be dealt with in a more comprehensive manner than what was done before.

U.S. Secretary of State Hillary Clinton meeting with the GCC Foreign Ministers counterparts last March in the GCC headquarters to launch the strategic dialogue between both sides, made it clear that – and I'm quoting here Secretary Clinton, “regarding the common challenges and threats we are facing in one of the most important strategic regions in the world” – I underscore the – I'm quoting here Secretary Hillary Clinton – “I underscore the rock solid commitment of the United States to the people and nations of the Gulf, with promise by the U.S. to provide its GCC allies with missile defense architecture to protect the GCC's oil wells and ports from possible Iranian attacks.” End of quote.

The U.S. shares with the GCC states all these needs in my opinion to have a collaborative effort at the collective level in order to face these challenges. The problem that we are facing in the GCC states is the asymmetric relationship with Iran. Iran has emerged as the bully in the region – it's the 800 pound gorilla sitting in our living room, and what we see from United States now with the Iran issue is on the backburner with Israeli Prime Minister Netanyahu threatening to use force against Iran's nuclear program, is bringing the region into some kind of apprehension regarding where should we go from here.

The problem that we have with all these niceties with the United States – we do not have any leverage. We are not part of the dialogue regarding what to do with Iran. We are not part of the dialogue what are the future relationships in that part of the world. We are completely shut out. As you have three plus three – this is my proposal – if the United States will take as Dr. Abdulkhaleq Abdulla gave his final

advice – for the United States to take us seriously. we are don't mess with us, and I agree with him, but from what we see is that there is – nobody's listening here in Washington for the pleas that Dr. Abdulkhaleq and myself are saying now. That we are bystanders at the end of the day, and this is a pity. We stand to lose more than anybody else if Iran would retaliate against Israeli attack or American attack. And we keep telling the Iranians that this is not our war, we're not part of it. We are not going to even allow the Americans or anybody else to launch any war or to use our countries as launching pads against Iran.

But unfortunately we do not have any leverage whether with Iran, that Ahmadienijad was in Kuwait to attend that ADS Asian Dialogue Summit a couple of weeks ago, or with the United States. So we are left really without any shelter here, although Secretary of State Hillary Clinton in that dialogue keeps telling us that we face common threats: terrorism, nuclear proliferation, piracy, border, economic strategic ties. Okay, that's fine, niceties, but what if push comes to shove? Why wouldn't there be in the United States' thinking like 3+3 as the Europeans say 5+1? Negotiating at the international level between the United States and the P 5, and Germany with Iran – why wouldn't there be a role for the GCC Secretary General or the presiding country, rotating presiding country – in this case Saudi Arabia for this year – to sit on the table with the negotiation in order to hear our also position regarding the nuclear issue.

John I'm finishing here. The GCC states, its leadership, and people yearn for security and peace. We are living in a tough neighborhood, and are fed up as you are with crises and wars and militarization. While your country is now – according to President Obama – he will cut defense budget by half a trillion dollars by next decade. We would love to have that too also, to cut our defense spending.

There is no declared preference for us, but to really have stronger ties with the United States now that the relationship has been elevated from allies to partnership. I think this is a great moment for both of us, for United States that has much stake and interest in the most volatile region to deal with its new partners as partners and not as junior partners, because it's going to be a win-win situation for both of us if that happens. Thank you.

[Anthony] Thank you to all three speakers for enlightening the audience with information, analysis, and assessments, as well as recommendations that have yet to be written in the mainstream media, hardly voiced in any Congressional hearing, or even in the substantive dialogues within the nation's capital's so-called think tanks. I say so-called because most are really agenda tanks. The GCC-U.S. relationship seldom if ever comes up in any of those three circles that I mentioned.

We have a number of questions. I think the first one – we'll start with you Dr. Aluwaisheg, and ask for additional commentary from Dr. Abdulkhaleq and/or Dr. Al-Shayji. Now, what can the GCC learn from the European Union crisis that is beneficial for the GCC in terms of its having been going in or giving serious and

favorable consideration to go in similar directions regarding monetary union common currency? What are the relevant lessons for policymakers?

[Aluwaisheg] Thank you. The most immediate lesson obviously is that we put on hold, temporarily our plans to introduce the unified currency, which was scheduled for 2010, because the unified currency was modeled after the European unified currency, and in fact the blueprint was written by the ECB, the European Central Bank with some modifications. So if the original was facing some difficulties, we thought we had to reconsider what they call the conversions criteria, to make them more solid, to make the accountability more rigorous than has been the case in Europe. The monetary unit is still on the table. There was recently the Monetary Council for the GCC was established, a new head of it was appointed from Kuwait, but the timetable has been revised until we reach a point where we feel that there are enough safeguards that the unified currency will be resolved.

[Anthony] Dr. Abdulla. Either of you like to add to that?

[Abdulla] I think with the European crisis, it gave us a big pause. If the GCC wants to use the prototype, the EU as a model, I think with the Euro-crisis, with now the domino effect of Greece almost bankrupt, with Spain demanding much money, Portugal, and other countries, this will give the members in the GCC who have been hesitant about pushing farther and faster towards more economic consolidation, whether through the common market or the currency that has been put off because two countries, especially the second largest economy in the Arab world and second largest country in terms of GDP in the GCC, the U.A.E. has opted to stay out. Then I think EU is not being a good model or a facilitator or a catalyst to push or nudge the GCC or convince those hesitant voices and members to change their minds, but to keep strongly to their positions and beliefs that we should wait and see.

[Al-Shayji] Now remember, John, there are two Abdullah's here, so you have to be very specific.

[Anthony] Yes. Abdulla to my right, Abdulla to my left.

[Al-Shayji] It is interesting to note that at a time when EU is going through a crisis and doubt and self-doubt, and the Euro is at its lowest – at this very time when Europe is going through all this confusion, in 2011, GCC came up with its own future project called Gulf Union, meaning that they have 30 years, they have invested 30 years in GCC, and now they are at a crossroad, they are not going to go back and look at Europe and fall back, but rather think ahead and go into the future.

This is very interesting to notice the contrast here. A huge contrast – bad news from Europe, good news from the GCC. I think that's what you need to focus on. This is another reassurance of self-confidence, and how we're thinking of the future, and how to take the GCC one-step forward rather than one-step backward. Now, we always learn a whole lot from EU. It is a role model. It is a trendsetter for regional

integration, for cooperation between two or more states. And the lesson that we learned from Europe is this – clear and simple message – integration is no easy job. Regional integration is always meticulous, difficult, frustrating – it always, throughout history, and Europe is a testimony, and GCC is another testimony. Regional integration – they tend to go one step forward, half a step backward. But in general the movement is always forward.

So, you look at the GCC, where it was 30 years ago, where it has become. If you look at GCC, not 2012, but 2022 – ten years from now. I would be very optimistic about this GCC that's going to go forward. So, to me I think the lesson learned there – integration's difficult, but we just have to keep at it, and move one step forward over time, despite the fact that between now and then there is a half step backward.

[Anthony] Thank you both. I thank you for commenting in addition to Dr. Aluwaisheg. Dr. Aluwaisheg also again if you could address the matter of the separate free trade agreements that two GCC countries concluded with the United States – Bahrain and Oman. How have these aided or hindered the GCC's efforts for greater integration?

[Aluwaisheg] Hindered. I think those FTA's were vestiges of – you know – previous policies that preferred to deal with the GCC as separate states rather than as one unit. Those bilateral FTA's in fact created difficulties for the customs union. We still have not really been able to insulate the customs union from the effects of those bilateral FTA's. There are solutions that are under consideration. They eventually will be able to inoculate the customs union from the effects of those two FTA's. I doubt that the U.S – the current Administration, or in this current – in the new relationship will contemplate something like this again.

If you don't mind, John, I just wanted to comment on something that was said earlier, which is I do not want anybody to have the impression that we are putting all our eggs in the U.S. basket regarding security or economic relations. My department, we deal with more than a dozen key strategic relationships, and in fact the first one was not the United States, it was with Turkey, and second with China, and the third one with the ASEAN countries, etcetera. But that doesn't mean that the United States is not a very important strategic partner for the United States. I think people disagree on how fast it's losing it's power, or if it's losing power, but it will remain I think for the foreseeable future our number one I think strategic ally, for security, in particular.

For economics, it will remain a key partner. The whole idea of this strategic forum is to look for opportunities, not to look for weaknesses, and to capitalize on those opportunities that we have – we believe we have – with the United States, whether it's in security, or political cooperation, or in economic cooperation – or in people-to-people contacts. We have more students in the United States than any other country in the world. Obviously that says something about our faith in the U.S. educational system. The other thing about – also I did not want the impression to be

left that we have been shut out of the 5 + 1 one negotiations. It was actually a GCC decision not to be included – that should be clear. We have regular briefings, we have regular discussions with all members of the 5 +1, so I think we're always kept abreast, and also consulted under our understandings also regarding those negotiations, but we have chosen not to be a part of them. Thank you.

[Anthony] Thank you. Two or three questions have to do with the much discussed possible association with Jordan and Morocco in terms of this perhaps being mainly a strategic, geo-political move to show the strengthening of the monarchical governments in the Arab world against those railing against this form of governance. How would you put this in perspective in terms of the likelihood of any meaningful associational new relationship with Jordan and Morocco? And why would it be necessary? Where would be the benefits? What would be the challenges? And what would be the implications?

[Aluwaisheg] I think it's another way the relationship, the new relationship with Jordan and Morocco, is a new way of formalizing. It's similar to what we went through with the United States. It's a way to formalize an existing relationship between each member state and Jordan and Morocco. And we have gone through a similar exercise. We actually next – in about two weeks we'll have another meeting with the foreign ministers from both countries. Over the last year since the decision was taken last December, we have had many discussions with both countries. We have canvassed the opinions of almost every agency in the GCC, and I'm sure the Jordanians and the Moroccans did the same, and we were surprised about the enthusiasm about solidifying this relationship. And basically it has two main components.

The first one is development assistance. As you probably know, the GCC has committed and already started delivering to these two countries \$5 billion over the next five years for each; so each year \$1 billion for each one of those countries. And the first installments have already been received.

The second component is what we call an action plan. The action plan has about I think between ten and thirteen different areas of cooperation where we identified win-win situations for collective GCC cooperation. In other areas I think we'll continue to have probably bilateral cooperation in some areas where collective cooperation may not be as efficient. And those include everything – from political, security, to economic, to people-to-people. One of the areas that surprised me, for example – which is included in the action plan that's under discussion – may be approved two weeks from now – is empowerment of women. Learning the experiences from Morocco and Jordan about how to empower women in the Gulf and vice versa.

So actually the process is wide open, and it includes almost every aspect of life. The objective is to increase this relationship – to elevate it into what we call a special strategic relationship that hopefully will benefit both sides. Thank you.

[Anthony] Thank you. Abdulla on my right.

[Abdulkhaleq] Okay. Frankly this Morocco-Jordan initiative was probably the most stupid thing that came out of GCC in 30.

[Anthony] Great agreement here.

[Abdulkhaleq] It was dead on arrival. Don't take it seriously, and don't ask any questions about it. But, however, if it conveys anything, it only conveys what I said – their self-confidence. It comes from a position of strength, not a position of weakness. All of a sudden in Riyadh they thought these monarchies are in imminent danger, and that we could help them, rather than they could come to help us. So I think it also comes out of that self-confident and position of strength that the GCC see themselves at, at the moment, John.

[Anthony] Okay, yes.

[Aluwaisheg] If I could just add I think 75 million people probably say you're dumb, but I respect your opinion.

[Anthony] Abdulla on my left.

[Al Shayji] Thank you, John. I agree more with Abdulkhaleq than with my official friend here from the GCC. And I'm glad to hear the official position of the GCC that was articulated very nicely by Dr. Abdel Aziz Aluwaisheg as the Undersecretary General for the Strategic Cooperation. But yeah, it doesn't make any sense. It was a thought that fizzled out completely, and ended up with a – just handouts and economic subsidies and help. We just contributed \$1 billion to Jordan, and I think another billion is coming up to Morocco, which is great, but how could you have a country united with you in a union that is 8,000 kilometers away, and there is little common with the west part of the Arab world and the Gulf states.

I mean, I would had loved to have six plus two, that was – we talked a lot of 6+2. 6+2 the first time came when Damascus Declaration – Syria and Egypt – after the liberation of Kuwait in 1991. That also fizzled out as a part of a mini Arab defense system. But my love for 6 + 2 is to include GCC, Iran and Iraq, in order to have a regional, regional club, or regional union in the Arab neighborhood, in the Arabian side of the Gulf and the Persian side of the Gulf with Iraq. But which Iraq and which Iran?

You cannot have stability and security by outsourcing your defense and security forever. We cannot rely on United States, or on NATO that has ICI, some cooperative initiative, or anybody else. We have to rely on ourselves. Because of that, the union came on the heels of all these, tinkering with all these thoughts. I mean, a year and a half ago we talked about 6+2 to include Jordan and Morocco. Last December, King

Abdullah of Saudi Arabia surprised everybody at the Riyadh Summit by declaring enough is enough – now is the time to move finally and forever from the status of cooperation that has been lingering and lethargic for too long, for 31 years, to a union, which the GCC charter talks about.

I hope this Union idea does not face the Jordan-Morocco idea, and I hope that we put some kind of meat on the skeleton of the GCC, and be for once capable of transforming that most important part of the region that spreads from Spain to India into some kind of a coherent organization that could be dealt with at the international and regional level, and we could have the elusive balance of power that has really alluded us for too long, to be on equal par of the emerging Iraq that's buying F-16s, and dealing with Russia, and dealing with the United States, and buying offensive even weapons, and with an emboldened and ambitious hegemonic Iran.

That is the crux of the issue – helping Morocco, helping Jordan – we could help them without being members with the GCC, but these ideas are part of the GCC thinking that really needs to be understood from the perspective of the GCC, that we need to have more power and to get our act together to be taken seriously not only by Iran and Iraq, emerging Iraq, but also by the major powers, especially here in Washington.

[Anthony] Thank you, Abdulla on my left. The last question will be punctuated with a semicolon. And one is to Abdulla on the right, because he's from the U.A.E. This city has read more, heard more, focused more on the situation in Dubai – or as people have begun to call it, 'Do-buy', to link it to Mumbai, Shanghai, et cetera – the situation that happened between Dubai and Abu Dhabi still is a question as to what have been the repercussions? What have been the lessons learned? What have been the results of the implications for foreign policies who look at the U.A.E. partly through the lens of Dubai, and to a lesser extent the lenses of Abu Dhabi? Now, the question that hangs onto that is what last statement would any of the three of you want to make to the audience here, because there is a perception that the Arab countries are often critical of the U.S. involvement in the region? Either we are involved too much, or not involved enough. What's the right balance of involvement required from the United States, and how urgently, or when? Abdulla on my right.

[Abdulkhaleq] On the U.A.E. question, maybe I should answer it next year instead of this year, John – if I am ever invited next year. The United Arab Emirates is – you know, it's a small country. And in a span of 40 years it's grown to be the second biggest economy in the entire Arab world after Saudi Arabia. This tiny little country, United Arab Emirates, managed to become the second biggest economy with \$196 billion GNP – or GDP or whatever.

And if you look around today to see the cities that are of value and of stature, and trendsetters in the region, and of global presence – it's Dubai, it's Abu Dhabi. It's not Cairo, or Morocco, or Algeria, or Tunisia, or even Beirut or whatever. And if you look

around a little bit deeper you will find out that U.A.E. is today probably the most global, the most tolerant, the most socially liberal of all the countries around in the region, in the Gulf.

And so there is a whole lot – as a citizen of U.A.E. – there’s a whole lot to be proud of for the mighty achievements. However, in 2008, Dubai had a tumble. It is like the Humpty Dumpty story – sat on the wall, and had a great fall. It did have a great fall. And it was for a while in crisis, and it was a financial difficulty. Some of it of its own, most of it however came from the United States – the financial crisis of 2008. It went into intensive care in 2009. It got out, and it was in hospital in 2010. 2011 came the Arab Spring, and the Arab Spring was a God-sent gift to Dubai.

Dubai had an economic spring of unbelievable, unimaginable impact. Today, Dubai is up and running in the street, and maybe is going into a marathon of a sort, and is recovering very nicely and amicably and gracefully. So I think Dubai has recovered, and U.A.E. is, again, is recovering, and Dubai and Abu Dhabi are at their best when they compete with each other, and they are at their best when they cooperate with each other. And it is – they are the two pillars of U.A.E., and the two stories – when they complement – they are beautiful, and when they compete – they are so good at it – they are very fiercely – their history – 180 years of relationship with them. There’s plenty of competition between them, but they are at their best – it’s the competition that breeds the good, and makes the U.A.E. the way it is. So – maybe I should stop with that.

[Anthony] Thank you. Abdulziz, any final statement?

[Aluwaisheg] Just very briefly on Jordan and Morocco – obviously we have, the GCC I think, as Abdulla Abdulkhaleq said, is a sign of maturity that we’re considering expanding all of that. And we are under pressure as a successful sort of club from our neighbors to join, and we have many applications, and so we have to deal with them in a certain way.

And one of the arguments they use – you have strategic partnership with China, and with Korea, and with Japan, and we are much closer than they are. So I think distances are no longer that important. And what is being considered with Jordan and Morocco does not depend on distance. It can work regardless of the distance between Morocco and the GCC, and obviously Jordan is next door. And we have identified in the case of these two countries through very meticulous and almost tedious canvassing of opinions of all agencies in the GCC, we have identified areas, as I said before, where we can benefit, both of us can benefit. And some other applications were not able to meet from our neighbors, but these two countries were able to do that.

The second thing I want to conclude with is that there are serious challenges, serious risks in the Gulf, and I think the U.S. has been the most reliable – we have our differences – but has been the most reliable, and probably will be the most

reliable partner for the foreseeable future, whether it is to face Iran's nuclear weapons or ballistic missiles or meddling in the GCC, or if it is the situation in Syria.

We cannot count on Russia or China or others. We have more similarities of opinion regarding how to resolve the impasse in Syria or other countries than we have differences. We cannot ask our allies to be in complete agreement with us, just like they should not expect us to be in complete agreement with them – thus the whole idea of having this partnership. It's an area where we can discuss differences and benefit from where we agree.

[Anthony] Yes, great. Thank you.

[Al Shayji] Thank you. Just for a final thought, I think the relationship between the United States and the GCC states is going to continue be a fundamental relationship based on mutual benefits, security threats, interests, and common.. more or less values, and seeing eye-to-eye where do we go from here, who are the enemies. The advice for the United States and for the Gulf states is that the United States has proven itself to be a trustful ally, but unfortunately there are sometimes miscalculations, blunders, that we carry the brunt of, or most of the brunt of it in the region.

Hopefully, whoever wins the White House election a week from Tuesday would really approach the GCC as a new player in the region. GCC countries, the six countries, have proven that they are reliable allies, and they have been burden sharing with the United States, and they have been playing a major role in stabilizing the region, and playing a role in initiating initiatives regarding Yemen, and helping with Libya and with Egypt, rebuilding Egypt, and helping with what's going on in the Arab world.

So I think on equal footing the relationship should go from better to much better, and to reach a conclusion that this relationship should be a relationship of two partners, not allies only – but partners in order to achieve your interests and our interests at the same time. Thank you.

[Unidentified Panelist] Okay, John told me to be very brief and candid. Get your house in order and vote for Obama, please.

[Anthony] Thank you. We will now segue to our networking session.

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