

The united Arab break from radicalism

By John Duke Anthony

This week the heads of state for the six Gulf Cooperation Council countries — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates — met for their annual summit.

GCC summits typically are little-noticed events. This year's meeting, however, deserves far more attention because the six GCC countries gathered at the dawn of a new era for their region.

Much changed since last year's summit. Iraq is newly intransigent; hopes for moderation in Iran have dimmed; some GCC countries are on the cusp of leadership changes; a new Middle East peace accord has been signed, and international oil prices, adjusted for inflation, are at the lowest point since the end of the Great Depression in the late 1930s.

What has received little notice, however, is the fact that the six GCC countries have been preparing for this new era by coordinating policies to integrate their countries' economic, political, and defense systems.

Last year alone, for instance, the GCC countries agreed to integrate their air defense radar systems, electrical grids, and civil and penal legal codes. They allowed each country's national bank to open branches in other GCC countries. And they set a target date of March 2001 to unify their external tariffs and establish a customs union. When the tariff accord and customs union occur, the GCC will have cleared away the last remaining speed bump in the way of a free trade agreement with the European Union, the GCC's largest commercial market.

By reaffirming their desire at this year's summit in Abu Dhabi to work together in almost every sphere, the GCC countries brought their cooperation closer to center stage.

The progress is all the more remarkable given how far these countries have come in such a short span of time. In just 25 years, most of the GCC countries have created from scratch some of the world's most modern economic infrastructures.

From several perspectives,

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greater GCC cooperation is good news for their economies, the West and investors — and bad news for Iran and Iraq, two regional aggressors and would-be hegemonies at odds with the GCC countries and their superpower ally, the United States.

In the global economy, it is important to remember that two of today's buzzwords are intraregional trade and subregionalism. To think how these translate into economic successes, consider how Latin America and Asia benefited from subregional trade pacts.

These countries capitalized on the fact that investors choose countries not just for their domestic markets, their economic policies or their political stability. They also choose countries that can serve as investment platforms to an entire region. The same holds true for the GCC nations. Becoming a springboard for regional trade will make them a more inviting market.

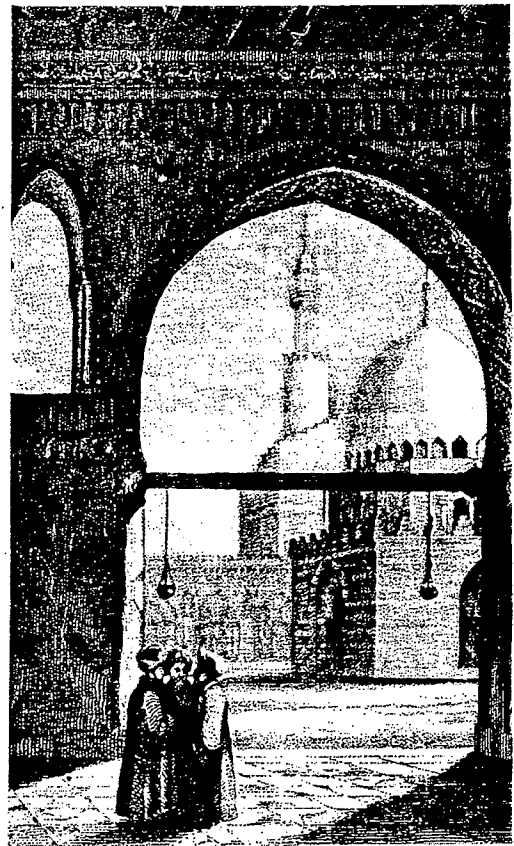
From the standpoint of regional defense, greater GCC cooperation is an equally significant development. Since the GCC's inception, economic integration and defense cooperation have been the hallmarks of the member-states' quest for peace and prosperity. Further progress will enhance the security of the GCC states, placing one more hurdle in the path of expansionist Iran and Iraq, and lightening the load for the United States and other GCC defense allies.

In the annals of Arabian history, the effort to bring together different systems of governance is not new. Today's cooperation, however, is different because it helps to insulate the GCC countries from the regional radicalism represented by Iran

and Iraq. As a result, much of the cooperation enhances the stability of the GCC societies — and the entire region.

It would be misleading to imply that the GCC countries were so clairvoyant as to have anticipated today's new era. But at a minimum, with extraordinary foresight, they recognized that a more systematic approach to consultation and consensus — combined with diversification and privatization of their own economies — would make their countries more resilient.

No one is suggesting that greater unity will be a panacea for all the region's difficulties, or that the GCC countries are likely to establish overnight a European-style defense, economic or political community. The progress accomplished thus far,



however, speaks for itself. Since 1981, the GCC countries have put into place an impressive array of building blocks in the foundation for greater cooperation.

The larger neighborhood in which the GCC is situated is often known only for oil and turmoil. This week, the rest of the world could benefit by taking note of the achievements of the six GCC states that, barely a generation ago, were among the world's least developed countries.

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For more information about the U.S.-GCC Corporate Cooperation Committee, contact the National Council on U.S.-Arab Relations at 202-293-0801, or visit the Council's website: www.ncusar.org.