

SPECIAL SUPPLEMENT

JANUARY 8, 2002

THE GCC'S 22ND SUMMIT:  
SECURITY AND DEFENSE ISSUES (I)

=====  
~GulfWire Special Supplement~~GulfWire Special Supplement~~GulfWire  
Special Supplement~~~GulfWire Special Supplement~~~GulfWire Special  
=====  
Special Supplement

Since the establishment of the Gulf Cooperation Council by Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates in 1981, National Council on U.S.-Arab Relations President and CEO, U.S.-GCC Corporate Cooperation Committee Secretary, and Gulf Wire Publisher Dr. John Duke Anthony is the only Westerner to have been invited to attend each of the GCC's Annual Heads of State Summits.

Dr. Anthony was again present for the most recent, the 22nd GCC heads of state summit held in Muscat, Oman, December 30-31, 2001. GulfWire presents herein the first installment of his report on the state of security and defense cooperation among the members. In addition to drawing extensively on his familiarization with previous developments in these two areas of pan-GCC cooperation, the report includes privileged information, insight, and analysis shared with him by the summiteers.

=====

This series of reports, like previous on-the-spot summit analyses, is what makes GulfWire the unique source of information and insights you have come to expect. We appreciate the support of those who have contributed to GulfWire and the National Council on U.S.-Arab Relations and invite those who receive GulfWire to do so. Your financial support is necessary to sustain GulfWire.

You should also know that previous summit reports by Dr. Anthony, along with 30 months of GulfWire reporting and analyses has been moved from the on-line archive to a CD-Rom resource program. The GulfWire 2002 Resource CD will be available later this month but can be ordered now.

Please take note of the information at the end of this special supplement for information on how to contribute to GulfWire and the National Council on U.S.-Arab Relations, and how to order your GulfWire 2002 Resource CD-Rom, or visit: <https://secure.ioncart.com/ryanandassoc/shopdisplaycategories.asp>

Patrick W. Ryan  
Editor-in-Chief, GulfWire

=====

## THE GCC'S 22ND SUMMIT: SECURITY AND DEFENSE ISSUES (I)

By

John Duke Anthony

(Muscat, Oman - January 8, 2002) No annual Heads of State gathering of the GCC countries - Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates - has been a mirror image of any that went before. Each one, in its own way, is unique. Yet, regardless of what may or may not have transpired in the period leading up to any given summit, each one has unfolded in fairly predictable fashion in terms of the agenda set beforehand.

This is despite the fact that the most recent meeting of Gulf leaders in Muscat came at the end of a string of momentous events. Imbedded in the events themselves were, and are, immense challenges to the GCC countries and the United States that, on balance, made 2001 a year unlike any other. Indeed, the GCC's 22nd summit, held December 30-31, convened at a time as portentous as any since the organization's inception in 1981.

Even so, this extraordinary assemblage of developing world leaders gathered on schedule, and the principals began their annual deliberations on time. In so doing, they succeeded in addressing a range of perennial issues, as well as some new ones, about which they had been prepared in advance. What follows includes privileged information and insight that numerous summiteers shared with this analyst before, during, and subsequent to the meetings.

### Strategic Vision Update

In keeping with all the other annual GCC meetings, a major orientation of this one was twofold. Primary emphasis was devoted to the leaders taking stock of (1) how far the members have come not only since the previous summit, but also since the organization's inception two decades ago, and (2) how far they have yet to go in furthering the strategic vision outlined in the GCC's founding charter.

This combination of continuous retrospective as well as forward focus and analysis has been for some time one of the leaders' hallmarks. Together with the fact that, from the beginning, they have met far more frequently than their counterparts in any other Arab regional or sub-regional grouping, it illuminates why, shortcomings and all, the GCC remains the Arab and Islamic world's boldest and most far-reaching experiment in interstate cooperation and regional integration.

Accordingly, much of the summiteers' time was spent assessing the nature and extent of progress made over the previous twelve months in the core areas of their common cause: namely, intra-GCC economic, political, defense, security, and related cooperation. Additional time was spent consulting on what is required in the period immediately ahead in these same areas of joint endeavor.

In any international organization, the criteria for evaluating the members' efforts to engage in collective action are many and diverse. If one of the

benchmarks for judgment is the members' formal resolve to address specific issues despite their controversial attributes and the difficulty of reaching consensus, it is beyond dispute that every GCC summit to date has registered forward movement in one form or another in most of the above-mentioned categories. In the past several years, this has been especially the case with regard to security and defense cooperation, which are the primary topics of this report.

#### A Fortuitous Setting

Helping to establish the parameters for their most recent discussions was an achievement in which GCC countries played a pivotal role only two days before the Muscat Summit. It took place in an altogether different kind of forum: the Organization of Petroleum Exporting Countries (OPEC).

GCC countries Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates are major OPEC members. The four, along with the other two GCC countries, and the assistance of their international allies and strategic partners, are determined to defend and secure the world's ongoing access to and production of almost half of the planet's proven petroleum reserves. No small task, given that these energy resources that are vital to world economic growth and the material well being of much of humanity.

Contrary to what some Western observers had thought might be a disruptive session over issues pertaining to oil production quotas and pricing, the opposite occurred at the earlier OPEC meeting. The members agreed to cutback output 1.5 million barrels a day. This development paralleled a simultaneous decision by key non-OPEC producers Great Britain, Mexico, Norway, Oman, and Russia to lessen their output as well.

The combined effect was fortuitous in terms of the GCC leaders' needs, concerns, and interests. It allowed them to convene knowing that, at least for now, they have a chance to: (1) avoid a further downward spiral in the level of their most important source of revenue, and (2) maintain, to a greater extent than would otherwise have been likely, the purchasing and investment power necessary for strengthening their economic infrastructure and continuing with efforts aimed at enhancing their self defense.

#### Economics, Defense, and Security

One particularly distinctive feature of the Muscat meetings is that the summiteers achieved further consensus on economic, commercial, and financial issues. By the time the summit concluded, there was broad agreement among the members in each of these fields on priorities and timelines for what they hope to be able to achieve in the period ahead.

Two major decisions were reached in this regard. In one, the members formally ratified an agreement reached by their respective Ministers of Economy and Finance this past October. They decided to adopt a single five percent external tariff. This rate will soon apply to all but 53 of the 1,285 categories of the member-states' imports. Secondly, in taking this step, the members also advanced by two years, to January 2, 2003, what they had agreed to only a year previously in Bahrain as an appropriate deadline for introducing the new unified customs duty.

In addition, the members also reconfirmed that the new tariff rates will come into effect almost simultaneously upon the establishment of a customs union, followed by a common market. At the moment, it is unknown which GCC ports will likely benefit most as a result of these breakthroughs on the economic and commercial fronts. However, there are already indications of what may be coming. One of the region's most prominent port authorities informed this analyst that annual net earnings from his country's most prominent port may fall by as much as twenty five per cent.

#### Not by Economics Alone

What is at stake here is more than the dynamics of maritime trade, or a determination of who gets what, why, where, and when in the imports sweepstakes. On matters pertaining to the need for enhancing the security of port services, and for strengthening the defense of sea-lanes leading to and from the region's major coastal entry and exit points, both the need for and the potential impact on accelerated pan-GCC cooperation is self-evident.

Of additional importance on this front is that, once the customs union and common market have been launched, the members expect to enter into a free trade agreement with the European Union. GCC secretariat and member-state officials have been conducting annual meetings on this subject with their relevant counterparts in the EU countries since 1987.

This joint GCC and EU focus is also almost certain to impact broadly on GCC security, defense, and defense-related issues. Ordinarily, one would think that such topics would also be of great interest to public and private sector leaders in major foreign capitals other than those in the EU. For example, in the case of Washington, this would be for the obvious reason that the United States is simultaneously the GCC member-countries' single largest foreign trading partner, investor, and defender.

But it remains to be seen whether or not this will be the case. If so, no one can say with any precision how the coming transformations in the GCC's economic and commercial positions and roles in regional and world affairs will affect U.S. relations, interests, and policy objectives with either the member-states or the Gulf as a whole.

Thus far, it is too soon to say whether the recent heightened interest and involvement of U.S. Treasury and Federal Bureau of Investigation officials hot on the trail of money flows from the region is an early indicator. If the record of the past decade and a half is any guide, more telling is that U.S. business and economic leaders overall have: (1) shown far less interest than their EU counterparts in working to conclude a free trade pact with the GCC or even bilateral investment treaties with any of its members, (2) held far fewer and far less focused meetings on these and related subjects, and (3) carried out a far smaller number of high-level trade and investment promotion missions to the region.

#### Defending and Securing Economies

Of further significance is that the summiteers also vowed that, further down the road, they would adopt a unified currency, much as the EU has just accomplished in its introduction of the Euro. In addition, in what was a related announcement more than a decision, with the background perhaps being

the realization of how long it took the EU to reach its current stage of monetary integration, outgoing GCC Secretary General Jamil bin Ibrahim Al-Hujeilan said that the members intend to bring their single monetary unit into being by no later than 2010, if not before.

On balance, the pre-Muscat excitement related to the Euro, which at times bordered on euphoria throughout much of Europe, had its own positive impact on the GCC summit. It buoyed the leaders' deliberations on these and related topics as they explored the different ways in which they might be able to nudge a bit further their own advancing "oneness."

#### The EU: Evolutionary and Exemplary

The range of consensus reached on these several economic integration issues and themes underscored two things. One, it reconfirmed for the members that they are on the right track in seeking to place on a firmer foundation their ties with the EU, with which the volume of total GCC trade is twice that of their trade with the United States. Second, it reassured the leaders that they have chosen an appropriate long-term strategy in light of the fact that the EU, whose achievements they continue to find worthy of emulation, has been pointed for a far longer period of time in the same direction that the GCC is headed.

The consensus achieved had two other effects. First, it strengthened the members' conviction that they are doing many of the right things in the right way, even if not with all due speed, in moving steadily towards improving the prospects for their future economic growth. Second, it validated that they are being prudent in also taking measures to do what they can to strengthen and expand their overall stability, security, and defense capabilities.

Left unspoken regarding the latter sentiments was acknowledgment of what the EU members have been able to benefit from, for more than half a century, but the GCC members, to date, have not. The reference is to the North Atlantic Treaty Organization (NATO) or something like it.

The GCC members do not have such an arrangement in terms of a formal, credible, and well-developed collective defense pact, made the more effective because it is five decades old and growing and, to boot, the world's sole superpower is one of its signatories. Neither, as yet, do they have a near-term substitute. Nor does there appear anywhere on the horizon something that they are likely to be able to regard anytime soon as capable of guaranteeing the GCC'S region's defense unaided by others.

#### Understanding a Nuance-Laced Environment

This is not to say that the GCC leaders are not aware of or concerned about the implications for linkage between this glaring omission and the prospects for enhancing their long-term modernization and development. They are. Neither, as this report will indicate, is it in any way to be equated with a failure in priorities. Such is not the case. Nor, as this report will also demonstrate, is it fair to conclude that this lacuna on the collective defense front is in any way synonymous with a lack of pan-GCC resolve. It is not.

Yet, none deny:

- that the lack of overwhelming credibility in the indigenous realms of regional deterrence and defense is in spite of their official proclamation at the last summit that a GCC military pact was in hand;
- that the process of obtaining signatures to it had been launched;
- that there have been numerous occasions in the past in which one or more of the members' leaders has been serious and sincere in stating that all were agreed that an attack upon one of them would be considered by the others as an attack on all of them; and indeed
- that, on the two occasions when they have been put to the test, they acted in exactly this manner - first, during the Iran-Iraq war, and, second, in reaction to Iraq's invasion and occupation of Kuwait in 1990-91.

But not all of the signatures on the pact declared officially at last year's summit in Bahrain are in hand as of now. Apart from anything else, this is an additional reason why no specific linkage between the prospects for enhancing member-states' material welfare, on one hand, and the prospects for building a sound pan-GCC system of deterrence and defense, on the other, was mentioned either in the meetings in Muscat or in most of the previous summits.

#### Exceptions to Date

Yet there have been several exceptions to the members' willingness to emphasize this topic in clear and forthright terms at summits in the past. This analyst was present on each of the previous occasions. The most important ones were the first five summits, held consecutively in Abu Dhabi (1981), Riyadh (1981), Bahrain (1982), Qatar (1983), and Kuwait (1984).

Of all these occasions, none was quite like the first one, which was the founding summit in Abu Dhabi, hosted by UAE President Shaikh Zayid on May 28, 1981. On that occasion, at the very end of the founders' deliberations, the convener of this year's summit, Oman's Sultan Qaboos, addressed the issue.

#### Linkages

In a hushed setting in which one could have heard a pin drop, Qaboos spoke forcefully and effectively about two points. He emphasized the need to underscore the direct relationship between the prospects for the members' further economic development and cooperation, as well as the imperative of protecting for posterity all that had already been achieved on these fronts, on one hand, and the need to enhance their joint defense capabilities, on the other.

In a move to be even more precise and convincing, Qaboos argued that the members could not hope to succeed in developing their regional defense capabilities without directly linking their joint defense and economic planning efforts to ensure that this would occur. Conversely, he pointed out, they could not hope to succeed on the regional economic development

front without directly linking their joint economic and defense planning efforts to enable such development to take place.

Were the members to do only one, and not the other, and, equally, were they to fail to link the one to the other, and vice versa, the impact of their failure would be enormous and far-reaching. They would deny all of the GCC's citizens the prolonged blessings of what they had obtained before and the prospects for even greater benefits in the future. This was the main reason why, immediately following that summit, the other members asked Oman, along with Saudi Arabia, to prepare and present a paper at the leaders' next meeting that would guide everyone in how to think about proposed GCC military strategies.

#### Keeping Clear of Harm's Way

In this light, it has been obvious from the beginning that any forward movement in the core areas of intra-GCC economic and commercial cooperation has had, and will continue to have, important implications for the members' defense and security policies. Not least among the considerations in this regard has been the need for the leaders to reach agreement on the modalities of what, all acknowledge, they have no choice but to try and keep out of harm's way.

Likewise, it has been equally clear that whatever the members are able to achieve on the joint defense front is bound to register positively in the decision-making councils of economic and business planners locally, nationally, regionally, and globally.

It is further apparent that only by demonstrating that they can contribute to these twin objectives in more or less equal measure will the members be able to strengthen the prospects for their near-term and sustained development. Given the number of times that areas perilously near to the GCC region have been afflicted with turmoil and turbulence, this is an ongoing challenge of great magnitude. Its earlier rather than later resolution is of special importance with regard to the members' hopes for being able to increase the level of inward flows of investment.

#### A New Supreme Defense Council

This is the context for an additional summit highlight being the members' decision to establish a Supreme Defense Council. However, in keeping with almost all previous summit decisions related to this topic, no details about the new council's frames of reference in terms of what it will be expected to do, or anything about its composition, were provided.

Absent further details, one is left with surmise and speculation. It is this analyst's view that the six Ministers of Defense, their Armed Forces Chiefs of Staff, and top military planners will likely play prominent roles in providing for the new council's structure and staffing. In turn, the GCC's Assistant Secretary General for Military Affairs and the newly elected GCC Secretary General, Dr. Abdalrahman bin Hamad Al-Attiyah, of Qatar, will likely be involved in helping to follow-up whatever recommendations or decisions are reached by the council. If nothing else, given that no such council existed previously, it is likely that the new body will provide improved efficiency to the year-round consultations and

meetings among the members' defense establishments and between them and their primary allies.

Additional Developments

Two other informational items related to pan-GCC defense cooperation were announced at the summit. One had to do with the joint GCC military force known as Peninsula Shield (Dar Al-Jazirah), which, since the mid-1980s, has been stationed in the northwestern area of Saudi Arabia near the Kingdom's border with Kuwait. The summiteers reconfirmed that the size of the force is expected to increase from its present level of slightly more than 5,000 to 22,500.

Secondly, it was announced that Saudi Arabia agreed to continue assuming responsibility for all the front-end design, engineering, procurement, and construction costs, as well as the operations and maintenance expense, related to its earlier commitment to provide expanded facilities in order to accommodate an enlarged pan-GCC defense force.

Otherwise, as with every GCC summit to date, it is difficult to derive much of additional interest and value in the way of meaningful official information and insight regarding present and future intra-GCC defense cooperation. From a military perspective, given the nature of the subject, and given also the neighborhood in which the GCC countries are situated, this is only natural and as it should be.

For this reason, to understand the rationale and implications of the decision to establish a new council to deal with regional defense matters, one has to look elsewhere. In particular, one has to look beyond the GCC itself. Only in this way can one hope to be able to place in context other developments that relate to the nature, pace, and extent of GCC military coordination to date, as well as what is underway among the members at this time and being contemplated for the near-term future.

Accordingly, the balance of this report, to be continued in subsequent installments, represents an effort to provide further background, context, and perspective on these and related issues. The overall focus is on the dynamics of GCC military thinking, planning, decision-making, and cooperation in the quest to enhance their joint deterrence and defense capabilities.

=====

O Dr. John Duke Anthony is President and CEO of the National Council on U.S.-Arab Relations; Secretary, U.S.-GCC Corporate Cooperation Committee; and Publisher of GulfWire. All three are Washington, D.C.-based nonprofit and non-governmental organizations dedicated to educating Americans about the Arab countries, the Middle East, and the Islamic world.

=====  
~GulfWire Special Supplement~~GulfWire Special Supplement~~GulfWire Special Supplement~~~GulfWire Special Supplement~~~GulfWire Special Supplement  
=====