



GLOBAL STRATEGIC DEVELOPMENTS A FUTURISTIC VISION

The Emirates Center for Strategic Studies and Research

The Future Significance of the Gulf Cooperation Council

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Since its founding in May 1981 the Gulf Cooperation Council (GCC) has often been misunderstood—both in terms of its very nature, and its founding principles and how it has evolved over the past thirty years. One of the reasons for this is the fact that the organization has frequently been the subject of unfavorable comparisons with the European Union (EU). This should come as no surprise, as the GCC's six member states have in the past viewed features of the EU as a frame of reference for what they too might one day be able to accomplish.

The focus of this paper, however, is not on the GCC's record in comparison to that of the EU. Rather, it examines likely GCC-related trends and indications in the coming decades via various areas of analysis. One concerns the prospect of the GCC countries being able to continue building upon their impressive record of accomplishments in certain areas, including those which are of interest to all its members.

Another concern is whether the members will be able to register progress in these fields while simultaneously advancing successfully in others and addressing new challenges in areas where other Arab regional organizations have yet to venture. In each case, the paper examines the prospects for the GCC and its member states achieving a higher level of overall performance.

Other areas of analysis focus on the flip-side of the organization and its members' accomplishments, including the reasons why increasing

numbers of the GCC's citizens fault the GCC and its members for not living up to some of the expectations the founders cited when the organization was established. The paper also asks why many of the same GCC citizens argue that the nature, pace, and extent of the members' efforts to remedy their complaints to date have been less than satisfactory in terms of results. In so doing, an effort is made to examine and evaluate the GCC's prospects for resolving – or at least ameliorating or better managing – such challenges in the period ahead.

Whether one's overall view is negative or positive concerning the GCC's achievements and shortcomings during the first thirty years of its existence, few would deny that the overall record of the organization and its members has been mixed. An analysis of various aspects of the negative side and the prospects for reversing the failures to-date comprises the second part of this essay.

On the positive side, which comprises the first part, it is beyond question that despite its youth relative to the EU, the GCC and its member countries have collectively achieved a range of extraordinary strategic advances and geopolitical gains, compared to other sub-regional organizations and their member-states. Although only 30 years old, the GCC and its members' contributions to the geopolitical dynamics of issues beyond their immediate region are numerous and diverse. An examination of some of these geopolitical achievements is of special interest and value. Doing so provides insight into the prospects for additional accomplishments occurring in the future. The positive performances noted briefly here involve challenges the member countries and the GCC have surmounted regarding their interests vis-à-vis the League of Arab States, Iraq, Egypt, Lebanon, Sudan, Yemen, Bahrain, and Libya.

*The GCC, the League of Arab States,
and Other Organizations*

Although it is seldom stated, it is helpful to bear in mind that from the GCC's foundation up to the present, one GCC country more than any other has been the center of gravity within the GCC experiment: Saudi

Arabia. The reasons for this are several. Saudi Arabia is the only GCC country among the founding members of the League of Arab States, the oldest and largest Arab regional organization to which all 22 Arab states belong. The reason: when the League was founded in Cairo in February 1945, following agreement among its five founders acceding to the Alexandria Protocols in September 1944, no other Arab country that would later join the GCC was then fully independent. This distinct achievement provided Saudi Arabia a decade and a half of experience over and beyond that of the other Arabian Peninsula countries which would subsequently join it to form the GCC.

Saudi Arabia's consequent greater degree of involvement than the other founding members of the GCC in inter-Arab affairs has been put to good use overall. For example, it translated into a degree of competence and self-confidence compared to the other GCC founders. This alone is but part of the reason that explains the Kingdom's role in the GCC's establishment and administration. It also lends insight into the Kingdom's relative degree of comfort and assurance in applying its experience gained from being a founding member of more than half a dozen other major international organizations prior to the GCC's formation. Its positions and roles in founding the League of Arab States, the Organization of the Petroleum Exporting Countries (OPEC), the Organization of the Arab Oil Exporting Countries (OAPEC), and the Arab Monetary Fund (AMF) are but a few of the more prominent examples.

Looking forward, there is every reason to believe that this attribute of the member-states' largest, most populous, and militarily strongest country, combined with the most diverse array of natural economic resources, will likely continue for the coming two decades or longer. This is due in part to the other GCC countries acknowledging that they have benefitted from Saudi Arabia's large proportion of highly educated citizens, and its nationals' comparatively greater knowledge of the dynamic inner workings of interstate groupings where issues and policies of regional and global importance are addressed. Just as Saudi Arabia has been an activist member within the Arab League and numerous other international organizations, so too, increasingly, have most of the other

GCC countries played activist roles in the organizations they have joined after obtaining their national sovereignty, political independence, or territorial integrity from foreign rule.

The GCC countries' contributions to their fellow members in the League of Arab States and numerous other international organizations prior to the GCC's establishment are important and noteworthy in their own right, and suggestive of what will – in all likelihood – continue to be possible in the coming decades. However, an examination of these contributions is beyond the scope of this essay. Instead, the focus here is threefold.

First, it is on the positions and roles of the GCC countries as members of the League and other interstate associations since the GCC was born in May 1981. Second, is their regional and broader international impact in more recent times; and third is the likelihood of their wielding even greater influence on issues of importance to themselves and their allies in the coming ten to twenty years.

Moving Forward whilst Glancing Behind

During the GCC's first half decade, all the members but Oman were of one mind as to what should be done regarding Egypt—site of the Arab League's headquarters since the League's inception. With Oman being the exception, the other GCC members believed they had little choice but to represent the massive dismay – and in many instances widespread anger – among their citizenries toward Egyptian President Anwar Sadat for having broken pan-Arab ranks unilaterally in entering into a separate peace agreement with Israel. Accordingly, five out of six of what would become the GCC's members sided with the large number of Arab countries agreeing to oust Egypt from the League.

The same GCC countries also sided with dozens more of their fellow Islamic countries in the decision to expel Egypt from the Organization of the Islamic Conference (OIC), which, from 1969 until the present, has represented the world's single largest group of Muslims. In addition, they agreed to sever formal diplomatic ties with Cairo and to relocate the League's headquarters from Cairo to Tunis, where it would remain until

May 1990. (Somalia, Sudan and Morocco, like Oman, opted not to back the majority that decided to isolate Egypt diplomatically).

*Prospects for Future GCC Regional
Geopolitical Achievements: Lessons from the Past*

In the coming two decades, would any of the GCC countries be inclined to isolate Egypt again? Any response would at best be speculative. As no one could say yes or no with any degree of certainty, for reasons of not knowing what will happen in the future, the answer short of that is 'not likely,' for the following reasons.

The Reintegration and Retention of Egypt as Ally and Partner

The five GCC and other Arab League members' decision to expel Egypt from the world's two most important Arab and Islamic organizations, and their breaking off of diplomatic relations with Cairo, was not capricious. Neither was the decision taken in the heat of an emotion-laden rush to judgment. Rather, it was in reaction to Egypt signing the 1978 Camp David Accords with Israel, despite Israel's continued illegal military occupation of more than a million Arab Christians and Muslims in East Jerusalem, the West Bank, and the Gaza Strip.

More specifically, the action taken by all of the GCC countries but Oman was taken in protest to Israel's numerous violations of international laws, treaties, and conventions it had signed, including the United Nations Charter, UN Resolutions 242 and 338, and the Fourth Geneva Convention of 1949, which, among other things, prohibits an occupying foreign power, in this case Israel, from:

- seizing Palestinian and Syrian lands;
- exploiting Palestinian and Syrian water and other natural resources;
- settling Israelis on Palestinian and Syrian territory; and
- expelling and assassinating Palestinians in the occupied territories who are exercising their human and lawful right to forcibly resist foreign military occupation.

The geopolitical price for the expulsion of Egypt was huge, so much so that it is difficult, if not impossible, to envision the GCC countries undertaking such an action again – against Egypt, at least, although not for certain against Lebanon or Syria, should either or both do what Egypt did – while leaving the Palestine issue unresolved in the coming twenty years.

Why? Because what five GCC countries did before alienated the government and political elites of the most populous Arab country, home to one out of three Arabs worldwide, commander of the largest and most battle-tested army in modern Arab history, owner and administrator of the Suez Canal as a vital maritime commercial as well as military link between the GCC countries and the Western world – and *vice versa* – and site of al-Azhar, the Islamic world's most prestigious university.

However, there is also a second reason why what the GCC countries did to Egypt earlier is unlikely to be repeated. The damage inflicted by sharply curtailing Egypt's previous major influence in intra-Arab councils became readily apparent all too quickly and extracted a prohibitively high cost for the GCC and other Arab countries' interests. Indeed, in less than a year, the extent to which most of the GCC states would suffer from isolating Egypt strategically, economically, politically, and militarily was clear for all to see.

The evidence emerged when the war between non-Arab Iran and Iraq commenced in September 1980. With Iran equal to Egypt in terms of demography, and Iraq having barely a quarter of Iran's population, none could deny that, among the Arab countries, only Egypt had the potential to redress the imbalance. To Iraq's credit, in an effort to counter the numerically superior Iranians, Baghdad – which only months before had led the charge to punish Egypt – welcomed more than a million Egyptians who came to live and work in Iraq, thereby replacing an equal number of Iraq's civilians fighting against Iran.

In so doing, Egypt contributed greatly to Baghdad's efforts to maintain Iraq's economic development. Simultaneously, Egypt joined Iraq in waging war against Iraq's much larger, more populous, more assertive and regionally ambitious neighbor. This in itself was a rarity in the annals of warfare, for most countries historically have had to choose between

“guns or butter,” knowing that they would not likely be able to secure and maintain both and expect to defeat their opponent. In this case, however – thanks to Egypt – Iraq was indeed able to do both.

It was not only Egypt that came to Iraq’s assistance. Yemen did the same, following Egypt’s example and sending almost as many of its citizens to Iraq to aid the latter in its war effort. In so doing, it too helped tip the balance in favor of Iraq and against non-Arab and non-GCC member Iran. Egypt and Yemen thereby contributed significantly to Iraq’s and the GCC’s efforts to prevent Tehran from achieving its goal of overthrowing Baghdad’s Sunni-led regime and replacing it with a Shia-led government patterned on the Islamic Republic under Ayatollah Khomeini.

Had Egypt and Yemen not come to Iraq’s aid, a victorious Iran would likely have shattered the balance of power in the Gulf. This in turn would have placed the entire GCC region in a more precarious position than before. As a result, the GCC countries had no choice but to recalibrate their strategic thinking. In so doing, one of the outcomes was an acknowledgement that the GCC countries needed to be careful not to alienate Egypt again, or for that matter Yemen, lest they forego the assistance of these two fellow Arab countries should Iran or any other country wage war against one or more of the GCC members in the future. Hence, there is every likelihood that the lesson the GCC countries learned then with regard to Egypt and also with Yemen will remain an important feature of their relations with these two countries for many years to come.

Palestine’s Unceasing Impact

Barely two years following the onset on the 1980–1988 Iran–Iraq war, another war was launched by a non-Arab country against a fellow Arab League member. This one, however, was not in the Gulf but in the eastern Mediterranean. As with the Iran–Iraq war, which continued to be fought, the eruption of this second armed conflict dealt an immense strategic setback to GCC and broader Arab world interests. In June 1982, with Egypt’s sizeable and experienced armed forces sidelined by the terms of the Camp David Accords, Israel’s armed forces invaded and occupied Lebanon.

In so doing, Israel violated a ceasefire between the Jewish state, the Palestine Liberation Organization (PLO), and the Lebanese armed forces that had been negotiated by the governments of Lebanon, Israel, the United States, and the PLO. The ceasefire had held for the previous eleven months, making it one of the longest in recent memory at the time. The results, which led to the Israeli armed forces circling Beirut in a firestorm, the killing of almost 17,000 Lebanese and Palestinian Christian and Muslim Arabs, and rendering 400,000 of Lebanon's inhabitants homeless, were catastrophic for all save Israel.

Indeed, despite Israel's defiance of the UN Security Council's demand in June that it cease its military operations in Lebanon and return its armed forces to Israel, the Jewish state proceeded to inflict enormous damage on the people and infrastructure of Lebanon, as well as the Palestinian refugee camps within the country. It would take nineteen years to persuade Israel to reverse its violation of Lebanon's sovereignty and allow it to regain its political independence and territorial integrity.

What had previously had the makings of an effective American-led effort to hasten Israel's withdrawal from its illegal armed occupation of Jerusalem, the Gaza Strip, and the West Bank, which Israel was determined to ensure would not occur, was thereby brought to an abrupt end. As the American and other international agenda thereafter shifted the primary focus to Lebanon, Israel proceeded to reap a strategic bonanza: its land grabs of Palestinian Arab Christian and Muslim territory and resources increased five-fold.

Would Israel have launched such a war for territorial spoils had Egypt not been removed from the Arab-Israeli geopolitical and military regional balance of power? Would it have done so had the United States, with the support of the GCC, the other Arab and Islamic countries, and most of the rest of the world's governments, been insistent on pressing Israel to return the lands the Jewish state had illegally seized in June 1967 to their rightful Arab owners? This analyst's answer to both questions is 'no,' for two reasons.

On the one hand, no one can say definitively that Israel would not have invaded Lebanon – which spawned the emergence of Hezbollah as

an anti-Israeli resistance force, crippled the previous Israeli–Palestinian peace process, and sowed the seeds for a radical altering of the systems of governance and politics in Lebanon – had Egypt been able to come to Lebanon’s aid. On the other hand, it would seem self-evident that the prospects for Israel waging war against Lebanon would have been substantially less had it no choice but to contend simultaneously with Egypt’s sizeable, heavily armed, and well-trained armed forces, forcing Israel to fight on two fronts in opposite directions.

In deriving lessons for possible guidelines of what to look and prepare for in the coming two decades, GCC leaders do little more than state the obvious in acknowledging how powerful extremist elements such as Hezbollah – to name but one among a number of extremist groups that did not exist before that have bedeviled Israeli–Lebanese relations as well as broader Arab world–Israel relations ever since – benefitted and continue to benefit greatly from what happened in Iraq, Iran, and Lebanon.

Equally self-evident is that GCC leaders and others continue to note – and in the coming years will seek to avoid a repeat of – the damage then inflicted upon an overarching pan-GCC and broader Arab and Islamic world interest in regional security and stability. Notwithstanding innumerable attempts by foreign special interest groups that would have outsiders believe the opposite, there has long been and remains a GCC interest in reaching a just, comprehensive, and enduring settlement of the Arab–Israeli conflict, in containing if not curtailing completely the aggressive and expansionist aspirations and intrusions in Arab affairs by revolutionary Iran, and in maintaining Iraq’s territorial integrity.

Beyond the GCC countries wanting to continue to benefit from the strategic advantages of Egypt’s geopolitical, military, and demographic depth, there are additional reasons why they are unlikely to repeat what they did to Egypt before.

The GCC countries were not long in recognizing that Egypt’s contribution to preventing the Iranian Revolution from spreading to eastern Arabia merited recognition and reward. One of the earliest breakthroughs in this regard came at the annual GCC ministerial and heads of state summit in Riyadh in the fall of 1987. For the first time in

the history of the organization's summits up to that time, the guests from Egypt who were invited to observe the proceedings out-numbered those of all the other countries.

The pan-GCC decision to include so many Egyptians at the organization's most important annual summit that year sent a powerful geopolitical message by the Saudi Arabian host and the rest of the GCC countries as to their collective intentions and objectives. The decision put Iran and the GCC's fellow Arab countries elsewhere on notice. The message: the GCC would no longer stand in the way of Egypt contributing positively to an Arab and Gulf issue of paramount importance to the GCC members' and the broader region's interest in the maintenance of law and order.

Viewed from the vantage point of these additional reasons continuing to endure today and considering the likelihood that they will continue in the decades ahead, it is hard to imagine a reason why any or all of the GCC countries would again seek to isolate Egypt as before. The GCC countries have come to a keener realization, appreciation, and cost-benefit analysis of Egypt's assets in relation to the GCC region's interests. In addition to the formidable demographic, armed forces, and cultural attributes noted earlier, three other Egyptian assets are of as great – if not greater – importance to the GCC countries than before. Not least among them, as noted earlier, is the ongoing and increased strategic value to all the GCC countries of the Egyptian-owned and -operated Suez Canal.

Indeed, in the absence of another Arab-Israeli war (the Canal has been shut twice before for this reason) this unique international maritime artery is guaranteed to remain a vital route for a significant portion of the GCC region's exports of energy and other commodities to Western markets, and their imports from these same markets. It is also certain to continue to serve as the major naval passageway through which the GCC countries' vital national defense partners will be able to send their aircraft carriers and numerous other advanced naval vessels as well as heavy equipment to the GCC region should it be necessary.

To believe that this will not be necessary in the coming years would amount to an act of faith or wishful thinking. The reason? The Canal and

Egypt have had to perform this role three times in the past quarter century alone—either to defend one or more of the GCC's member-states or assist in the restoration of regional security and stability.

In addition, in the coming two decades Egypt is almost certain to have an increasingly greater commercial impact on the GCC countries' continuous efforts to diversify their economies and increase the number of customers for their products. Indeed, Egypt has the single largest consumer base among the GCC and other countries committed to a planned Arab Free Trade Zone stretching from Arabia to the Levant, the Nile Valley region, the Maghreb, and, as the planners envision, eventually the economies of the European Union (EU).

An appreciation of the potential for the GCC countries' continuous strengthening and expanding ties with Egypt in these areas, building on the extensive pre-existing Kuwaiti and Saudi Arabian investments in – and other economic assistance to – Egypt, is already apparent. It is evidenced in Qatar's pledge, in the aftermath of the overthrow of Egyptian President Hosni Mubarak, to provide more than ten billion dollars in economic assistance, developmental grants, and investments in Egypt.

No less important an Egyptian strategic asset that one can expect the GCC countries to value highly for the period ahead are the demonstrably enhanced deterrence and defense capacities of the Egyptian military, inclusive of its extensive experience over the past 30 years in training and exercising with its counterparts in the United States. The GCC countries are also likely to want to be able to associate their own growing foreign affairs expertise and influence to that of Egypt's. The reason: to benefit from the effectiveness that Egypt's numerous high-caliber diplomats – arguably more than any other Arab country – have long had and continue to have within numerous international organizations.

Iran–Iraq: 1990 and Beyond

Fast forward to the spring and summer of 1990. Building on Egypt's rapid rehabilitation in GCC circles as well as in pan-Arab eyes elsewhere, the GCC countries were the most supportive of the League's decision in May 1990 to readmit Egypt to the League. Little did the League's GCC

members and the other Arab countries that voted for Egypt's readmission then realize, but the timing of their decision could hardly have been more propitious, for barely two months later Iraq's armed forces invaded Kuwait.

In the wake of Iraq's aggression, the GCC countries, in close association with Egypt during the course of two consecutive meetings only a week apart at the League's headquarters in Cairo (i.e., August 3 and 10), succeeded in the enactment of two historically unprecedented League resolutions. Each contributed to the restoration of Kuwait's safety, security, national sovereignty, political independence, and territorial integrity. The impact of the resolutions blunted the geopolitical effectiveness of Iraq's leader, Saddam Hussein, who had counted on most of his fellow Arabs being incapable of mounting an effective opposition to Iraq's *fait accompli*.

The 1990-91 Kuwait Crisis

In the first resolution on August 3, the GCC countries teamed up with Egypt, Lebanon, Morocco, Sudan, Syria, and Djibouti to condemn Iraq's aggression. The League's members did so in a vote of 12 to 9. Disappointed at its fellow members' decision to move the League's headquarters back from Tunis, from whence it had been temporarily located following Egypt's expulsion from the League, Tunisia abstained.

In a second resolution on August 10, the vote breakdown was exactly the same as a week earlier. This second decision of a majority of the League's members was of massive importance to the outcome of the 1990–1991 Kuwait crisis. What the dozen members did in supporting this additional resolution was unprecedented in the annals of Arab League history: they agreed to mobilize and deploy to Saudi Arabia units of their respective armed forces for the expressed intention of preventing the Iraqi invasion from spreading beyond Kuwait.

Twenty-one years later, the pivotal positions and roles that Egypt adopted when Kuwait was under existential threat of Iraqi invasion and occupation were just as appreciated by the GCC countries as they had been two decades before. Indeed, in September 2011, at the time of the

court trial of former Egyptian President Hosni Mubarak and two of his sons on grounds of corruption and his allegedly having earlier in the year ordered the country's armed forces to fire upon unarmed demonstrators calling for his overthrow, the government of Kuwait sent a team of its most prominent lawyers to Cairo. Their sole purpose: to express Kuwait's abiding gratitude for Mubarak having helped, exactly twenty years earlier, to persuade a majority of the Arab League's members to stand with monarchical Kuwait in reversing Iraq's aggression.

As well as agreeing to do whatever they could to help reverse the Iraqi invasion, the GCC members simultaneously took additional action to calm global energy markets. In the course of an emergency OPEC meeting, over Iraq's expected strong opposition, the four GCC OPEC members (Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates) successfully led the debate to approve an increase in the members' production to 4.5 million barrels per day (mbpd) in order to replace the combined Iraqi and Kuwaiti output that had been removed from international energy markets by a United Nations Security Council resolution on August 3.

The effect was immediate. Assured that the oil displaced from the international energy supply chain would be replaced by supplies from increased production provided mainly by the GCC countries, oil prices quickly returned to their pre-war levels of normalcy. In that one fell swoop, the GCC countries – albeit outmanned and outgunned by Iraq – proved that they were neither out-foxed, out-maneuvered, nor out-resourced. They demonstrated that their smaller populations, militaries, and respective extents of territory would not prevent them from playing an outsized role in regional and global affairs in a matter of immense strategic significance to world economic growth and stability.

*Prospects for Repeat Performances:
Intra- and Inter-Regional Examples*

Looking forward ten to twenty years, can the GCC countries be expected to play roles similar to those noted? Is it likely that they would act similarly to deny success to a non-GCC country that sought to intimidate

or attack a GCC member-state? Provided that the strategic, geopolitical, and moral force of argument lay on the side of the likely or actual victim of any such aggression and not the aggressor, and provided that Saudi Arabia and other GCC energy-rich countries maintain significant spare production capacity – which viewed from the perspective of 2011 seems likely for at least the next half-decade if not longer – the answer is yes.

Any in doubt need only note the kind of support that Qatar extended in 2011 to revolutionary Libya following the country's domestic political upheavals aimed at ousting the 43-year reign of Muammar Al-Qaddafi. Qatar moved rapidly not only to replace the loss of Libyan oil occasioned by the eruption of civil war in the country, it also agreed to assimilate Libya's reduced oil production into its own for export into international markets, generating much-needed revenue for the rebel forces and thereby lessening the likelihood that Al-Qaddafi would be able to outlast and outmaneuver the rebels. Although less well reported in the international media, the UAE too, with portions of its air force operating from the Mediterranean island of Crete, played a role in providing logistical, material, and other support for the Libyan no-fly zone declared by NATO member nations.

In addition, four of the more financially well-endowed GCC countries, namely Kuwait, Qatar, Saudi Arabia, and the UAE, have taken steps to infuse substantial funds into the treasuries of the two less economically-endowed GCC members, Bahrain and Oman. In 2010, the four pledged to provide Bahrain and Oman ten billion dollars in financial assistance over the coming decade. The timing and appropriateness of the decision could not have been more fortuitous.

Little did Bahrain – or for that matter the other GCC states – know that within months it would need to tap into such assistance to counter the devastating economic losses ensuing from the outbreak of massive national protests in February 2011 that the government charged were partly aided and abetted by foreign powers, agents, supporters, and sympathizers. Similarly, only a few weeks later, nor could Oman have fully anticipated the largely peaceful, widespread, and sizeable demonstrations comprised of individuals protesting against government corruption, a less than adequate

availability of affordable housing for citizens, and the need for more effective educational reforms tied to providing greater employment opportunities for the country's burgeoning youthful population. Nor could many observers have predicted that Omani ruler Sultan Qaboos would move so quickly and effectively to address the core grievances of those who had protested and demonstrated in the Sultanate.

The 2011 Annual Conference of the Emirates Center for Strategic Studies and Research (ECSSR) included specialists from within the GCC region who recommended the GCC countries provide urgent, massive economic assistance to other Arab countries that were also in need. A Kuwaiti speaker, for example, argued that the GCC countries should immediately extend aid to the Egyptian people, then in the throes of massive instability and uncertainty following the ouster of the regime of Hosni Mubarak. He urged that serious and favorable pan-GCC consideration be given to providing billions of dollars in economic assistance to help Egypt deal with the immense economic disruption occasioned by the loss of revenues from tourism and other uncertainties unleashed by the massive populist uprising, resulting in the loss of billions of dollars through domestic capital flight and the effective cessation of meaningful levels of foreign direct investment. Soon afterwards, Qatar announced its intention to invest as much as ten billion dollars in Egypt's economy.

Regarding Yemen, Saudi Arabia, in turn, undertook a similar grand and generous gesture with a view to alleviating the harmful effects of the increasing levels of violence throughout much of Yemen that commenced in March 2011. The kingdom announced it would immediately proceed to provide Yemen with 300,000 barrels of oil a day free of charge, an amount close to the country's daily oil production prior to its having been shut down in March in the wake of violence.

The goal was twofold. First, it was to slow the drift towards increased bloodshed accompanying the massive disruption occasioned by the call of hundreds of thousands of protesters for the overthrow of longtime Yemeni President Ali Abdullah Saleh. Second, it was to curb the resulting skyrocketing prices of basic foodstuffs, water, electricity, fuel, and other essential commodities.

The move was an urgent stopgap measure. Its purpose was to forestall Yemen's descent into further armed conflict and civil war in the wake of the economic aftermath of the country's oil production coming to a near complete standstill several months earlier as a result of fighting between rival groups contesting for power. Alongside these initiatives, the GCC Secretary General and several GCC foreign ministers traveled to the Yemeni capital in Sana'a. Beyond proposing possible ways to facilitate a peaceful transition of power, it hardly needed emphasizing that an additional GCC concern was to do whatever was necessary to prevent the worsening situation from becoming increasingly perilous and a potential threat to neighboring Oman and Saudi Arabia.

To this end, Riyadh and the GCC Secretariat, with the support of Western countries, sought to devise a formula for peacefully ending the strife in Yemen. It also continued to insist: that the Yemeni president step down from power; that intermediaries continue to seek a ceasefire agreement; that all the main opposition political groups and government representatives reach an accord that would determine the successor structure and substance of governance and power sharing between pro-regime loyalists and the multi-faction political opposition; and that every effort be made to ensure that the influence of various extremist groups in Yemen remain confined to Yemen and not spread to the GCC region.

The willingness of Saudi Arabia to continue investing in spare petroleum production capacity with a view to maintaining international energy price stability, essential as such stability is to global economic growth and material well-being for much of humanity, seems guaranteed. Certainly this would appear to be the case as long as the Kingdom continues to have the means, the interest, and the will to do so. From the perspective of 2011, the existing and probable near-term trends give every indication this should continue to be the case for the indefinite future.

In addition, for geographical and geopolitical reasons, it is certain that Saudi Arabia will remain at the forefront of GCC countries concerned about Yemen. Although largely unknown to most analysts who do not cover regional affairs in general or matters pertaining to Saudi Arabia and Yemen in particular, Riyadh has long been second to none in this regard.

For the past twenty years, in support of direct and indirect infrastructure development, security, and governmental assistance with Yemen's national, provincial, and local governing institutions, as well as the large number of powerful tribes situated throughout the country's numerous disparate regions, Saudi Arabia's financial contributions to Yemen have averaged one billion dollars annually.

Riyadh is also especially keen to ensure that Yemen's pockets of insecurity and instability – a minority radical dissident group in the north (Sa'adah and its environs), leftist-leaning secessionist movements in the south (Aden, Shabwa, and Abyan), and a potential breakaway element in the east (the vast Hadramawt region) – remain confined to Yemen and do not extend to the Kingdom and Oman. Saudi Arabia is also likely to remain the lead GCC country working to ensure that Yemen's indigenous radical elements or al-Qaeda cells, with their respective foreign supporters and members, do not expand their presence or influence in any of the other GCC countries.

Fortunately for the GCC as a whole, a *de facto* division of labor has evolved among the members regarding the need to continuously explore ways in which they can assist Yemen, responding positively to requests to mediate between the country's different political factions. In addition, all of the GCC countries, together with numerous Western countries, have pledged billions of dollars for development projects in Yemen – contingent upon the country's security being achieved – with a view to doing whatever they can to alleviate the present level of human suffering in Yemen and provide assistance to strengthening Yemeni institutions designed to ensure the country's future security and stability.

Embarking Upon New Strategic Initiatives

At the same time, the GCC members have agreed to maintain the legitimate development needs of Egypt and Yemen high on their foreign policy agendas. They have also come to give serious and favorable attention to revisiting some of the founding premises upon which the GCC was founded. The turmoil in Arab countries beyond the GCC region has caused a re-evaluation among the GCC's member-countries of the geo-

strategic and geopolitical underpinning of criteria for membership within the organization. At the root of this re-evaluation have been the anti-monarchical regime sentiments of many among the protesters elsewhere in the Arab world. The most prominent case in point has been in Bahrain. Indeed, the implications of some demonstrators in the island state openly calling for “regime change” touched a raw nerve among the incumbent GCC heads of state.

The GCC’s reaction was not long in coming. In a move that caught many foreign observers by surprise, the GCC’s Consultative Council, comprised of five appointed representatives from each of the six countries, signaled in its May 2011 meeting in Riyadh that it would not ignore the threat posed by this particular component of the Bahraini protestors’ demands. In a move as bold as it was far-reaching and without precedent or even advance warning, the Council declared that the member country governments should consider expanding and strengthening their ranks by the addition of fellow ruling family governments in Jordan and Morocco. At the time of writing, it is unclear how and indeed whether admitting Jordan and/or Morocco to full GCC membership is either feasible or necessary.

Neither is a Gulf country and each, like Yemen, would bring to the GCC membership more in the way of net economic needs and liabilities than material assets, apart from specially selected and delegated security and/or defense force personnel. What is clear, however, is that the two countries are, in an overall sense, strategically, ideologically, and geopolitically aligned with the GCC countries. In the near term that may prove sufficient to underscore the point that the GCC is not without important Arab allies likely to be ready and willing to assist them should they be asked.

The reality of the GCC countries’ substantially increased needs, concerns, and interests regarding Yemen can be expected to continue. The reason is that early resolution of the multifaceted challenges Yemen faces is likely to remain exceptionally problematic for some time to come.

Indeed, the earlier cited examples of member-state engagement in conflict resolution and humanitarian issues in Afghanistan, Pakistan,

Somalia, Sudan, Lebanon, Kosovo, and Bosnia, among others, are likely to remain as constant as before in the coming two decades. Provided abundant fuel supplies and revenue surpluses from energy and other exports remain prevalent features of reality in the GCC region, Kuwait, Qatar, Saudi Arabia, and the UAE will likely continue to do as much as they can to alleviate the suffering of their fellow Arabs and Muslims in the period ahead.

In the process, it is likely but not certain that there will be increased positive international recognition of the GCC countries. Certainly, it is undeniable that in recent decades, much of the world has viewed the member countries of eastern Arabia that comprise the GCC mainly as a collectivity of gas stations rather than countries.

Equally indisputable is that strategic military and economic analysts among the global powers, especially those in the West, have, during this same period of time, tended to consider the GCC countries as objects, as political entities to be manipulated, dominated, and influenced – if not controlled – rather than as actors, with their respective legitimate needs, concerns, interests, rights, and foreign policy objectives. It is beyond debate that countries in dire financial straits the world over understandably tend to view several of the GCC countries – if only through ignorance and lack of firsthand experience or exposure to these societies – as having more money than they know what to do with.

Over and against these ongoing international perceptions of what the GCC and its members are and are not, however, is a more positive and accurate image. It is this: the continuing conviction of many in the outside world is that the GCC countries are practically certain to remain of vital importance to global well-being not just because of what, who, and where they are but, most especially, in terms of the bounteous and vital energy and now increasingly plentiful financial resources they possess and administer not just for their own respective self-interest but also in stewardship of a vital and depleting commodity essential to world economic growth.

Owing in large part to the extraordinary breakthroughs in mass communications technology, the world is much more aware than before of

the following with regard to the GCC: (1) the increasingly high geopolitical profiles of the GCC governments' strategists and leaders; (2) the degree to which the GCC countries are represented within the G-20 group of global economies; (3) the mounting strength of several GCC members' sovereign wealth funds and government investment institutions; and (4) the steady flow of foreign capital, management, and marketing expertise to the region as partners in common causes. All of these trends and indications underscore how the images once so widely associated with this part of the planet are now no more.

In this context, the prospects are good that growing numbers of governments and people worldwide in the coming ten to twenty years will have reason to alter their previous negative or dismissive views of the GCC. If in no other way, it is likely that the GCC countries will be acknowledged as occupying an enviable niche few others could likely attain, namely as having leaders of conviction and compassion committed, to the extent possible, to assisting the world's less fortunate peoples.

Building Blocks for Additional Successes

What the GCC countries have achieved in the instances noted above has laid down important markers for what they can be expected to accomplish in the next two decades. Important among the possibilities are the GCC countries' increasing examples of partnering with other Arab countries to act decisively and meaningfully on contentious issues despite there being less than unanimous agreement among them.

In so doing, the GCC countries and their allies in the Arab world have already shown an ability to break with longstanding tradition and precedence. For example, in response to Iraq's invasion of Kuwait in 1990 they surmounted the League's decades-old practice whereby collective international action by League members had to be approved unanimously in order to be valid and allowed to proceed.

Had the GCC countries, with the assistance of six other Arab countries, remained tethered to that tradition, Kuwait – in the absence of Arab, Western or other military assistance to restore its national sovereignty,

political independence, and territorial integrity – might no longer exist (except, perhaps, as a memory or Arab Ba'athist Iraq's newly joined nineteenth province). The member-states' decisiveness within the Arab League on that occasion was not a one-off example.

The GCC countries proceeded in a similar manner when linking their respective electrical grids. Oman and the UAE delayed their decision to do so, but agreed that the other four countries could proceed by themselves for the time being. Indeed, at the December 2009 annual summit of the GCC's heads of state and foreign ministers, that is exactly what occurred. The ruler of Kuwait flipped the switch that activated the electrical networks linking Kuwait, Bahrain, Saudi Arabia, and Qatar.

Looking ahead, the prospects for the GCC countries being able to forge additional effective coalitions with fellow Arab League members are likely to remain high. One can infer as much from how the member states have addressed various challenges in recent years in ways that few would have predicted when the organization was established.

Consider, for example, the following: the GCC countries, headed by Saudi Arabia, provided unprecedented leadership regarding the Arab-Israeli conflict less than half a year following the September 11, 2001 terrorist attacks against the United States. In an extraordinary and unprecedented display of conviction and commitment, the 22 members of the League of Arab States, at a meeting in Beirut on March 31, 2002, voted unanimously in support of then Saudi Arabian Crown Prince Abdallah's Pan-Arab Peace Proposal to Israel.

The proposal, renewed subsequently, offered that all 22 Arab states establish normal diplomatic relations with Israel in exchange for its withdrawal in keeping with the UN Charter, specific UN Security Council resolutions Israel had accepted, and the specific – by implication, Israel-centric application – of the Fourth Geneva Convention of 1949, regarding which Israel and the United States were major proponents and among the world's earliest signatories.

Other examples include occasions when some but not all of the GCC countries have moved to act against a fellow member of the League of Arab States (but not of the GCC). A notable recent instance of this was in

2011, when Libya committed a series of acts against its citizenry that other Arab countries and NATO members France and Great Britain found egregiously unacceptable. While few GCC or Arab League members were initially certain how to respond, Qatar and the UAE decided to act on their own. They agreed to provide varying degrees of aerial refueling, surveillance, and other logistical and operational support for the NATO-led no-fly zone in Libya.

It is, of course, too soon to assess what the long-term effects of the actions taken by Qatar and the UAE will be in this instance. In the interim, there is no disagreement on the context: the actions were premised on the urgent need to prevent an anticipated massacre of large numbers of Libya's citizens in the eastern part of the country.

Similarly, in the case of Bahrain's request for GCC security assistance in February 2011, Saudi Arabia, Qatar, and the UAE answered the call to contribute forces to protect Bahrain's vital economic and security infrastructure. In so doing, they freed Bahrain's regular security forces to deal with the threats posed by the domestic demonstrations that its government and its allies alleged had been aided and abetted by "a foreign power," with the phrase being understood to be Iran, although Iraqi leaders also spoke out in favor of the protestors.

Some critics observed, but failed to provide context as to why neither Oman nor Kuwait sent forces to Bahrain. The reasons, however, were not hard to find. In the case of Oman, its inability to assist Bahrain was due to timing and circumstance—the Sultanate had its hands full dealing with its own widespread domestic demonstrations that were underway at the same time as Bahrain's.

As for Kuwait, whose ruling family and tribe is related to Bahrain's, it was reported that the government's preferred role, if requested, was to offer its services as a mediator between the contending forces. Each of these cases was therefore unique. Overall, however, what they indicate in terms of the international and diplomatic circumstances in which the GCC countries are situated, is that recourse to pragmatism and practicality in matters pertaining to conflict-resolution or dispute-amelioration is proving far more efficacious than earlier traditional approaches to problem-

solving. The reasons for this are multiple. Included among them is the tendency of increasing numbers of non-GCC countries to support GCC requests for assistance of one kind or another. From the GCC's side, the only discernible caveat is that the grounds for taking such action should correspond to an acceptable national security, political stability, humanitarian, geopolitical, economic, moral, or other rationale.

That the six non-GCC Arab League member states twenty years previously joined the GCC countries in the international coalition to reverse Iraq's aggression against Kuwait is but one among a number of examples likely to be repeated in the coming years. Another is the urging of the GCC and other League members to intervene in Libya with a view to preventing large-scale suffering following the country's popular protests seeking to overthrow the Qaddafi regime.

Of more recent significance with regard to the GCC's potential, and to previous trends and indications likely to be repeated in the decades to come, was the decision of Saudi Arabia, the UAE, and Qatar in March 2011 to mobilize and deploy portions of their armed forces to Bahrain.

If one were to cite a date as to when such a departure from the status quo was first ironed out among the members, it would be early December 1987. The occasion was during the Iran-Iraq war, not long after the United States, at Kuwait's request, had agreed to place its flag atop oil tankers then travelling to and from Kuwait. At a meeting of the Arab League in Amman, Jordan, the entire League membership voted unanimously to endorse Kuwait's actions to enhance its national security. The challenge of determining how to phrase the wording of this extraordinary vote in support of the first-ever instance of an Arab country supporting an American armed intervention in the Arab world was a difficult one to surmount.

In an act of monumental significance, the League's members unanimously endorsed the decision of a fellow member to request the United States to defend it; i.e., in this particular instance, to protect international maritime traffic to and from Kuwait. That the wording of the resolution avoided mentioning the United States by name – stating instead that the members simply “endorsed Kuwait's steps to ensure its security”

– was a pan-GCC and pan-Arab rhetorical and diplomatic masterstroke. It provided an acceptable justification for all of the League’s members opting to stand with Kuwait against Iran, the sole party to the Iran–Iraq conflict at the time that remained determined not to agree to a cease fire.

Looking forward from 2011, it can be argued that the likelihood of the GCC countries having to act independently of their allies, and in some cases by themselves, is likely to increase, not decrease. One reason is that the US government, the GCC countries’ foremost defender against hostile threats or armed attack, is being increasingly pressured by its citizens to concentrate its attention, resources, and priorities more on America’s domestic economic and infrastructure needs and less on what its foreign policy and defense establishment are accustomed to referring to as US national security interests.

The message could hardly be clearer. The GCC countries have no choice but to pause and reflect on the likely consequences of their most powerful ally being distracted and consumed by internal economic, financial, and fiscal developments for quite some time to come. The implications of America being increasingly constrained militarily and strapped for funds to finance its international operations on the scale of previous years are also clear.

For these reasons, the GCC countries are increasingly in broad agreement that they need to become more self-reliant in security matters and self-defense, and they remain as mindful as before that they need to proceed with a view to being able to link progress in these endeavors to their respective prospects for sustained national political stability as well as regional peace and prosperity.

What is the likelihood of the GCC countries being able to meet such a challenge? Stated differently, what are the prospects for their being able to effectively address most of their internal security requirements – as opposed to their external defense needs – unaided by one or more of the great powers and in the absence of a full-scale invasion by the much larger armed forces of non-GCC members Iran or Iraq?

Looking forward from the perspective of 2011, absent a war with Iran or Iraq or some combination of the two, and absent an American or Israeli

attack against Iran, the GCC countries' prospects would appear to be good. Overall, incumbent regimes are not lacking in the necessary material resources to address many of the economic demands in the short term.

Where they are likely to remain vulnerable, however, is in deterring and defending against military threats from foreign powers with more powerful armed forces than those the GCC countries command. To be able to effectively address the latter contingency collectively and individually, the GCC countries will have no choice but to remain dependent on their great power allies' commitment to defend them for sometime into the future. At the same time, they have no choice but to do everything they can to become more self-reliant and effective in demonstrating their external defense and domestic security capabilities.

The good news is that there has long been a framework within which efforts to advance these objectives have been pursued. For example, the United States alone has four separate Defense Cooperation Agreements with Bahrain, Kuwait, Qatar, and the UAE; a separate Access to Facilities Agreement with Oman that is a decade older than the other agreements; and a *de facto* series of defense cooperation agreements with Saudi Arabia dating from more than half a century ago.

There is also a forward-deployed American naval presence in Bahrain; a forward deployed US Air Force presence in Qatar; a series of bases in Kuwait and Iraq; an ongoing robust arms sales program to all of the GCC countries; and a longstanding, modest but effective program in which GCC defense representatives come to the United States to engage in military education and training programs with their American counterparts year-round.

*Continued Leveraging of Fiscal
and Monetary Assets for Benefit*

The force and logic of this reasoning would seem to be beyond debate, anchored as it is in a combination of fiscal, monetary, geological, and economic realities that show every sign of continuing for the next ten to

twenty years. That is, from this point in time, it is difficult – if not impossible – to imagine most non-GCC Arab countries being able to finance effectively their ongoing modernization and development or meet their recurring international economic commitments without assistance from the less populated and more affluent GCC countries. It is also next to impossible to envision the prospects for global economic growth being positive in the absence of the continuing role of the GCC countries as the world's most prodigious producers of the hydrocarbon fuels that drive the engine of global material well-being.

Viewed from the perspective of most of the past century, there is nothing new in this regard. An analogy is the long history of Western European countries' tendency to side with American strategic, geopolitical, and military policies during the Cold War. Indeed, the tendency was constant from the beginning of the 1947 Marshall Plan for the economic recovery of the European countries devastated by World War Two, straight through to the breakup of the Soviet Union and the collapse of its satellite regimes in Central and Eastern Europe.

In the contemporary setting, and with a view to the period ahead, there is ample reason to believe that the similar tendency of the numerous less economically endowed non-GCC countries to request assistance from the GCC countries is likely to increase, not decrease, for a credible alternative is nowhere in sight. So, too, is it likely that countries benefiting from the GCC states' material munificence will continue to do so as long as it does not prove counter-productive to their national security and related interests to support the GCC geopolitically and, where possible, militarily.

The reason in both cases is that in the Arab and Islamic world as a whole, the GCC countries are the only ones with the capability, inclination, proven expertise, and interests to perform such an increasingly activist and beneficial role, provided that the task of meeting their own citizenries' legitimate needs first remains uppermost as a national priority.

*Deepening Interdependencies
for Reciprocal Rewards*

The evidence to support this thesis is abundant. There is already the longstanding pattern of unemployed and under-employed nationals of non-GCC countries emigrating to the GCC region in search of meaningful employment. There is little wonder as to why. Demands for greater economic opportunity have been foremost among the factors driving the uprisings of youth in Egypt, Libya, Syria, Tunisia, and Yemen.

In marked contrast, with the partial exceptions of Bahrain and Oman, there is no evidence of technically educated, trained, and qualified/licensed GCC nationals in the fields of medicine, engineering, and business administration in any significant numbers seeking, for lack of opportunities, to emigrate to non-GCC Arab countries, or for that matter, beyond the Arab world, in search of employment and a better life.

Further evidence of the continuing drive to increase and maintain mutually profitable relationships between GCC countries and numerous non-GCC Arab countries can be noted in GCC investments in the economies of select non-GCC states. In addition, several GCC governments have provided grants and favorable-term development loans to fellow Arab and Muslim nations elsewhere.

Some recent and ongoing illustrations as to how the prospects for this positive GCC trend are likely to continue are as follows: the citizens of numerous GCC countries, for example, have long owned second homes and other properties as well as invested heavily in the economies of Egypt, Lebanon, Morocco, Sudan, Syria, and Tunisia. In addition, are the uses to which the foreign economic assistance funds, agencies, and government investment institutions of Kuwait, Qatar, Saudi Arabia, and the UAE have been put in underwriting major economic infrastructure projects in the Arab non-GCC countries mentioned above. In looking ahead over the coming ten to twenty years, there is little reason to expect that such trends and indications will cease or significantly decrease.

*Sustaining and Capitalizing
Upon Conflict Resolution Initiatives*

The GCC countries are also likely to attract ongoing and increased respect and appreciation internationally for their efforts to bring about conflict resolution and/or amelioration in areas of mutual importance. Kuwait, Saudi Arabia, and the UAE, for example, provided various kinds of assistance to the Bosnian Muslims attacked and occupied by Serbia in the 1990s.

Each of these three GCC countries, to whose ranks Qatar was later added, has also long been involved in supportive efforts to alleviate human suffering in Afghanistan, Kosovo, Lebanon, Palestine, Somalia, Sudan, and Yemen. In addition, the extent to which Kuwait has played such a role over a much longer period is second to none. From the inception of the Kuwait Fund for Arab Economic Development half a century ago until the present, Kuwait has been a major – albeit deliberately low profile – donor.

*Maintaining Global
Leadership in Charitable Giving*

What particularly distinguishes Kuwait in this regard is the extent to which it contributed to economic and social development projects within the GCC region prior to the existence of the GCC and also even before Kuwait was freed in 1961 from its defense and foreign relations being administered by Great Britain. In addition, although little known by many outside Africa and the European Union countries, Kuwait was the primary force financing the successful efforts to eradicate river blindness in five West African countries in recent decades. It was also the world's lead donor country in helping to finance the resettlement of more than than 200,000 Soviet citizens affected by the nuclear meltdown at the Soviet nuclear power plant in Chernobyl in April 1986.

In contrast to the United States and other major traditional foreign economic assistance providers, Kuwait has hardly gone backwards or

remained unchanged in this regard. For example, whereas the United States and other previous large foreign aid donors nowadays provide far less aid than in years past in terms of a percentage of their gross national product, the trend in Kuwait has been the opposite. Indeed, from its earlier status in extending meaningful economic assistance to some 88 countries twenty years ago, Kuwait has since then increased the number of countries receiving its material aid of one kind or another to more than 108 countries.

GCC country development and humanitarian contributions to the world's less fortunate have been to alleviate human suffering (e.g., widows, orphans, famine victims, the homeless, those without schools, roads, hospitals, or clinics), support peace overtures, mediation, peace keeping, and humanitarian contributions in Afghanistan, Bahrain, Lebanon, Libya, Pakistan, Sudan, and Yemen.

Non-Arab world beneficiaries of GCC humanitarian and charitable contributions to worthy causes include India, Pakistan, and numerous among the world's estimated 140 developing countries in Africa, Southeast Asia (e.g., victims of the early 21st century Tsunami), and South America (e.g., Haiti, the Dominican Republic, etc.). GCC country economic aid has even been provided to disaster-torn areas of the United States. An example is the flood victims of Hurricane Katrina in Louisiana, where, of all the sources of humanitarian assistance that reached the victims, the greatest by far came from Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates.

As a consequence, Kuwait, Qatar, Saudi Arabia, and the UAE have earned increasing degrees of international geopolitical support and goodwill that few would have predicted a decade or two before the GCC was born. In the process, the GCC countries have illustrated how countries with under-sized populations and modest defense establishments can have a positive global reach and impact far surpassing that which many might imagine. Provided that prices for the internationally-traded oil exports of these four GCC countries remain at levels significantly higher than the single digit ones they commanded a little over a decade ago, there is every reason to believe that the major GCC foreign aid providers will

continue to play a dynamic and far-reaching role in global economics and finance, and their cultivation of increasing international respect, support, and allies in the process will not only continue but grow.

Even if global oil prices were to decline from the robust level they have averaged in the second decade of the 21st century and the one before it, the GCC countries will likely continue to outpace all other developing countries in terms of the amount of their monetary assets that are put to overall positive use. In so doing, they will do more than demonstrate an ability and will to meet their Islamic charitable obligations. They will also continue to reap positive geopolitical advantages in the form of ongoing support for recipients' legitimate national security and development needs.

Placed in perspective, the significance of the GCC countries' extraordinary record of international financial assistance needs to be seen for what it has been, is presently, and is likely to remain in the future. Over the course of many years – beginning in the 1970s – GCC aid-givers have donated an average of around four percent of their gross domestic product (GDP) to charitable and humanitarian causes annually. In contrast, the world's wealthiest – as well as most indebted – country, the United States, has seldom exceeded more than one tenth of one percent of its GDP in the form of development assistance to other countries.

Measured another way, the world's four greatest providers of charity in terms of contribution per capita have long been Kuwait, Abu Dhabi, Saudi Arabia, and, more recently, Qatar. In comparison, among the world's seventeen greatest providers of charitable economic assistance to other countries, the world's richest country, the United States, despite its annual GDP of more than thirteen trillion dollars, ranks yearly at the bottom in terms of charity as a percentage of income per capita.

Viewed from yet another perspective, the recipients of GCC charity worldwide number more than 100 countries. In contrast, for years the recipients of ninety percent of American official economic assistance comprised fewer than ten countries. To the extent that the expression "money talks" is true, it would seem certain that the GCC countries – if only because of their records to date and their having no serious

competition – will continue to garner significant international influence in this manner. Put another way, they are likely to have a greater percentage of their urgent calls for assistance of one kind or another answered more readily and effectively than the vast majority of the world's other developing countries.

Looking Further Forward

The GCC was created in 1981 in the midst of a major international war on the members' doorsteps. Compounding the worldwide implications of the fighting from the outset was that it set the Gulf's two most populous, heavily armed, and territorially ambitious neighbors against each other. Each deeply resented not being asked to join the GCC. In that context, few could have imagined that either the GCC – or perhaps one or more of the GCC countries – would be able to endure and emerge from the conflict relatively unscathed, but that's exactly what happened.

It was not just that the member states survived the conflict. It is also that they prospered along the way and, against all expectations, became more resilient in the process. In so doing, they confounded their critics, many of whom found it hard to imagine how what was then the latest intra-Arab experiment in regional organization could possibly have proceeded and succeeded in the way and to the extent that it did and, in the process, proved wrong so many of their critics that had wagered on their failure.

Continuing Economic and Financial Clout as well as Diversification

In contrast to the numerous stereotyped negative images of them when they established the GCC in 1981, the participating countries have succeeded regionally in carving out one enviable positive niche after another. Building on the material well-being derived from their energy resource bases, most of the members have evolved into economic and financial powerhouses the likes of which exist nowhere else among six

contiguous countries anywhere in the developing world. In the process, the members have demonstrated that, despite insecurity and instability in one or more parts of the globally vital area in which they are situated, it does not necessarily follow that neighboring countries in such a region will also become insecure or unstable.

Indeed, the GCC countries, admittedly with the considerable assistance of their great power allies, have repeatedly proved the exact opposite. Their collective experience demonstrates that even in a troubled region such as theirs, there can co-exist simultaneously impressive periods of adjacent security and stability unmatched by any half dozen other Arab and Islamic countries or, for that matter, any half dozen among the world's developing countries elsewhere.

The basis for believing the GCC region is destined for greater economic and financial achievements in the coming decade is plain to see. As to the prospects for the opposite prognosis – namely what could prevent this admittedly roseate scenario from occurring – one would likewise have to acknowledge that the possibilities for that are also there for all to see. Included among the latter would be the eruption of an economic, environmental, or natural disaster. An example could be an earthquake resulting in the release of radiation into the waters and air of the Gulf and the GCC region from Iran's nuclear reactor at Bushehr.

Another example could be the commencement of armed conflict against one or more of the GCC countries by Iran or Iraq, or possibly both, or some other catastrophe greater than any that has occurred to date. Among the more dire possibilities is one that, for much of the past three decades, numerous American and Israeli military strategists have advocated: attacking Iran. From a consideration of any of the possible scenarios accompanying such an armed confrontation, it is hard to see how any of them would not have a potentially disastrous impact on the security and stability not just of Iran but also of the whole GCC region, if not the world beyond.

First, even a small and short-lived attack would risk roiling global energy, commodity, transportation, and insurance markets. Second, the launching of maritime, air, or other targeted strikes against Iranian assets

would risk Iranian retaliation against the GCC region's energy and other vital economic infrastructure and installations and/or such foreign military presences as might remain in Afghanistan and Iraq. Equally possible, and arguably easier to administer, would be the instigation of violent reactions among the hundreds of thousands of overseas Iranians living and working in as well as trading with any number of the GCC countries.

Third, in contrast to the wishes of some among the 'war-with-Iran at-any-price' advocates, who favor overthrowing the government in Tehran and replacing it with one that would presumably be more favorable to Israel and the United States, the exact opposite could occur. For example, such an attack could just as easily produce a government in Tehran that would be even more hostile to Israel and the United States than the one that exists.

Fourth, there would likely be similarly counterproductive results were the *raison d'etre* for the attacks to destroy Iran's ability to manufacture nuclear weapons and missile delivery systems capable of reaching Israel or harming American interests in the GCC countries, Afghanistan, and Iraq. Short of these and possibly other apocalyptic scenarios, the prospects for the GCC region being able to retain and build upon its present dynamic robustness for some time yet to come can perhaps best be seen in the side and rear view mirrors as well as through the windshield.

Prisms for Perspective

The citation of a few recent developments should suffice to validate the point. One development with obvious implications for the GCC region's future relates to Kuwait. It has long been accepted that Kuwait, the first of the GCC countries to initiate a sovereign wealth fund for the country's future generations, is – and will likely remain – in greater financial health than any other country.

Critics, of course, will point out that there are exceptions to this upbeat depiction of Kuwait as being unique among nations. Two that come to mind are Brunei and Singapore, whose sovereign wealth funds, collectively, are reportedly greater. Looking further into the near-term

future, two other possible exceptions are likely to be Qatar and the UAE or rather the UAE emirate of Abu Dhabi.

Kuwait has arguably long been the world's first oil-producing country likely to survive were its energy exports to cease. The reason: it would most probably continue to meet most of its bills by dipping into the enormous dividends received on its financial investments over the past half century—and at the same time be able to maintain a prudent and reasonable level of development and material well-being for most of its citizens.

Kuwait's importance to global financial markets has long been acknowledged by treasury and financial officials the world over. Hence, British Prime Minister Margaret Thatcher, upon learning of Iraq's invasion of Kuwait on August 2, 1990, committed Great Britain to do whatever was necessary to defend Kuwait in the event of it being threatened or attacked. This was in keeping with a provision it had committed to in its 1961 Treaty of Independence with Kuwait. In that Treaty, Great Britain agreed to relinquish its long-standing treaty commitment to administer Kuwait's foreign relations as well as defense. Barely half a decade earlier, the British had done much the same when it committed the Armilla Patrol to strengthen the United States' armed naval escort of oil tankers and other seafaring vessels *en route* to and from Kuwait; and earlier still, when Kuwait obtained its independence in 1961 and British troops, in keeping with the independence agreement noted, rapidly mobilized and deployed to Kuwait to protect it from Iraq's imminent threat to attack the country and annex it to Iraq.

Future Prospects for Repeat Performances

Are the GCC countries likely to continue to be protected by Great Britain, the United States, and other credible world powers from any and all foreign threats to their security and stability in the coming ten to twenty years? From the current perspective, there is every reason to believe the answer is yes. The reason: large numbers of economists and energy analysts agree that the global economy is destined to become *more*, rather

than less, dependent on the continued use of oil as the world's preferred fuel for transportation. A corollary view is that world economic growth is almost certain to depend on the continued security of the GCC countries' petroleum production, supplies, and exports for the next twenty years and likely beyond.

Further underscoring the extraordinary financial health of Abu Dhabi emirate, Kuwait, Qatar, and Saudi Arabia to date is the sheer length of time in which they have ranked simultaneously year after year as owners of the largest percentage of the world's hydrocarbon fuels (forty per cent of the total versus America's two and a half per cent and Iran and Iraq's ten percent each) and among the most generous foreign aid providers. Here again, Kuwait is a good example, as was shown earlier with regard to the development assistance it extended – even before its independence – to several of the lower Gulf emirates and the South Arabian Federation, the forerunner of the People's Republic of South Yemen.

Further afield, when Soviet oil exports to Bulgaria, Czechoslovakia, Hungary, Poland, and Romania ceased upon the implosion of the USSR, Kuwait was practically alone in stepping into the breach. It provided most of the replacement supplies to these fledgling, newly liberated republics. With Kuwait having raised the bar so high, it is understandable that Qatar, Saudi Arabia, and the UAE have yet to attain a comparable status within international financial circles. However, the day may not be that far away when similar good fortune provides these other three GCC countries the same status. One reason is that these three countries, respectively, have become and are likely to remain the GCC region's preeminent centers for foreign market-related natural gas, investment, and commerce. Absent any sign that either Iran or Iraq would likely be able to provide such services in the near term, these three countries have a good chance of meeting long-term international economic and commercial demands for years to come.

The GCC countries' decisions long ago to build these and other kinds of strategic assets have repeatedly proved their efficacy. The evidence is in the extent to which, as noted earlier, the governments and private sectors of dozens of non-GCC countries have repeatedly expressed the following

view: the enhancement of these six countries' prospects for prolonged peace and prosperity is in almost everyone's interests. When all stand to benefit in one way or another from the proverbial "golden goose," no one – or at most only a very small number – is likely to attempt to kill it.

*Prospects for Increasing
GCC Economic and Financial Clout*

Powerful recent examples of the GCC region's growing clout in matters of global economic and financial importance abound. For instance, it was on display in the 1990s when Saudi Arabian Prince Alwaleed Bin Talal Al Saud came to the rescue of the financially-troubled Citibank. He did so by investing hundreds of millions of dollars through the purchase of equity in the bank's ownership, thereby staving off what many believed was an impending disaster for America's largest financial institution.

A similar rescue effort – an example of what GCC institutions and individuals are able and willing to do in order to avert an international financial crisis when it is possible to do so – was again on display at the time of the onset of the United States-induced international credit and liquidity crises of late 2007 that continued into 2008 and beyond. In the late Winter of 2007, Citibank officials came to the Abu Dhabi Investment Authority, in a desperate search for an urgent infusion of funds – this time, billions of dollars – to avert an impending major loss to the bank's profitability, stock market share price, and global reputation for fiscal probity. Later, the bank's representatives went to Kuwait and elsewhere with a similar goal. Once again, then, actors within the GCC region came to the rescue of a US-based, deeply troubled financial giant.

Is this pattern of major foreign financial institutions in dire straits asking for, and then receiving, one or more GCC countries' assistance likely to recur in the coming decades? In the absence of a financial default by one of the world's great powers or the scrapping, reduction, or significant dilution of the historical role of the US dollar as the preferred reserve currency for most countries, the answer is yes for two reasons.

One is the prolonged and clouded uncertainty as to when global financial markets can be expected to return to a semblance of their previous robustness. The other, which is related, has to do with increased numbers of countries' acknowledging their inability, without help from others, to avoid defaulting on their obligations. In both cases, it is difficult not to see the four wealthiest GCC countries – like Luxembourg and Switzerland before them, despite their relatively small size and populations – growing from strength to strength as respected players in the global economy.

Another example, with similar implications for the GCC in the future, is what happened in the month immediately prior to the American presidential election of November 2008. With the global economic shock showing no sign of early abatement, the United States decided to send the Deputy Secretary of the Treasury on a whirlwind tour of Kuwait, Qatar, Saudi Arabia, and the UAE. The deputy secretary's quest, for an urgent infusion of deposits and investments in various US government securities, met with mixed results. GCC leaders received their high-ranking foreign guest, as expected, with traditional courtesy and respect. However, particularly noticeable was that the hosts were less inclined than in previous years to be as forthcoming in accommodating the high-ranking visitor's goals. The GCC financial leaders' reluctance to accede to what was requested was unprecedented and reflected a revolutionary about-turn in their attitudes towards such appeals.

When Enough is Enough

An advisor to one of the GCC financial leaders who entertained the American request for emergency monetary aid informed me shortly afterwards as to what happened. He said that the relatively cool reception with which various GCC leaders greeted Washington officialdom's representative on that occasion was, in his many years of attending meetings with foreign dignitaries, a first. The reason, the adviser said, was that a limit had been reached in terms of the degree of GCC financial leaders' tolerance for American officials' pleas for emergency aid, occurring

mainly in times of dire American economic circumstances such as this without any accompanying offer of comparable benefit.

The context in which the meetings took place was one in which GCC leaders were fully aware that the region's economic and financial situation and outlook were then vastly healthier and more promising than in the United States. Accordingly, by neither agreeing to the American request nor rejecting it out of hand, the source indicated that the leaders were able to drive home a message they had been wanting to convey for a very long time. From the GCC's perspective, the atmosphere could not have been more conducive, nor could the moment have been more politically propitious to the message: in keeping with the paraphrasing of an age-old adage: "A friend in need is a friend indeed."

The gist of why the response of some of the GCC country hosts was lukewarm to what they were being asked to do was encapsulated in words to the effect that: "We have had our fill of being frequently asked by the United States to be with it in a crash landing but seldom to join it on a takeoff."

Concluding Remarks

If this essay has succeeded in illustrating nothing else, it is how a sub-regional organization came into being and began to develop thirty years ago in circumstances that were hardly fortuitous. In so doing, as a means of ensuring its security and stability, the organization's visionaries and founders validated the age-old adage that "necessity is the mother of invention." That the GCC leaders proceeded to invent what its founders deemed necessary proved the more remarkable for occurring in the shadows of a major regional war being waged literally on their doorsteps. It proved remarkable also for managing, in close association with its numerous powerful international friends and allies, to defy all of its naysayers by not only surviving but thriving in numerous ways.

This net positive assessment of the GCC's accomplishments to date can be viewed from both ends of a chronological perspective. For example, compared to their much larger, more populous and more

militarily experienced neighbors Iran and Iraq, when the GCC experiment began, the members emerged unscathed from the adjacent war which lasted from September 1980 until the ceasefire in August 1988.

That much the same can be said about where the GCC stands three decades since its birth is more remarkable still. Indeed, in 2011 for example, most analysts of Arab regional affairs conceded that, against all earlier expectations to the contrary when the GCC experiment in sub-regional political reengineering began, the organization has arguably emerged even stronger and more influential than when it began.

To evaluate positively the GCC's overall record in the second half of its existence is as noteworthy as being able to do the same regarding the first half of its existence. Among the reasons are the following: as the region's own analysts concede, the GCC and its member states have succeeded in areas of endeavor where other Arab attempts at sub-regional cooperation have as yet not even been attempted.

Only a few examples should suffice to prove the point. Among them are: the members' having forged a joint strategic defense concept with assigned units from the member-states' armed forces; entering into a series of defense cooperation agreements with the United States and other great powers; reaching agreement on a common external tariff, a common market, a customs union, a pan-GCC electricity grid, and a future railroad linking the territories and markets of all six members. Taken as a whole, such measures are designed to facilitate a more unified and cohesive whole with regard to issue-specific challenges conducive to their further economic and infrastructure integration.

Few would have envisioned the GCC being able to survive and prove resilient despite the badly tarnished overall credibility and capabilities of its great power protector, the United States. Among the references in this case are the photographic images of Iraqi prisoners at the American-administered prison at Abu Ghraib, American policies towards Palestine, and the tens of thousands of innocent Afghans and Iraqis killed and wounded as a direct result of American policies towards those two countries.

In contrast to the war of necessity that America launched against Afghanistan is the war of choice the United States waged against Iraq. In the eyes of the overwhelming majority of the GCC countries' leaders and rank and file citizenry, the latter was arguably not only unnecessary but also launched against the advice of America's GCC friends and partners. Given this context, background, and perspective, it takes little to imagine the embarrassment, angst, and despair that America's Iraq adventure has caused its GCC partners and the aid that the adventure has been to the recruitment of radicals that would wreak their revenge on not only the United States but also America's allies among the GCC countries.

The ongoing shock of what the United States did to Iraq will long remain encapsulated in the observation of many within the GCC, shared with this author at various GCC ministerial and heads of state summits, to the effect that, "The United States invaded Iraq and Iran won—without firing a single bullet or shedding a drop of blood." The shock was compounded by the earlier American invasion of Afghanistan, where Iranians had also not fired a shot nor had any of its soldiers wounded, with the result that Iran achieved strategic advantage and economic gain there, too. The references, of course, are to the United States having dealt military setbacks to two of Iran's most formidable adversaries that happened to be the GCC countries' neighbors.

In so doing, the net effect of America's policies and actions in the GCC region and in adjacent areas served to embolden Iran's regional aggressiveness, assertiveness, and interference in a broader array of GCC and other Arab domestic affairs than one could have foreseen but a few years before. As such, the United States is seen from one end of the GCC region to the other as having imported to the GCC region a type and degree of insecurity that was neither there nor anticipated before.

However, the ongoing relatively healthy and mutually beneficial relationship overall between the GCC and the world's most powerful economy and armed forces is not the sole or even the main feature explaining why the GCC and its member countries have survived as well as they have and are as relatively well-positioned among Arab polities as they are to navigate the uncertain shoals of regional and global

developments in the coming two decades. Neither is it their possession of forty percent of the fuel that drives the engines of the world's economies, vitally important a strategic factor as that resource has been and is likely to remain for some time yet to come among developing and developed countries. Nor are the GCC countries' resulting deep wells of economic strength and financial prowess alone likely to assure the organization and the member-states' prospects for surviving and thriving in the next two decades. The sources of the GCC's overall success in its thirty years to date are of course a combination of all of these phenomena. Yet more importantly to the GCC region's security, stability, and relative peace and prosperity compared to the rest of the Arab countries, the Middle East, and the Islamic world is something else. Among leaders and led alike, it is a respect and reverence for the tried and proven ways of the GCC citizenries' forebears. Foremost among such ways that are distinct to the GCC and its members are those manifested in the ongoing application of, adherence to, and respect for the age-old and time-tested traditions of consultation and consensus. Against almost all the world's predictions to the contrary when the GCC began, these features, as institutionalized, have served the GCC and its member countries' forebears and their progenies remarkably well, and are likely to continue to do so in the coming decades.