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Terrorism, Gulf Security
and Palestine:
Key Issues for an EU-GCC Dialogue

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ROBERT SCHUMAN CENTRE FOR ADVANCED STUDIES

**Terrorism, Gulf Security and Palestine:
Key Issues for an EU-GCC Dialogue**

Gerd NONNEMANN, Anoushiravan EHTESHAMI and Iris GLOSEMEYER

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I. CONTEXT

The attempts, post-11 September 2001, to bring the Gulf states in on the side of the Western-led 'coalition against terrorism', have focused general attention on the security dimension of relations between the West and states such as Saudi Arabia. The contributions which were hoped for ranged from the breaking off of diplomatic relations with the Taliban government (which the two states that had them, Saudi Arabia and the UAE, swiftly did), over diplomatic support for an anti-terrorism campaign, to choking off the flow of funds to suspect organisations, intelligence cooperation, and the use of military facilities. By the same token, those engaged in these attempts have become increasingly aware that there are limits to the demands they can make of these governments, and that such limitations are linked to popular and governmental feelings about other issues in regional politics, and to consequent questions of regime legitimacy and domestic stability. There can be no more appropriate time to rethink and revive the Political Dialogue between Europe and the GCC.

1. Key issues

Dissatisfaction with the content and effect of the dialogue between the Gulf Cooperation Council (GCC) states and the European Union is of long standing. The discontent has varied on the two sides and over time – but there has clearly been a perception that the sides were at times talking at, or past, rather than to, each other, and that key concerns of one side were not being addressed or even acknowledged by the other. Of course, economic interests on both sides are of central importance. But these are combined and in many instances intertwined with political and security issues. Hence the “political dialogue.”

For the GCC states' leaderships, a key issue in this arena has long been regional security; in turn this is at least in part linked to concerns over the Palestine question, which itself has the potential to upset stability. For the European side, too, regional security in the Gulf is a high priority. At the same time, however, the EU also has concerns about questions of governance and human rights in its relations with third parties, a concern which is both a matter of principle and linked to the aim of fostering long-term domestic stability. Elsewhere, one of the present authors has made the case for a European policy on the fostering of good governance and human rights (GGHR) in the region; it

was argued that such a policy must be clearly set in a broader context:¹ GGHR initiatives must, to have any credibility or effect, be part of a much broader dialogue which is genuinely mutual and encompasses GCC concerns. Leaving aside the economic aspects of the relationship, the Dialogue between the EU and the GCC should, then, be composed of three themes:

- good governance and human rights;
- cultural issues and understanding;
- security & international affairs.

European interlocutors – whether at the collective or at the bilateral level – cannot hope to achieve a satisfactory dialogue on the first theme, unless the second and third are also developed. Both of these themes are of genuine importance for the GCC interlocutors, whether for reasons of principle and conviction, for practical political calculation, or as an indicator that their European counterparts are prepared to deal with them as equals, and are taking their interests and concerns seriously.

This paper will deal with the third theme. The EU, and EU governments, cannot escape the need to address security issues and international affairs in their dialogue with the GCC states. First, covering those issues – and in particular Gulf security and the Arab-Israeli dispute – is a long-standing desideratum of these states. Second, apart from their intrinsic importance, they are also connected to the other interests of both sides (including European aims on GGHR). Third, this need has only been made more acute by the events of 11 September 2001 and after. It is now Europe itself, as well as the US, that has been raising the security issue of fighting the Al-Qaida network. Popular reactions in much of the Arab and Muslim world, and reactions of the GCC governments themselves to attempts to bring them in as active members of an international coalition against Al-Qaida and the Taliban, have served to highlight more starkly than ever the long-standing imperative to address two key concerns of the GCC regimes.

- **Palestine:** (a) this has both Arab and Muslim resonances, and implications for regime legitimacy; (b) GCC regimes find it impossible to justify (to themselves and their populations) the contrast between the international treatment of Israeli transgressions of international law on the one hand, and

¹ Gerd Nonneman, 'Good Governance, Human Rights and the Case for Political Adaptation in the Gulf: Issues in the EU-GCC Dialogue', RSC Policy Paper no. 01/03, Robert Schuman Centre, European University Institute, Florence 2001.

those of Iraq and Afghanistan on the other; and (c) the US, the main actor against the latter two, is also seen as carrying the main responsibility for making possible the Israeli transgressions, through its supply of finance, arms and diplomatic support. That it is at times also used as a political 'alibi' does not diminish the potency of this basic logic – indeed it is so used only *because* of it.

- **Gulf security:** the concern for domestic and regional stability unites the interests of the EU and the GCC governments. *Domestic security* requires, among other things, that gradual political evolution is encouraged (as argued in a separate paper²); that the governments be seen to get results on issues of popular concern such as the Palestine question; and that they are, meanwhile, not perceived as overly reliant on US protection. The latter point links in to *regional security* dilemmas. First, Gulf security in the long run needs to be seen to be less explicitly dependent on a large US presence; and Gulf security can, in the long term, only be assured by bringing in all eight riparian states. Second, strong continuing fears among GCC leaders over Saddam Hussein's regime, and a determination to see it contained, are mixed with severe concern over the suffering of the Iraqi population – again because of the stark contrast with the case of Israel and the impact on popular opinion. Third, the potential destabilising impact for the GCC states of economic and/or political collapse in Yemen must be avoided.

In short, Gulf security – a key interest of the EU – is one of the GCC governments' top concerns; there is an inescapable link between this and the Arab-Israeli theatre; and it is clear that the avoidance of a 'failed state' in Yemen is in everyone's interest. Since these issues cannot be sidelined, therefore, it is necessary for European actors to formulate a position on them in their dialogue with the GCC governments: the latter will expect no less, and the context of the post-11 September campaign against terrorism has made it imperative. EU governments should therefore attempt to agree on a common position on these issues, based on an identification of common interests with the GCC states.

In the aftermath of 11 September 2001, there is clearly an immediate need to discuss the means to contain terrorist threats. Yet it is vital not to let this concern obscure the persistent and central importance of the issues identified above. Indeed, it makes them more acute than ever.

² *Ibid.*

2. Limitations

It is important to acknowledge from the start that there are significant limitations on the potential for European policy in this regard. These limitations come under five headings.

First, there are limitations to the available means, most strikingly in the military sector. This is true both in absolute terms, and in terms of the interoperability of European equipment.

Second, it is clear that the political will to commit military, economic, and political resources abroad is often lacking. In the case of the Middle East, there has been occasional but very inconsistent political investment; very considerable economic commitment of resources in the peace process; and relatively little else (with the exception of the British and French contribution to the US-led operations against Iraq since 1990).

Third, and part of the explanation for the above, EU members states harbour significantly divergent interests, often have differing interpretations of Middle Eastern events, and frequently, as a consequence, follow quite different policies. Especially where it concerns differences based on divergence of interests, harmonising policy is bound to be very difficult at best. These interests prominently include commercial considerations, but also calculations and preferences about the future European relationship with the United States.

The fourth limitation consists precisely of this: the US factor. On the one hand, successive US Administrations have expressed reservations about an independent European role in the Middle East; on the other, many European governments have been unwilling to pursue policies against American wishes – both out of a conviction that in the long run US involvement will remain crucial, and from a more general unwillingness to upset the wider international Euro-American axis in world politics.

Finally, and crucially, there are EU-level structural-institutional limitations that intertwine with, and in part underlie, the above. Easily the best analysis of this has been offered by Monar in his work on the institutional constraints on the EU's MENA policy.³ He shows how the dualistic nature of the EU system with regard to foreign policy (the EC having competence for

³ Jorg Monar, 'Institutional Constraints of the European Union's Middle Eastern and North African Policy', in Sven Behrendt & Christian-Peter Hanelt (eds.), *Bound to Cooperate – Europe and the Middle East* (Gütersloh: Bertelsmann, 2000), pp. 209-243.

external economic relations, the CFSP for foreign and security policy), leaves its imprint on external representation, decision-making procedures, instruments and implementation – as well as on democratic control. This, he argues, has had a three-fold impact on the EU's MENA policy. First, the EU 'is a clearing house of different interests rather than a unitary actor with more or less clearly defined objectives'. (Indeed, the Barcelona process flowed largely from the interests of southern member states, while members states have widely diverging levels of interest in the GCC). Second, there is 'an in-built tilt towards the economic domain,' since 'CFSP is by far the weaker structure of the EU's dual system of foreign affairs.' Third, this dualism has created difficulties for the MENA partners in terms of transparency and predictability. In addition, Monar exposes serious problems of management, arising not least because the administration of the Euro-Mediterranean Partnership initiative (EMPI) has been shifted to the Commission without any new posts being created to cope with this. When it comes to the Gulf, of course, such understaffing has long been obvious, and it is not clear how the abolishing of the Gulf unit in 2001 will help. The dualism also exacerbates the institutional problem of financing initiatives, while, finally, causing problems in the conduct of negotiations. Monar concludes: 'Its partners have to accept that ... the Union has in-built limitations to its capacity to act and a considerable potential for blockages in the decision-making and policy-implementation process.'

None of the above, however, means that common positions on some issues are impossible, if common or reconcilable interests can be identified. Nor does it mean that a gradual further evolution towards greater coordination need be utopian. At the very least, it is important that the dynamics of domestic and regional politics in the Gulf are analysed in their own terms; that the interests and perceptions of GCC interlocutors are understood; and that attempts are made to perceive the extent to which European (collective or individual) interests can be served by a coordinated policy towards the Gulf and the wider Middle East, calibrated on the basis of that analysis. Awareness of the limitations, therefore, needs to be combined with a concerted search for commonalities and consensus.

European positions in the political dialogue with the GCC states need to be informed and at least in part determined by an analysis of the underlying dynamics of the theatres that will be discussed. Hence a summary analysis of that sort, in section II, will be at the heart of this paper. In section III, we analyse the view from the GCC. Finally, in section IV, we present the policy implications for the EU and European governments.

* * *

II. ANALYSIS: GULF SECURITY, THE LINK WITH PALESTINE, AND TERRORISM

In approaching the issue of Gulf security, a clear distinction must always be made between short-term requirements and long-term vision. It is important to see the former in the context of the latter – something which has been missing all too often. The main difference between the two turns on the dilemma posed by Iraq under Saddam Hussein.

1. A long-term basis for Gulf security

The nature of the Gulf system, and the need for securing the Gulf itself as a whole, are such that, in the long run, only a pan-Gulf security arrangement is likely to bring a satisfactory outcome. Because of their interlocking interests (both in common and in conflict), all the riparian states ultimately need to be involved. That this is currently unrealistic, as long as Iraq's regime remains in place, does not obviate the need to see intermediate solutions in that long-term context. Within this pan-Gulf framework, two further conditions need to be fulfilled – conditions that such a context in fact would make somewhat easier to fulfil. The first is that key security concerns of all states need to be addressed – including remaining border issues, especially surrounding Iraq's access to the sea, and the Gulf islands issue between Iran and the UAE. For Iran, such concerns also include the perceived possible threat from outside forces in the Gulf – in particular the US.

This leads us to the second condition: in the long term, US and other outside military presence in the region should become less prominent, and the collective security arrangement should come to rely relatively less on outside powers. There will always remain a role for outside powers – indeed none of the GCC states would want to do without some Western security insurance. But the huge presence since 1990 has, itself, destabilising effects, both within the GCC countries (as highlighted during the US-British military campaign in Afghanistan from October 2001), and for relations between them and their two large neighbours. Looking beyond the current stand-off with Iraq, such a transformed security arrangement is not quite 'pie in the sky': on the one hand, Iran's policy towards its GCC neighbours across the Gulf has become strikingly cooperative (see section 2 below); on the other, GCC states themselves have become increasingly warm towards Tehran, and are increasingly recognising the down-side of overly manifest security dependence on the US (see section III). The US itself, for that matter, is also likely to see the attraction of reducing its

commitment and exposure in the Gulf, if alternative ways can be found to assure safe and predictably priced oil supplies.

Given historical, cultural, and ethnic factors, together with recent experience, a high degree of political and economic integration in the Gulf should not be expected – let alone an expansion of the GCC. There is nevertheless

some basis on which to move beyond security cooperation and arms control to other measures of pragmatic collaboration. The states have common interests in the protection of the environment; the development of unified procedures for shipping in the Gulf; the pursuit of mutually-reinforcing policies on oil and gas production and pricing; and the resolution of border disputes between riparian states. Moreover, measures to enhance human and commercial exchange among [these] states can all strengthen the trend towards cooperation.⁴

The Kuwait crisis not only highlighted the necessity of stronger political and defence integration within the GCC and the need for reliable alliances outside the organisation, it also demonstrated the inevitability of bringing Iran into the Gulf's security equation. This became clearer than ever once the options of either relying on an Iraqi buffer or playing off Iran and Iraq against each other had been shown ineffective and/or foreclosed. Because of this, and in view of the overwhelming presence of Iran, as well as of the Iranians' own perception of their role and interests, it would be both futile and counter-productive to maintain the fiction of Gulf security without some form of Iranian involvement. Given the Iranian leadership's signals that, on the whole, it intends to play by the rules of the international community; given the already existing trade links; and given the coordination of oil policy that has already been in evidence, such Iranian involvement would likely be much less problematic than feared. It would, moreover, consolidate the pragmatic trend in that country. By the same token, there is an absolute need to address the key Iraqi concerns of redevelopment and security of access to the sea. We will return to the Iranian and Iraqi cases below.

In sum, a Gulf security regime with long-term viability must

- avoid visible over-reliance on US presence;
- acknowledge the importance and security interests of both Iraq and Iran;
- encompass all eight riparian states.

⁴ Tim Niblock, 'The realms within which integrated communities could be fostered', in Gerd Nonneman (ed.), *The Middle East and Europe: The Search for Stability and Integration* (London: Federal Trust, 1993), pp. 47-51: p. 48.

This means that the once mooted “6 + 2” arrangement – referring to the GCC plus Syria and Egypt – is not, on its own, desirable: it would accentuate the split in the Gulf. In any case, that idea never showed any vitality because of misgivings within the GCC states themselves. It is not wholly fanciful, however, to envisage a Gulf-8 security community, which additionally would establish a close link with Egypt and Syria, and in which Yemen, as the most populous state on the peninsula, and Turkey, as a regional power with important interests at stake, could be given observer or associate status. All of this could come under UN auspices, with external powers playing the role of guarantors within those. The inclusion of Iran in such a security community, while certainly not straightforward, would pose fewer problems than often assumed in the past. Indeed, the security cooperation being developed between Riyadh and Tehran in 2001 shows how far the two neighbours have come since the death of Ayatollah Khomeini. Yet as long as there is no change in the Iraq regime, there is no chance of the GCC states accepting that country as a partner in such a scheme. Change in Iraq, therefore, is of the essence.

One element in this, as already indicated, should be an effort to create increasingly interlocking economic interests (although the limitations on, and difficulties facing economic integration in the Gulf are well recognised.⁵) On the military side, developments would obviously proceed very gradually. This would eventually have to involve collective, as opposed to bilateral, coordination; exchange of information (not least on exercises); joint training and exercises; an element of joint planning and procurement; and the establishment of some kind of joint brigade (as the GCC already has in embryonic form).

Apart from the necessity of change in Iraq, one wider regional factor has crucial relevance to such long-term plans: *the Palestine question*. It is true that the GCC states themselves have engaged in security cooperation as an issue distinct from the Arab-Israeli theatre. It would also be wrong to say that no progress can be made on solving any Gulf security issues unless the Arab-Israeli conflict is resolved. Yet there certainly is a degree of linkage, both in popular perceptions and in strategic facts. Arab and Iranian bitterness over the plight of Palestine continues to have an effect which can only be ignored at one's peril. Even where some governments might put pragmatism before any sense of

⁵ See David Pike, 'The Gulf: The Potential for Economic Cooperation', in *The Middle East and Europe*, op. cit., pp. 79-83; and Gerd Nonneman, 'The Gulf: Background Assessment', in *ibid.*, pp. 55-62.

injustice, they are often constrained by the explosive potential of popular feelings on the subject. And even if in some quarters in the GCC states sympathy with the Palestinians diminished somewhat in 1990-91, the discussion on Gulf security needs to consider other Gulf constituencies as well where this has not been the case. The Al-Aqsa intifada of 2000-01, moreover, has raised anti-Israel (and indeed anti-US) feelings again throughout the region. The Palestine issue, therefore, affects a possible future Gulf security community because of (1) the role which potential outside guarantors are perceived to play in support of Israel; and (2) the unlikelihood that any Gulf state will accept any serious control of , or reduction in, its armaments as long as they live in the context of a continued Arab-Israeli arms race.

Clearly, bridging the gap between the legitimate short- and medium-term concerns and realities, and the long-term goal of a security community of sorts, will be difficult. Getting there may be facilitated by a flexibly constituted *Conference for the Gulf*, as proposed by Richard Dalton (currently Britain's Ambassador to Libya) in a report for the Royal Institute of International Affairs. He suggests a conference could be convened under UN auspices and chaired by a representative of the UN Secretary-General. The conference "would then break down into working groups to deal with particular issues step by step, over a number of years. The conference would remain in session, but it would be in the working groups that the main work was done."⁶ The full participants would be the eight riparian states – even though it is recognised that Iraq would present a problem. In addition, a category of observers is suggested which could include the permanent members of the Security Council, as well as the key neighbours: Yemen, Egypt, Syria, Jordan and Turkey. As the various working groups would cover different themes and cover different combinations of countries, their composition would be flexible. In such a context, where the various inter-related issues would be addressed at least in parallel, if not simultaneously, it could well be easier to arrive at compromises. Problems that one could imagine benefiting from this approach (and which otherwise might appear intractable) would be Iraq's access to the Gulf; Iran's regional security concerns clashing with the presence of foreign military personnel or assets on the territory of the GCC states; the financial questions relating to Iraq's position vis-à-vis Iran, the GCC and the International community; the dispute over Abu Musa and the Tunbs; and arms control. In addition, the search for ways and means of increasing functional cooperation could be made part of the conference's remit (mirroring, in part, the Arab-Israeli peace process) – a worthwhile objective in

⁶ Richard Dalton, *Winning Peace in the Gulf: A Long-Term View* (London: Royal Institute of International Affairs, 1992), p. 32.

its own right but also conceivably facilitating compromise in other areas. This, as Dalton points out, is where the European Union might play a useful role, bringing in its experience in the field of functional cooperation. The Union and its member states might also be instrumental in bringing the whole proposal into the limelight, and lending it credibility.

2. Iran

In spite of (indeed, arguably because of) the political developments at home, Iran remains one of the key actors in the Gulf. As a prominent Saudi figure put it to one of the authors, 'Iran's revolution posed sort of a technical threat to our security that we managed to contain, but whether we will be able to deflect the power of Khatami's movement this side of the Gulf remains to be seen. It is hard to decide which is more threatening, the export of its revolution or the power of Khatami's reforms'.

2.1. *The nature of the Iranian regime*

The evolution of Iran's political system in the 90s, marked by some key constitutional reforms in 1989, which followed the end of the Iran-Iraq war and the death of the founder of the new republic, Ayatollah Khomeini, can be divided into two distinct periods: the pragmatist-reconstructionist Rafsanjani presidency (1989-1997); and the pragmatist-pluralist Khatami presidency. President Rafsanjani, a seasoned politician, close ally of Ayatollah Khomeini and a central figure in the Islamic revolutionary elite since the revolution itself, became Iran's first executive president in 1989, winning 13.5 million out of the 14.2 million votes cast in that year's presidential poll. Despite the customary level of horse trading in appointments to senior posts, the make-up of Rafsanjani's cabinet largely reflected his administration's core objectives: reconstruction of the shattered country and reform of the economy and the bureaucracy. To this end, he assembled a team of largely Western-educated technocrats and social reformers. He set up what he himself dubbed 'the cabinet for reconstruction', with Khatami as one of its key social reformer members.⁷

By any measure then his agenda was a reformist one, albeit largely limited to the reform of the economy and creation of the right conditions for

⁷ Anoushiravan Ehteshami, 'Iran's New Order: Domestic Developments and Foreign Policy Developments', *Global Dialogue*, Vol. 3, No. 2-3, Spring/Summer 2001, pp. 45-52.

growth. His proposed reforms hinged on the introduction of sweeping market reforms, privatisation, and structural adjustment.

But in order to succeed, Rafsanjani needed the support of Ayatollah Khamenei as well as the Majlis. The Majlis was gradually won over as Rafsanjani slowly dropped his social reform agenda (including Khatami himself from his cabinet) in favour of practical measures which would move the economy towards the free market system. Support from the Majlis, however, had to be 'engineered', and a pro-economic reform majority from the ranks of the conservative and right-wing forces found. Thus, in the course of the early 1990s Rafsanjani led a successful campaign against the so-called *étatist* and Islamic leftist and populist forces. Once in place, the conservatives supported most of the Rafsanjani administration's economic programme. In this fashion, the conservative forces gained control of the Majlis, and were to keep it until the Sixth Majlis elections in February 2000.

The price for the Rafsanjani-conservative 'understanding' was the wholesale removal of political and social reforms from Rafsanjani's reform agenda.⁸

The second period began rather unexpectedly and is marked by the stunning election victory of Hojjatoleslam Khatami in the presidential poll of May 1997, the seventh such elections held in Iran since 1979, followed up by an ever greater success in the eighth presidential election of 2001. His first victory marked the second phase of reform in the Islamic Republic. Despite a great media campaign and senior clerical support from the *Faqih* (Khamenei) downwards for the conservative candidate, Iran's youthful electorate, female voters and the majority of town dwellers turned their back on the conservatives and their champion, Speaker of Majlis since May 1992 and a former cabinet minister, Hojjatoleslam Nateq-Nouri. The profound rejection of the conservatives is reflected in the 1997 election result itself: with some 20 million votes, Khatami secured 69 per cent of the almost 30 million votes cast in the election, compared with Nateq-Nouri's figure of just 26 per cent. There were very few strongholds for the conservatives to be identified.

Khatami and his allies have become known as the '2nd Khordad movement' (the date of the election in the Persian calendar) and are characterised by their advocacy of pluralism and growth, and development of Iran's civil society. More specifically, he and some prominent members of his

⁸ *Ibid.*

rainbow coalition – which includes the old Islamic leftist-populist forces edged out of the public arena by Rafsanjani in the early and mid-1990s, modernists, technocrats and Islamic liberals – have spoken of the need to introduce large-scale political and economic reforms and the empowerment of the citizen. Detailed policy initiatives included the call for more personal freedoms, social justice, privacy, tolerance, public participation in the affairs of state, consolidation of the rule of law, an open and free press, establishment of political parties, transparency in government, accountability and an end to corruption. This was a breath-taking agenda for any polity, not least for one still gripped by ideology and dogma.⁹

The 2nd Khordad movement consolidated its May 1997 gains with victories in the February 1999 municipal elections and the February 2000 elections for the Sixth Majlis. In the Majlis elections, the pro-Khatami list won over 60 per cent of the seats. The 2nd Khordad coalition candidates, representing some 20 parties, organisations and groups, took almost all of Tehran's 30 seats and majority of seats in a host of other towns and cities.

It is not surprising, then, that as the Khatami team got entrenched so the conservatives were galvanised into action. They forced the departure of several leading reformers and Khatami advisors from the political scene (including Nouri and Mohajerani), the imprisonment of a number of the key figures in his camp, and the suspension of over a dozen pro-Khatami newspapers. While a conservative backlash was regarded as more or less inevitable by observers, the extent of their fightback, and their methods, continued to cause concern. As Iran's political system is based on the smooth working of a number of competing institutions – the Majlis, the presidency, the ministries, the judiciary, the Expediency Council, the Guardian Council and finally the Faqih's office – it was feared that the continuing in-fighting would result in a general breakdown, destabilising the entire government machinery and creating fertile conditions for the direct involvement of the anti-reform factions and of the military in the political process. There was also some concern that the struggle for power would mortally weaken the reformist camp, increase the prospects for more violent encounters between the various factions, and between pro-Khatami students and the security forces, and end in the collapse of the reformist front.

⁹ See Ali Ansari, *Iran, Islam and Democracy: The Politics of Managing Change* (London: RIIA, 2000); Ehteshami, 'Iran's new Order'; and reporting by *RFE/RL Iran Report*, Vols. 1-4 (November 1998-December 2001), on <http://www.rferl.org/iran-report/archives.html>.

To add fuel to these fires, the highly factionalised environment that the Iranian power elite now finds itself in¹⁰ is sapping away the country's creative energies, compounding the potential political crisis facing President Khatami. In this highly charged situation, the in-built system of checks and balances could do more harm than good to the workings of the system and the defence of the country's interests overseas. The reforms have not just challenged the conservatives' grip on power, but, more fundamentally, have put to the test the very flexibility and adaptability of Iran's post-revolution political system. In the process, they have raised questions about Iran's place in the wider world.

2.2. *The nature of Iranian foreign policy*

Nonetheless, the changes inside Iran in 1997 soon translated into new foreign policy initiatives by the presidency. Again, while continuing with the pragmatist foreign policy line set out by his predecessor, Khatami's first forays onto the international arena were to seal the new tone from Tehran. Within six months of taking office, he had hosted the summit of the Organisation of the Islamic Conference (OIC) in Tehran, which effectively ended Iran's regional and international isolation, and went a long way towards repairing its relations with the Arab world. Khatami used this important summit to make new friends, and also spell out his domestic and foreign policy agendas to the largest gathering of Muslim leaders in recent times. His successes at this summit were soon followed by his remarkable interview with CNN in January 1998, in which he spoke of the dialogue of civilisations, 'an intellectual affinity with the essence of the American civilisation', and his admiration for the successful mixture of religion and liberty in the US.¹¹

Khatami's foreign policy initiatives can be viewed from the vantage point of the period since the end of the Iran-Iraq war. Broadly speaking, three phases can be identified in Iran's international behaviour from 1988. Each phase is indicative of the changing priorities of the regime at home, reactions to internal developments and, to a lesser degree, of the balance of forces within the Iranian political elite. By the late 1980s military and political developments in the

¹⁰ For a recent examination, see Wilfried Buchta, *Who Rules Iran? The Structure of Power in the Islamic Republic* (Washington: Washington Institute for Near East Policy, 2000).

¹¹ For discussion of Khatami's foreign policy moves towards the West, see Gary Sick, 'The Future of US-Iran Relations', *Global Dialogue*, Vol. 3, No. 2-3, Spring/Summer 2001, pp. 63-71; also Daniel Byman *et al.*, *Iran's Security Policy in the Post-Revolutionary Era* (Santa Monica, CA: RAND, 2001).

region had forced a reassessment of the rejectionist strategy of the republic. The appointment of the then-Majlis Speaker Rafsanjani as the Commander-in-Chief of the armed forces illustrated the ascendance of the pragmatists in power and Iran's unconditional acceptance of SCR 598 owed much to his appointment as the C-in-C and his wish to end the war before a complete collapse of the Iranian war effort. This phase in Iran's foreign relations can be termed the 're-orientation phase'.¹² The immediate post-war period was characterised by the transition from radicalism to accommodation. This period started in earnest in June 1988 and lasted until August 1990, by which time one can identify the end of the transition to pragmatism and the establishment of the 'pragmatist line' in Iran's foreign policy, the second phase.

The third phase in Iran's post-war foreign policy emerged with the rise of the 2nd Khordad movement. Khatami's foreign policy reinforced the non-ideological aspects of Rafsanjani's foreign policy, but it also went further, preaching compromise, rule of law and moderation. This phase in Iran's foreign policy can suitably be termed the drive for moderation – 'détente'. It is symbolised by Khatami's overtly moderate and non-confrontational approach to foreign policy, the president's declared aim of establishing a 'dialogue of civilisations', and attempts at reaching an 'understanding' with the West (including the United States). During his first term in office he made scores of overseas trips and visited over a dozen countries, higher than any other Iranian leader since the revolution.¹³

2.3. *Iran's role in the Gulf*

The main determinants of Iran's regional foreign policy may be summarised under the following six points:

- 'Islam' or its interpretation remains a factor, albeit more as a domestic constraint on what the government can do, and as a motivation for some factions and non-official actors.

¹² See Anoushiravan Ehteshami & Raymond Hinnebusch, *Syria and Iran: middle powers in a penetrated regional system* (London: Routledge, 1997), pp. 43-46.

¹³ For a review of Iran's relations with Western Europe to 1998, see Adam Tarock, 'Iran-Western Europe Relations on the Mend', in *British Journal of Middle Eastern Studies*, Vol. 26, no. 1 (1999), pp. 41-61.

- There remain divisions within the system which mean policy is not always consistent. This may be exacerbated by actions or policies pursued by non-governmental actors.
- The anti-'imperial', nationalist theme remains strong: hence, among other things, the desire to see a drastic reduction of the US role in the Gulf.
- Iran – under any regime – will continue to see itself as by rights the dominant actor in the Gulf, and at the very least as playing a major role in Gulf-wide matters.
- Security remains a major concern – hence two apparently paradoxical features: on the one hand an effort at strengthening its defensive capabilities, given its long coastline and other regional threats; on the other a concerted effort at maintaining the status quo, to avoid destabilisation of the region.
- Economic regeneration also remains a crucially important aim, which is in part pursued through foreign policy; good relations with the West, an appeal to expatriate Iranians, and good relations with the GCC states are all part of this strategy.

Clearly, Iran's charm offensive towards the GCC strategy, intermittently pursued from the mid-1980s, and especially from August 1988, did bear fruit.¹⁴ Relations with Saudi Arabia were the last to improve, but a good measure of success has crowned Iran's courting of Saudi Arabia since 1996. The two countries' defence ministers have since met more than once and Iranian naval vessels have visited the Saudi Red Sea port of Jeddah, arguably the Kingdom's most strategic maritime facility. They remain still a distance away from being close allies. Tehran still regards Saudi Arabia as an ideological rival, in Central Asia and elsewhere in West Asia, as well as a close ally of the United States (whereas Iran wants to see the local role of the US drastically reduced). Riyadh in turn is conscious of the latent threat Iran poses to its interests in the Gulf and beyond, but is now keen to develop the friendship with the pragmatic Iranian leadership and carve for itself the role of a mediator in Iran's dialogue with the West and neighbouring countries.¹⁵

¹⁴ For an account of the development of Iranian-GCC relations 1980-1990, see Gerd Nonneman, 'The GCC and the Islamic Republic': towards a restoration of the pattern', in Anoushiravan Ehteshami & Manshour Varasteh (ed.), *Iran and the International Community* (London: Routledge, 1991), pp. 102-123.

¹⁵ Confidential interviews and conversations by Nonneman & Ehteshami with officials and local observers in Tehran and Riyadh during a number of visits in 2000-2001.

With its other large Arab neighbour, Iraq, Tehran has maintained reasonable relations, fairly high-level exchanges at the diplomatic level, and mutually advantageous economic contacts, but little more. Indeed, periodic tensions over opposition groups hosted across each others' borders, over alleged incursions, and over the Iraqi planes still in Iran since the second Gulf War, continue to flare up. Iran will continue to see Iraq as a potential future threat both to itself and to its interests in the Gulf.

The only other area of concern is the continuing territorial dispute between Iran and the UAE, which has the potential to flare up into a wider inter-state conflict although it is more likely to be contained.¹⁶

3. Iraq – long-term issues

The two key Iraqi medium-to-long-term issues that need addressing if long-term security is to have any chance of being achieved, are redevelopment and security of access to the sea. An utterly destroyed and impoverished Iraq can only be a breeding ground for further radicalism and instability. The importance of this aim cannot be overstated. The same is true for the country's access to world shipping lanes. Every single regime since independence has felt compelled to dispute the present configuration, whether with Iran over the Shatt al-Arab, or with Kuwait over Warba, Bubiyan and the Khor al-Abdallah. Unless a solution is found that is genuinely acceptable to all parties, the problem is bound to rear its head again. The 1992 and 1993 UN Iran-Iraq Boundary Demarcation Commission's rulings, subsequently adopted by a UN Security Council resolution, which set the land border in stone and imposed a maritime boundary that left Iraq's main navigation channel within Kuwaiti waters, is therefore likely to prove a recipe for future difficulties, unless ameliorated by imaginative interpretations and arrangements.¹⁷

¹⁶ See Richard Schofield, 'Down to the Usual Suspects: Border and Territorial Disputes in the Arabian Peninsula and Persian Gulf at the Millennium', in Joseph Kechichian (ed.), *Iran, Iraq and the Arab Gulf States* (New York: Palgrave, 2001), pp. 213-236.

¹⁷ For further elaboration see Richard Schofield, 'The Kuwaiti Islands of Warbah and Bubiyan, and Iraqi access to the sea', in Schofield (ed.), *Territorial Foundations of the Gulf States* (London: UCL Press, 1994), pp. 153-175; and Gerd Nonneman, 'The (Geo)Political Economy of Iraqi-Kuwaiti Relations', in *Geopolitics & International Boundaries*, Vol. 1, no. 2, pp. 178-223.

This is all the more so because Iraq's perceived need for secure access to the sea is intertwined with long-standing nationalist reflexes, dating back to the creation of the state and subsequent boundary definition by Britain. This extends well beyond any ruling group and is deeply embedded among the Iraqi population. They may not all feel deeply Iraqi (as compared to ethnic and regional or tribal identities), but even in the early stages of state formation one of the uniting factors was resentment of foreign domination. This is also in evidence today – even as distaste for Saddam's regime remains. Long-term security arrangements in the Gulf will therefore need to take account of this Iraqi reflex.

In the above, one long-term problematic factor has already been touched upon: the nature of the Iraqi state. Regardless of what regime is in power, this state remains insecure in a variety of ways – which have usually translated into authoritarian rule and foreign assertiveness. The insecurity stems as much from the shallowness of 'Iraqi' identity, as from the objective geostrategic insecurity already referred to.¹⁸ These intertwining insecurities will remain a factor to reckon with, and will continue to influence the nature of politics and regimes in the country. Yet that should not be misinterpreted as meaning that Iraq can only ever be ruled by military or otherwise authoritarian regimes, nor that the various groups in the country would take the first available opportunity to claim independence (in the case of the Kurds) or join Iran (in the case of the southern Shia): neither Kurds nor Shia have seriously pursued that option. Kurdish leaders have long recognised that genuine autonomy within Iraq would fulfil their key requirements while also being acceptable to their necessary foreign backers. Iraq's Shia are sufficiently different ethnically and culturally from their fellow Shias across the border,¹⁹ to make far-reaching identification with Iran very unlikely. It is worth noting that they provided the bulk of the Iraqi fighting forces in the war against Iran.

4. Iraq under Saddam Hussein

4.1. The nature of the Iraqi regime

The nature of the Iraqi regime under Saddam Hussein must be understood as flowing from a combination of the more general, long-term characteristics of

¹⁸ See Charles Tripp, *A Modern History of Iraq* (Cambridge: Cambridge University Press, 2001).

¹⁹ Yitzhak Nakash, *The Shi'is of Iraq* (Princeton: Princeton University Press, 1994).

the Iraqi state described above, and particular features of the current regime itself. The latter, indeed, to some extent flow from the former. The basic insecurity of the Iraqi state – both *qua* state and in terms of its geo-strategic dilemmas – in part explains and reinforces the insecurity of the regime. Aggressive protection of internal cohesion and against external challenges has often taken the shape of authoritarian rule, and of domestic and external violence. This is the epitome of the ‘fierce state’, as Ayubi has termed it:²⁰ a state that exhibits aggressive behaviour domestically and possibly externally not because of its strength but precisely because of its insecurity. Saddam has constructed a regime that reflects these basic characteristics, and moulded it in his own particular way.²¹ His power rests on the military, the overlapping security services, his kin and others from his home region of Takrit, and a strongly developed party apparatus that duplicates and/or controls many formal state organs. Ruthless elimination of potential rivals and opponents – implicating others in the system in such purges – was combined with the legitimising use of development policy (quite successful until 1982) and of nationalist and, increasingly, Islamic symbols. Since 1979, the party has, of course, become subservient to Saddam, rather than retaining any independent ideological content. He himself and his key allies occupy all the key positions controlling both party and government structures, as well as the military and the security services.

Saddam was able to rise to this position of absolute power by effectively pursuing a ‘double act’ with his uncle, General Al-Hasan Al-Bakr, who, as a respected military officer, was Iraq’s President from 1968 to 1979. Al-Bakr, who had the military on side, appointed his young nephew as party organiser. Over the next few years, Saddam built up the party apparatus and the security services, and his own power with it – while remaining in the shadows and thus not attracting any significant challenge. The complex system of overlapping organs of control was, in the end, transparent only from the vantage point of its builder – who indeed took pride in the fact. Once he felt sufficiently secure, he moved his uncle – by then fairly ill – aside and took the presidency himself. Soon after, the discovery of a plot with Syria was announced, in which the main potential challengers to his rule were allegedly implicated. They were accused, condemned and shot without delay – again a process which was videoed and in which others were made fellow-executioners, thus tying them into the system.

²⁰ Nazih Ayubi, *Overstating the Arab State* (London: IB Tauris, 1995).

²¹ See Charles Tripp, ‘Domestic Politics in Iraq: Saddam Hussein and the Autocrat’s Fallacy’, in Anoushiravan Ehteshami & Gerd Nonneman, *War and Peace in the Gulf* (Reading: Ithaca Press, 1991), pp. 19-34.

In governing, however, Saddam always was careful to take the credit for successes, while deflecting problems and failures onto government officials. Equally importantly, even the hint of dissent was ruthlessly suppressed, and figures who acquired too much of a status in their own right, such as successful generals in the Iran-Iraq war, were frequently eliminated in staged accidents or otherwise. In the end, no-one closely associated with the regime was able or willing to assert themselves against it, because they had no power base other than their reliance on Saddam Hussein.²²

The regime also in effect created a constituency in the form of a state-sponsored bourgeoisie, whose interests intertwine with those of members of the elite. Together with the development effort, this fostered active support on the part of a minority, and helped maintain acquiescence on the part of the majority.

The only serious challenges to this dispensation came from the Kurds, who waged a periodic struggle to achieve genuine autonomy; and from much of the southern population in the aftermath of the Iraqi defeat in Operation Desert Storm. The main outside challenge was, until 1988, Iran. It is this Iranian threat, together with the economic consequences of the reaction to it (in the Iran-Iraq war) that brought about the 1990-91 Gulf war, because of the way they interacted with Iraqi insecurities and with the underpinnings of the Iraqi regime.

Since the end of the northern and southern uprisings that followed the Iraqi defeat in 1991, and the subsequent 1996 rout of CIA-backed Iraqi National Congress (INC) bases in the north which followed Kurdish in-fighting and withdrawal of active US support (the Republican Guard captured Irbil), Iraqi opposition forces have been fractured and mostly ineffective. The two main Kurdish groups (Talibani's PUK and Barzani's KDP) remain in an uneasy balance, and have both had contact with the Baghdad regime; the Shia opposition movements, among which the largest, the Supreme Assembly for the Islamic Revolution in Iraq (SAIRI), is based in Iran, speak almost exclusively to the Shia population in the south and in Baghdad. The temporary unity of the Iraqi National Congress opposition 'umbrella' did not survive those setbacks. To the extent that the INC also functions as an opposition party of its own, it lacks a solid support base within the country. By the same token, a number of coup plans from within the military were scotched, and the sanctions regime has

²² See Marion Farouq-Sluglett & Peter Sluglett, *Iraq since 1958: from revolution to dictatorship* (London: KPI, 1987). See also Amatzia Baram, *Building Toward Crisis: Saddam Hussein's Strategy for Survival* (Washington: Washington Institute for Near East Policy, 1998).

had the unintended effect of increasing the dependence of the population on the state, thus paradoxically strengthening the hold of the regime.²³ Meanwhile, the fears of the Sunni Arab population, long the dominant group although a numerical minority, of the majority but disadvantaged Shia – a fear which helps explain the failure of the Sunni Arab population to rise up along side the Kurds and Shia in 1991 – remains. There can be little doubt that the regime, uniquely dependent on Saddam, would collapse if decapitated (especially if the heir apparent, Saddam's second son Qusay, were also eliminated). But particularly under the pressure-cooker situation of economic deprivation after a decade of sanctions (see below), a bloody scramble for resources and power could well ensue pitting Shia against Sunni. Nevertheless, none of the groups is committed to a break-up of Iraq: the Shia want a greater share in central power, the Kurdish leadership a significant degree of autonomy in a federal Iraq.

4.2. *The nature of Iraqi foreign policy*

Iraqi foreign policy is determined both by Iraq's long-term characteristics and the nature and needs of the regime. Iraq is an insecure state with an insecure, dictatorial regime; for both, the nationalist reflex is a potential theme. Both also are faced with a number of real and perceived vulnerabilities. The regime's one-man rule not only means pre-eminence of that man's interests, but also of his perceptions, interpretations and decisions. Iraq's general foreign policy output has comprised pursuit of the theme of Arab nationalism and of an Iraqi leadership role, the political/defensive lashing out against Iran in 1980, which led to the first Gulf war, and, of course, the invasion of Kuwait. Especially since the 1980s, the unifying driving forces in all of this have been the survival of the state, and the survival of the regime. Pragmatic collaboration with other powers (including the US) could serve these aims, as long as such powers were not seen as a threat to Iraq predominance or freedom of action in the region. At the time of writing, the use of nationalist and Islamist themes to get domestic and international Arab and Muslim support, are combined with a concerted effort to circumvent sanctions and have them made ineffective and, eventually, lifted. For the future, the undoubted bitterness felt against the West (and the US in particular) will complicate relations for a long time to come – even after a change in regime.

²³ This latter point is underplayed in Baram, *Building Toward Crisis*, which otherwise provides a good review of the fortunes of the opposition until 1997. Compare Tim Niblock, *'Pariah States' and sanctions in the Middle East* (Boulder: Lynne Rienner, 2001), pp. 183-188.

4.3. *Iraq's role in the Gulf*

The factors driving Iraqi foreign policy in the Gulf region have been five-fold:

- Saddam Hussein's survival imperative;
- the aim of obtaining economic resources;
- the aim of a secure exit to the sea;
- a nationalist, anti-'imperial' reflex;
- the aim of regional hegemony – at the very least a pre-eminent role amongst the Arab states of the Gulf and parity with Iran.

The same factors remain present – even if the latter has become subdued under the international sanctions regime and following the destruction of a significant part of Iraq's military capabilities. In the future, there can be little doubt that an Iraq led by Saddam would wish to play the prominent role he (and many Iraqis) believe their size and history entitles them to. Even in a post-Saddam Iraq, Iraq will inevitably continue to see itself as an important regional power and will want recognition as such. The second, third and fourth aims will also remain valid.

It is perfectly possible, however, that an Iraq that, under a less insecure, less dictatorial leadership, would be able to establish workable and, in the long run, even warm relations with the GCC states – and reasonable relations with Iran. Indeed, there are a range of economic and other functional interests which would make this an obvious aim, as indicated earlier.²⁴

4.4. *The question of sanctions, human rights and regional impact*

As has been recognised, if indirectly, in the extension and expansion of the oil-for-food programme, and then in the new proposed provisions on inspections and sanctions regime under UNSCR 1284 (1999), the established policy on Iraq has proved inadequate, for a number of reasons. To begin with, although the Iraqi military threat has been contained, this has been a containment that only works in the short term: continued containment is conditional on the indefinite continuation of the same measures. These measures in the mean time carry a heavy political and ethical price. First, the human damage inflicted has been

²⁴ A detailed examination of such functional linkages and interests prior to the Kuwait crisis can be found in Gerd Nonneman, *Iraq, the Gulf States & the War* (London: Ithaca Press, 1986). For a recent study of the same theme in Iraqi-Kuwaiti relations in particular, see *id.*, 'The (Geo)political Economy of Iraqi-Kuwaiti Relations'.

huge, and disproportionate by any standards. The country has effectively been pushed back into the pre-industrial stage, and health and education provision have collapsed. To take just one symptom of this, well over half a million children have died that in pre-1990 Iraq would not have (according to figures from international organisations and studies).²⁵ Even though Saddam's own spending decisions are part of the explanation, the ethical and international-legal problems with this are hard to overstate.²⁶

Secondly, and in large part as a consequence, even if a regime change were to occur, this policy would in the mean time have engendered a deep-rooted bitterness against the West, both within Iraq and beyond. The fanatical hatred behind the attacks on New York and the Pentagon on 11 September 2001 – quite specifically an attack on the US, and not, at least not in motivation, on 'Civilisation' and 'Democracy' as so many leaders and commentators asserted – would appear to have been at least in part fuelled by the Iraqi plight – especially when the latter is contrasted with the leeway given to Israel when it comes to the contravention of international law. Thirdly, it has proved virtually impossible, in these circumstances, to keep the coalition intact, and the net around Iraq closed. The provisions of UNSCR 1284, followed up by UNSCR 1382 (2001), were a minimal response to this realisation. The only fruitful way forward would appear to be a swift implementation (at least of those elements which Iraq does not control) and further evolution towards a regime where restrictions on, and delays to, Iraqi non-lethal imports are lifted, while keeping in place military controls, and aiming to re-establish some form of WMD monitoring. Such a policy would also have the best chance of restoring some

²⁵ For a review of sources, figures and estimates, see Niblock, 'Pariah States', Part Two. Some US and Israeli sources have been critical of the reports on the impact of sanctions. The most recent and most comprehensive demolition exercise is Michael Rubin, 'Sanctions Against Iraq: a valid anti-American grievance?', in *MERIA Journal*, Vol. 5, no. 4 (December 2001). Central among his arguments are the assertions that most international data are produced in collaboration with the Iraqi authorities and therefore unreliable; and that the population growth figures are not compatible with the claimed numbers of deaths. In fact, throughout the developing world higher poverty and deprivation rates correlate with higher birth figures, as well as with greater mortality. And Iraqi government collaboration consists largely of arranging access. Other independent sources indicate that a majority of UN personnel in Iraq tend to regard the estimates, if anything, as understating the case.

²⁶ For thorough legal commentary see United Nations Economic and Social Council, *The Adverse Consequences of Economic Sanctions on the Enjoyment of Human Rights: Working Paper Prepared by Mr. Marc Bossuyt, E/CN.4/Sub.2/2000/33*, 21 June 2000; also Center for Economic and Social Rights, *Unsanctioned Suffering: a Human Rights Assessment of United Nations Sanctions on Iraq* (New York: CESR, May 1996).

cohesion in the alliance, and of avoiding strains with (and within) friendly states in the region.

5. The GCC states, Terrorism and Islamist Dissent

5.1. Overview

The Bin Ladin/Al-Qaida terrorism crisis of 2001 had particular implications for the GCC states. Several of the suspects in the attacks on the WTC and the Pentagon were originally from the region, and in particular from Saudi Arabia – along with Osama Bin Ladin himself. Concerns, even accusations, were expressed by Western commentators and politicians, over active Saudi support for Islamist terrorist groups and for the Taliban, and/or passive tolerance of private Saudi financial support for such groups. By the same token, however, the Saudi royal family was one of Osama's main targets. And to complicate things further, several of the GCC states – in particular Saudi Arabia, Bahrain, Qatar and Oman – were potentially crucial allies in any military operation in Afghanistan, given the military facilities based in those countries. Saudi Arabia was exposed to vociferous criticism especially in the US media and Congress, for failing to deliver the cooperation that was expected – rousing the ire of Crown Prince Abdullah and other senior princes.²⁷

Saudi Arabia and the UAE, of course, were in a special position by virtue of having for some time had diplomatic relations with the Taliban; also, Osama himself had originally been close to some members of the royal family, and had in effect functioned as a representative of Saudi Arabia in the Mujahidin's struggle against the Soviet occupation of Afghanistan. That episode was wholly in line with US policy. Even the take-over by the Taliban was not seen as a particular problem by US policy-makers. Hence, neither were the Saudi and UAE gestures of recognising the Taliban regime, alongside Pakistan: they could serve as a conduit for contact if necessary. What this situation did bring about, however, was the growth of an organic link between groups in Afghanistan on the one hand, and Saudi Arabia and the UAE on the other, as contact, travel, and financial flows between them did not encounter the problems faced elsewhere. In addition, the porous Saudi border with Yemen, and tribal and family connections linking parts of both countries, meant that the Kingdom was not immune to the activities of radical Islamist groups in Yemen. Yemen itself (see

²⁷ See for instance Karen De Young, ' Saudis Seethe Over Media Reports on Anti-Terror Effort', *Washington Post*, 6 November, 2001, p. A01.

section II. 6 below) is characterised by patchy central government control over some of its very rugged terrain, and a need for the authorities to co-opt some Islamist groups as well as to give large leeway to key tribal figures, in order to pre-empt serious challenges to the system. In this context, it has become possible for some radical Islamist groups – Yemeni and other – also to establish a foothold in the country, as became clear with the bombing of the USS Cole in Aden harbour.

None of this means that Saudi Arabia, or indeed any of the other GCC states, have consciously supported groups known to have adopted terrorism as a tool – defined as the indiscriminate use of violence or targeting of civilians in order to achieve political aims. The governments of Saudi Arabia and the UAE in particular have funded Islamic missionary activity as well as other Islamic charitable work. In part, this was aimed at shoring up their legitimacy on the domestic and wider Islamic stages. Clearly, some of the groups and individuals benefiting have engaged in, or given support to, militant activities involving violence, or channelled funding to others who did. In a few cases, this violence included terrorist tactics. There is no case, however, of the latter being condoned by the governments, nor is there any evidence that they did in fact know about the terrorist end-use of specific funds.

In addition, many private individuals, including royals, in these states have long contributed to similar causes. Such money flows – often outside the formal banking system – are extremely difficult to trace effectively. Again, some such moneys have found their way to groups engaged in violence, including at times terrorist tactics. The Al-Qaida network did indeed obtain some of its resources this way. Yet here too, the vast majority of donors would appear to have been unaware of specific funds' end-uses of a terrorist nature.

Nevertheless, there was certainly a more general awareness, both at the governmental level and beyond, that some funds did end up being used for terrorist and related purposes; this, however, was by and large felt to be beyond the donor's control. In the absence of clear and indisputable trails, the government was, moreover, constrained in any attempts to contain or proscribe private charitable funding to Islamic organisations abroad, since this would go directly against its self-proclaimed mission of defending and propagating Islam – and thus undercut its claim to legitimacy. It should be stressed also, that aid to organisations such as Hamas in Palestine, would be considered perfectly legitimate as these are seen as movements resisting foreign occupation and looking after the social welfare of Palestinian Muslims.

Some of the non-government support for Islamist causes is linked with criticism of, or opposition to, the government and its policies. It is important here to distinguish between criticism (the broadest category) and active opposition (numerically much less significant). In turn, Islamist opposition must by no means be equated with the adoption of violent means – let alone terrorist tactics. Active support for the latter remains extremely limited. In terms of attitudes to radical movements based abroad, this picture is, however, complicated by the important but blurred distinctions (1) between legitimate resistance movements (even when they use arms) and unacceptable terrorists; and (2) between recognised aims and grievances on the one hand, and terrorist tactics on the other.

Throughout the GCC, criticism of, and a measure of opposition to, governments and their policies have long been present. At times this has taken Islamist forms. To varying extents problems have arisen since the 1980s in the traditional pillars of these regimes' legitimacy, and this has been further fostered by the economic consequences of stagnating or declining oil revenues, and booming populations.²⁸ Everywhere this has become linked in popular feeling with foreign policy, the relationship with the West and the US in particular, and the Palestine question. Everywhere, too, the question of government support for the 2001 US campaign in Afghanistan has as a result become highly sensitive. The presence of US forces in this context has also become a target for criticism. It is important, however, to distinguish between the different GCC states. The US presence is at once most pronounced and most problematic in Saudi Arabia. More generally, opposition, and in particular Islamist opposition, presents a strongly-varying picture. In Kuwait alone, the voice of opposition is included in the political game through representation in the National Assembly. Here too, resentment of the US is lowest, after the trauma of the Iraqi occupation. Yet even among the Kuwaiti population US policy on Iraq and Afghanistan was being increasingly criticised at the time of writing. In Bahrain, opposition activity, so prominent in the 1990s, was essentially domestic in orientation; since the liberalising reforms of the new Emir, Sheikh Hamad bin Isa, since 2000, they have become constructive participants in national politics. The political focus in this small island state remains firmly on the domestic scene. Opposition activity in the UAE, Qatar and Oman has been very limited. It is the Saudi case, then, that merits some more detailed consideration.

²⁸ For a detailed analysis, see Nonneman, 'Governance, Human Rights and the Case for Political Adaptation.'

5.2. *Islamist opposition in Saudi Arabia, and the question of terrorism*

In Saudi Arabia, opposition to the regime is not a new phenomenon. In the late 1920s, radical *Ikhwan* opposed Abdul-Aziz when he tried to 'tame' them. From the 1950s to the 1970s, a number of secular reform or opposition movements challenged the rulers, but, never a particularly strong collection, most of these had disappeared by the 1980s. Since the mid-1970s, however, it is various kinds of Islamist groups that have become the most important opposition to the regime.²⁹ Islamist opposition needs to be divided into two quite distinct types: Shia and Sunni. The two have rarely worked together – indeed, Sunni radicals tend to despise the Shiites even more than ordinary Sunni Saudis do. While some of these groups have used violence, and while it is from some of these that leads can be drawn to foreign terrorist networks such as Al-Qaida, it should be stressed that Islamist opposition to the Al-Saud regime cannot be equated with support for terrorism.

5.2.1. *Shia Islamist opposition*

In 1975, the 'Organisation of the Islamic Revolution' (OIR) was set up. They were mainly driven by the socio-economic interests grievances of the Shia community in Saudi Arabia. From 1979 they received support from Iran's revolutionary (Shia) regime. A separate group, '*Hizballah al-Hejazi*' (not just active in the Hejaz), was set up in 1987. Following a 1993 understanding between the OIR and the Saudi government on improvements in the Shia community's status and living conditions, the OIR was disbanded, and political prisoners were released. A splinter group that was committed to continuing its struggle, emerged in 1996, however. *Hizballah al-Hejazi* also refused to join in the 1993 'peace process' with the Saudi government, but nevertheless declared

²⁹ The account which follows is based on on-going research in the GCC and London by Nonneman and Ehteshami, and discussion on the Gulf2000 network, in addition to the work of Mustafa Alani – including his presentation to the Annual Conference of the British Society for Middle Eastern Studies, Oxford, July 1997; the excellent review and analysis by Joshua Teitelbaum, *Holier than Thou: Saudi Arabia's Islamist Opposition* (Washington: Washington Institute for Near East Policy, 2000); Mordechai Abir, *Saudi Arabia: government, society and the Gulf crisis* (London: Routledge, 1993); Mamoun Fandy, *Saudi Arabia and the Politics of Dissent* (Macmillan, 1998); Gregory Gause, *Oil Monarchies: Domestic and Security Challenges in the Arab Gulf States* (New York: Council on Foreign Relations, 1995); Gwenn Okruhlik, "Understanding Political Dissent in Saudi Arabia," MERIP Press Information Note 73, October 24, 2001; and P. Wilson & D. Graham, *Saudi Arabia: The Coming Storm* (M. E. Sharpe, 1994).

they would not boycott it. The bombing of the military barracks in al-Khobar in June 1996, however, was possibly the work of this group.

The roots of these Shia movements are clear: they lie in the social, economic, and political discrimination of the Shia community in Saudi Arabia. While moral support and active help from non-governmental organisations and groups in Iran has continued, since the late 1980s official Iranian involvement has dwindled fast. From the 1990s there was no significant material help for these organisations from official Iranian sources (contrary to claims by US, Israeli and, until the late 1990s, Saudi government sources). Shia radicals only garnered significant support among the Saudi Shia community because of the local circumstances. On the whole, the aim of Shia opposition movements in Saudi Arabia has not been to overthrow the Al-Saud and the system of government – let alone to engage in foreign terrorist operations. Instead, it has been aimed at the redress of the Shia population's grievances.

5.2.2. *Sunni Islamist opposition*

Ever since the 1927-30 *Ikhwan* (Brethren) uprising, radical Sunni Islamist opposition against the regime officially espousing the same creed (erroneously named 'Wahhabi' by outsiders, after the 18th-century reformer Muhammad ibn Abdul-Wahhab, with whom the then leader of the Saud family struck an alliance), has been an intermittent feature of Saudi politics. The focus of such opposition, however, has widened to incorporate issues wider than the just the kind of Islamic purity pursued by the *Ikhwan*.

Probably the most shocking instance was the occupation of the Great Mosque in Mecca – the holiest shrine of Islam, by a band of armed militants, led by Juhaiman al-Otaibi, urging the Saudi population to return to the pure form of Islam originally preached by Muhammad ibn Abdul-Wahhab and calling for the overthrow of the Al-Saud which was accused of un-Islamic behaviour and policy. There was a significant level of sympathy among Saudis with the grievances put forward by Juhaiman, but not with the way he had chosen to pursue his goal: he was putting in danger the holiest shrine in Islam. The government obtained a fatwa from the Council of Ulama, to permit it to use force to evict the group from the Great Mosque.

While Islamist rumblings continued in the form of cassettes with sermons against the Al-Saud, nothing more serious took place until after the eruption of the 1990-91 Gulf crisis. While liberal critics (mainly professionals and the intelligentsia: the 'new middle class') in a February 1990 petition appealed to the King to allow more political participation and social liberalisation, the conservative critics were far more numerous. An opposing conservative petition

by a large group of ulama followed in May of that year. Nevertheless, the desire for a Shura ('consultation') council, for a more nationalist posture, and the condemnation of corruption, were all shared by both memorandums. As has been the case ever since the creation of the Kingdom, the royal family has steered a course between the different demands emanating from society, but has felt obliged to give more leeway to conservative demands at times when the regime was under political pressure: claims that the Al-Saud was illegitimate as a ruling group (e.g. over its foreign policy, or the wealth of the family) have tended to be countered by taking a more 'Islamist' line on social issues. This went hand-in-hand with the fostering of a variety of Islamic charities at home and abroad.

The Gulf War accentuated a number of sensitive points: the inability of the Al-Saud to defend the holy places, and its dependence on Israel's protector; the presence of hundreds of thousands of 'infidels' on the land that is the birthplace of Islam; the vast military expenditure which appeared to have been futile; consequently, the perceived but unfulfilled need to build up native Saudi military manpower instead; and the increased tension between conservative traditionalists, and visibly different behaviour by the foreign troops – especially women – plus the encouragement the situation gave to domestic social liberals. Osama bin Ladin himself had, until the victory over the Soviet forces in Afghanistan, been close to members of the Royal Family, in their common cause against the Soviet occupation. After the Iraqi invasion of Kuwait, he is claimed to have offered to raise an army of Arab veterans of Afghanistan to repulse Saddam Hussein – whom he saw as an atheist and aggressor. The decision of King Fahd instead to invite foreign, and especially American, troops into the country instead, turned Osama into a virulent opponent of Al-Saud policy, and then of the Al-Saud themselves.³⁰

It is indeed at the time of the Gulf War that several Sunni radical groups became more active again and began gathering more support. Contrary to the main Shia movements, these groups did call for the overthrow of the Al-Saud, whom they accused of being corrupt and un-Islamic, and of not serving the interests of either the country, the Arabs or Islam. Action by these radicals took the form of (rare) bombings affecting US personnel as well as Saudis, and anti-Al-Saud propaganda in cassettes, faxes and other media, usually sent from abroad.

³⁰ This was confirmed by Prince Turki bin Faysal, in an interview with *Arab News*, 7 November 2001.

The main radical Sunni Islamist opposition movement is the so-called *Al-Sahwa* movement, leading members of which are Sheikh Safar al-Hawali and Sheikh Salman al-Awda.³¹ Younger radical preachers such as these have challenged the legitimacy of the existing system of government and agitated against Westernisation and consumerism. They blame the corruption of the Al-Saud as the main cause of the ills of the country, and they consider the official ulama as aiding and abetting the mis-rule of the royal family: the religious leaders, they maintain, should fulfil its duty of supervising the government – not simply be the government’s rubber stamp. Violence became an accepted means of opposition for some in this movement (which is thought to count some 200 key activists). Along with the two Sheikhs mentioned, many supporters of the movement were arrested in September 1994. They remain active underground, however. Yet they cannot be considered ‘revolutionary’ in the sense of a number of other groups. One such group, known as the *Islamic Change Movement – Jihad Wing in the Arabian Peninsula* sometimes referred to as the “Jihad Resistance Movement”), has the explicit aim of bringing down the House of Saud. They claimed the bombing of the Saudi National Guard barracks in Riyadh in November 1995, and that of the Al-Khobar Towers complex in Dhahran housing US servicemen, in 1996 (although this cannot be verified). Their leadership is not known, but they appear to look up to Osama Bin Ladin. Bin Ladin’s own movement, sometimes referred to as the Council for the Arabian Revolution, also aims squarely at the removal of the Al-Saud from power.

Finally, there is also the foreign-based Islamist opposition. The most prominent of these has been the Committee for the Defence of Legitimate Rights (CDLR), established in 1993 in Saudi Arabia but since 1994 based in London.³² This was led by Saad al-Faqih and Muhammad al-Mas’ari, until the movement’s split in 1996, into the CDLR, led by Dr Al-Mas’ari, and MIRA (Movement for Islamic Reform) under Saad al-Faqih. They acted mainly by publicising what they see as the misdeeds of the Saudi regime, by media campaigns in the West and by sending faxes into the Kingdom itself – mixing some fabrication and exaggeration in among the facts. They did not, however, advocate any use of violence. The split, and al-Mas’ari’s bankruptcy in 1997, had the effect of robbing this opposition strand of most of its strength.

³¹ Note that the title ‘Sheikh’ in Saudi Arabia (as in Yemen) has the traditional meaning of a tribal leader or a religious authority, as opposed to the other GCC states where it most often refers to the members of the ruling families.

³² An excellent review can be found in Teitelbaum, *Holier than Thou*, pp. 49-66.

Underlying these different kinds of Sunni Islamist opposition in Saudi Arabia are a number of factors. First, it is worth mentioning that a role is still played by lingering resentment among some of the erstwhile powerful tribes and families that were displaced or dominated by the Al-Saud since the 1920s. In the Islamist uprisings prior to the 1990s, members of such tribes were often prominent (the Otaiba, the Qahtan, and the Shammar, for instance). This, however, has not been so pronounced in the 1990s.

The second factor has been the problematic combination of demographic trends with economic strains and social changes, as detailed elsewhere.³³ The burgeoning population has brought increasing pressure on the job market, and increasing numbers of young people, often only educated in Islamic Studies find themselves without the skills needed in that market. They provide fertile soil for radical Islamist ferment. A booming economy might have ameliorated this, but Saudi GDP per head of the population, which stood at \$17,000 in the early 1980s, has hovered around \$7,000 since the mid-1990s – without any prospect of improvement. Linked with this is also the fact that there is an increasing gap between the urban and bedouin population – with the latter and their offspring feeling they are falling further behind.

As already indicated, the Gulf war and the sudden, massive influx of foreign, non-Muslim defenders with foreign, non-Muslim behaviour, whipped up Islamist feelings, not least over the Al-Saud's performance in foreign and defence policy. The continued festering of the Palestine issue, and the extended pressure on the Iraqi population were tied into this, and the conflict over Afghanistan since October 2001 added a further layer. If everything else in the Kingdom had been fine, these issues would not have had the same effect (although they would have had some); and if it had not been for the Gulf War and its implications, some of the resentments over the other factors might not have been so sharply felt and expressed. Meanwhile, the government's own policy of pre-empting or co-opting Islamist criticism by expansion of socially conservative rules and Islamic education, as well as support for Islamic causes abroad, had itself helped the pool of potential conservative Islamist personnel to grow.³⁴

³³ Nonneman, 'Governance, Human Rights and the case for Political Adaptation.'

³⁴ Gwenn Okruhlik, "Understanding Political Dissent in Saudi Arabia," MERIP Press Information Note 73, October 24, 2001.

5.2.3. *The effects of Saudi Islamist opposition*

The effects of these various strands of Islamist opposition have been fairly limited. The lot of the Shia community has, on the whole, improved as a result of greater government attention to their socio-economic needs. A second notable result has been in a number of regime initiatives aimed at the Sunni conservatives – including the establishment of a Shura (consultative) Council in 1992, a Supreme Council for Islamic Affairs in 1994, and the consolidation of social rules along conservative lines.

Generally, the movements garnered a significant measure of sympathy among the population, but limited active support. Among the majority of Saudis, a taste for revolution remains absent. This may be explained in two ways. The opposition itself lacks coherence and a clear plan; no-one, moreover, has put forward a credible alternative authority to that which exists. From the side of society two key factors need pointing out: the rentier-state characteristics described earlier continue to inhibit the full flowering of opposition activity; and there is no sense among the population at large that the State has encroached upon society so far that a fight-back is necessary – contrary to the situation in Iran under the Shah.

Yet this does not mean that the Kingdom can blithely expect long-term stability. The Afghanistan crisis has whipped up more widespread and intense criticism than before. This has intensified the already emerging split between the ‘establishment’ ulama, tied to the regime and generally willing to lend their support, and other, often younger, ulama who no longer automatically defer to the former. Even some very senior ulama have been associated with the criticism of Al-Saud policy heard in October and November 2001.³⁵ As suggested above, economic, demographic and social trends will make it increasingly hard to maintain the ‘social contract’ that has led people to accept Al-Saud rule. At home, some adjustment in the system in the medium-to-long term will therefore be required, if economic tensions in combination with resentment over foreign policy are not to lead to political upheaval.³⁶ In foreign policy, since nationalist and Islamic foreign policy themes are linked to the regime’s pillars of legitimacy, it cannot afford to ignore popular concerns over the military form of the US-British reaction to the attacks of 11 September 2001. Crown Prince Abdullah recognised this explicitly in a letter written to US President Bush in August 2001, which he made public in October: “Those

³⁵ See *ibid.*, and, for further background, Teitelbaum, *Holier than Thou*.

³⁶ See Nonneman, ‘Governance, Human Rights and the case for Political Adaptation.’

governments that don't feel the pulse of the people and respond to it will suffer the fate of the shah of Iran."³⁷

This applies also to the other GCC states, albeit less acutely. There is, then, a very considerable constraint on what the GCC governments, and the Saudi government in particular, can do both at home, to control radical Islamist feeling, and in their foreign policy and collaboration with the US and Britain in the "War against Terrorism." The states with the greatest room for manoeuvre in this respect are Bahrain, where the attention is firmly on the domestic front and where the Emir and Crown Prince are riding a wave of popularity in the light of the recent reform; and Kuwait, given the fresh popular memory of being rescued by US forces – although as already pointed out, here too the popular mood was swinging against US tactics in the final months of 2001. Nevertheless, the Saudi government in the aftermath of 11 September 2001 arrested and questioned over 100 people, and blocked an array of bank accounts, while its intelligence services focused on possible financing trails for the Al-Qaida network. After all, as a top adviser to Crown Prince Abdullah pointed out, the Al-Saud themselves are Osama Bin Ladin's first target. Purposely, however, none of this received much publicity.³⁸

6. The case of Yemen

The most populous, economically weak and politically dynamic country on the Arabian peninsula has been watched carefully by the neighbouring GCC member states, even before the two former Yemeni republics merged into the Republic of Yemen in 1990. Within little more than a decade, united Yemen witnessed several extremes, both on the domestic and regional levels: an experiment of peaceful unification and democratisation followed by a military confrontation between the leaderships and armies of its founder states, and the total alienation from the neighbouring monarchies followed by an unprecedented rapprochement between Yemen and Saudi Arabia. And Yemen remains the only state on the Arabian peninsula that is not member of the GCC.

³⁷ *The Economist*, 10 November 2001, p. 24.

³⁸ For an extensive report on statements of early November by Crown Prince Abdullah on Saudi TV, his senior foreign policy adviser Adel al-Jubayr in The US media, and senior US officials including Secretary of State Colin Powell, see Karen De Young, 'Saudis Seethe Over Media Reports on Anti-Terror Effort', *Washington Post*, 6 November, 2001, p. A01.

6.1. *The Nature of the Yemeni Regime*

Multi-party parliamentary elections, referenda, direct presidential elections, local elections, freedom of the print media, and economic liberalisation – these are formal characteristics of political development in the Republic of Yemen. But lack of government control, institutional weaknesses, dependence on foreign aid, economic hardships, widespread corruption, a high illiteracy rate and very high population growth determine the Yemeni reality.³⁹ Not surprisingly, then, the Yemeni experience has not encouraged similar political developments in neighbouring countries. However, GCC governments and political activists have kept an eye on the Yemeni political scene.

Public enthusiasm about the unification of the Yemen Arab Republic (YAR, or North Yemen) and the People's Democratic Republic of Yemen (PDRY, or South Yemen) in May 1990 was soon overshadowed by a major regional event: the Iraqi invasion of Kuwait in August. As the only Arab state on the UN Security Council at the time, and attempting to navigate between the opinion of some Arab governments and most of the population on the one hand, and their rich Gulf neighbours and the West on the other, the Yemeni leadership favoured an Arab solution to the conflict, condemning the invasion but resisting the deployment of western troops for the liberation of Kuwait. In retaliation, the GCC-states cut off their aid and in effect expelled nearly a million Yemeni migrant workers.⁴⁰

³⁹ The assessment in this section is based on fieldwork in Yemen, in the course of several research trips by Glosemeyer (1993, 1997, 2000) and Nonneman (1986, 1997, 2001), and further draws on the following sources: Paul Dresch, *A History of Modern Yemen* (Cambridge: Cambridge University Press, 2000); Joseph Kostiner, *Yemen: The Tortuous Quest for Unity, 1990-1994* (London: Royal Institute of International Affairs, 1996); Jamal al-Suwaidi (ed.), *The Yemeni War of 1994: Causes and Consequences* (London: Saqi Books, 1995); Remy Leveau et al (eds.), *Le Yémen Contemporain* (Paris: Karthala, 1999); Sheila Carapico, *Civil Society in Yemen* (Cambridge: Cambridge University Press, 1998); Gerd Nonneman, "The Yemen Republic: From Unification and Liberalisation to Civil War and Beyond," in H. Jawad (ed.), *The Middle East in the New World Order*, (London: Macmillan, 1997), pp. 61-96; and Iris Glosemeyer, *Politische Akteure in der Republik Jemen: Wahlen, Parteien und Parlamente*. Hamburg: Deutsches Orient-Institut, 2001.

⁴⁰ For an analysis of the nature of the Yemeni-Saudi labour relationship, see Gwenn Okruhlik & Patrick Conge, "National Autonomy, Labor Migration and Political Crisis: Yemen and Saudi Arabia," in *Middle East Journal*, Vol. 51, no. 4, Autumn 1997, pp. 554-565.

The income derived from modest oil production since the late 1980s could not make up for the loss of development aid and workers' remittances. Yet initially the democratising experiment was continued. A referendum on the constitution in 1991 was followed by multiparty parliamentary elections in 1993. The latter also showed, however, that the former southern government party, the YSP, would not be able to hold its own against the much more numerous electorate of the north. At the same time it became clear that the northern leadership under Ali Abdullah Saleh was increasingly unwilling genuinely to share power with the YSP. Together with the worsening economic situation which affected the south disproportionately, this led to a power struggle, culminating in the southern leadership's attempt to secede in 1994 (for which they found support among some in the GCC, notably Saudi Arabia). In the following 3-month internal war, Saleh's troops decisively defeated the southern secessionists (to some extent relying on the help of traditionalist tribal interests unsympathetic to the secular YSP).⁴¹

Having eliminated its socialist southern rival, the Saleh leadership now set about consolidating its hold on power, in part through an alliance with the tribal, Islamist and commercial interests represented by the Islah party, led by Sheikh Abdullah al-Ahmar, the key tribal leading figure in the country. Tying to raise western applause that might result in renewed financial support, the northern leadership re-embarked on the path of formal democratisation with multi-party parliamentary elections in 1997. These were followed by Yemen's first direct presidential election (1999), local elections and another constitutional referendum (2001). However, the major political figures and interests who had already run the YAR remained in place.⁴² Indeed, when the President judged in 2001 that his position was strong enough, the alliance with the Islah party was abandoned and the government in a telling move pushed through a measure to bring the large network of Islamic madrasas run by the Islah, into the state school system.

⁴¹ See Kostiner, *Yemen*; Bernard Rougier, "Yémen 1990-1994: la logique du pacte politique mise en échec", in Leveau et al, *Le Yémen Contemporain*, pp. 101-140; al-Suwaidi, *The Yemeni War of 1994*; Carapico, *Civil Society in Yemen*, pp. 54-59; and Nonneman, "The Yemen Republic".

⁴² François Burgat, "Les élections présidentielles de septembre 1999 au Yémen", in *Monde arabe Maghreb Machrek*, no. 168, avril-juin 2000, pp. 67-75; Glosemeyer, *Politische Akteure*; Carapico, *Civil Society in Yemen*, pp. 135-200; and Ahmed Abdul-Kareem Saif, *A Legislature in Transition: The Parliament of the Republic of Yemen 1990-99* (Unpublished PhD Thesis, University of Exeter, April 2000).

This consolidation of regime power must not be confused with total control, however. Tribal autonomy, especially in the north, has arguably at times prevented Yemen from being ruled by a despotic military regime, but by the same token it inhibits government control over some areas of the territory and some parts of the Yemeni population. Indeed, it seems clear that President Saleh has no intention of attempting to impose such total central control – for which in any case he does not have the resources: he appears instead content to ‘manage’ Yemeni politics by balancing various tribal and other constituencies through personal contact and through allowing key leading figures in such constituencies to pursue their own interests unimpeded, as long as this does not pose a direct challenge to his own position and the interests of his immediate entourage.⁴³

6.2. *Yemen and the GCC Security Dimension*

Although it is difficult to imagine Yemen emerge as the winner in a regional conflict it has been regarded as a security threat to the GCC member states. The harsh reaction to Yemen’s stance during the second Gulf War has to be seen in the light of Saudi fears dating back to the 1960s when Nasserist Egypt’s military support for the YAR and the socialist character of the PDRY alarmed the monarchies of the Arabian peninsula. To prevent an Egyptian-Yemeni two-pronged attack, Saudi Arabia influenced the domestic and foreign policy of the YAR by financing the Yemeni government as well as its opponents and by controlling Yemeni weapon purchases from the US. To contain the ideological challenge originating from the PDRY, Saudi Arabia strengthened the northern Yemeni side in its struggle against the socialist South. One of the measures taken against the expansion of socialist ideology was the support of Islamist movements especially in the border region between the two Yemeni states and between the YAR and Saudi Arabia from the 1970s onwards. As a by-product, the export of the Saudi version of Islam had its share in the emergence of a radical Islamist current in Yemen.

Saudi fears of a two-pronged attack were rekindled in 1989 when the YAR joined the Arab Cooperation Council together with Iraq, Jordan and Egypt. Thus, the merger of the two Yemeni states in 1990 was met with some wariness from the Saudi side, which was exacerbated by the Yemeni position in the Gulf war. Hence also the Saudi diplomatic support for the southern

⁴³ Research and interviews by Nonneman in Yemen, April-May 2001. Compare Paul Dresch, *A History of Modern Yemen*, pp. 193-214.

secessionists in 1994. However, by the end of the 1990s relations between Yemen and the GCC-states seemed to have lost their ambivalence. In response to Yemeni charm offensive, combined with President Saleh's determination to forge strong links with the US (including through the provision of military facilities), Kuwait resumed its relations with Yemen, and after military confrontations in the Saudi-Yemeni border area in the late 1990s the treaty of Jeddah was signed defining the border in June 2000. The latter also required a turn-around on the part of Saudi Arabia; there can be little doubt that this was much facilitated by the increasing hold on power of Crown Prince Abdullah, whose pragmatic assessment of new realities and interests in stability appears to have overruled traditional Saudi concerns.⁴⁴

Yet Yemen remains a potential challenge to the security of the Gulf states because of the low level of its economic development combined with rapid population growth, the likelihood of a further widening of the social and economic gap between Yemen and the GCC-states, and the possibility of political unrest in Yemen. This is exacerbated by the limited control which the government has over large parts of its territory and some of the population. The frequent kidnappings of Yemenis and foreigners since the early 1990s are one illustration. These can usually be settled peacefully since they are for the most part related to resource or other disputes between tribe and government, or among the tribes themselves. But when, exceptionally, Islamist radicals are involved – as was the case in December 1998 – the dynamic changes dramatically. Indeed, the limits to the government's control have been exploited by such radical organisations several times. Although the central government has successfully integrated the majority of Yemeni Islamists into the political system, a minority of militant Islamists remains outside. They have joined organisations like *al-Jihad al-Islami* or have organised in the Yemen based *Aden-Abyan Army*. Hence, they are providing a network for international terrorists, as became clear once again with the attack on the USS Cole in Aden harbour in October 2000.⁴⁵

In December 2001, the Sanaa government launched an operation against a tribal stronghold in the Marib region, some 200 km from Sanaa, in which 12

⁴⁴ On the Saudi-Yemeni border issue and its resolution see Richard Schofield: 'Down to the usual suspects'.

⁴⁵ A useful regularly updated set of chronologies and analyses on these issues (and other materials on contemporary Yemen) can be found via the Yemen 'gateway' maintained by Brian Whitaker, Yemen specialist and Middle East editor of The Guardian newspaper, London: www.al-bab.com/yemen.

people were reported to be killed. The security forces stated the tribe had refused to hand over a sheikh suspected of being an Al-Qaida member (and whose arrest, it appears, was requested by the US).⁴⁶ This was one illustration of the intensification of President Saleh's cooperation with the US, and a further notching up of the pressure on actors deemed to damage the regime's interests. Yet, although the government has taken measures to arrest some terrorism suspects and to destroy their training camps, Yemen is unlikely to become a 'terrorist-free-zone' in the near future. Thus, close security co-operation between Yemen and the GCC-states is necessary. Under the security agreement between Yemen and Saudi Arabia a number of suspects has already been handed over to the Saudi authorities in 2001 but the porous border between the two countries means that smuggling of goods and arms, and the illegal passage of people in both directions is likely to persist.

Solving the security problems referred to by supporting much tighter central Yemeni government control over the country, is unlikely to be achievable peacefully. Pursuing it by force may be counter-productive even if the resources could be found, as this would upset the complex relationship between the Yemeni central government and the tribal leaders, thus creating new security problems.

Yet both security cooperation and economic development within Yemen are of vital importance if long-term security is to be assured. Both indicate the desirability of better integration between Yemen and the GCC. For geographical, political and economic reasons, Yemen remains in the shadow of its oil-rich neighbours. Yemen has tried out a broad variety of options to gain external support and respect and to overcome its political and geographical isolation: among other things, the YAR joined the short-lived Arab Cooperation Council in 1989, the united republic applied for membership in the GCC in 1996 and for membership in the Commonwealth in 1996/7. The Arab Cooperation Council never took off, the Commonwealth application was withdrawn, and the GCC application is still pending. The structural differences between Yemen and the GCC states make a Yemeni GCC-membership extremely unlikely. Indeed, the very *raison d'être* of the GCC was to protect its distinct socio-political order from the threats posed by larger states with different ideological, political or economic interests. Yet, for the reasons noted above, and to keep Yemen from looking for allies north of the Arabian

⁴⁶ Reuters dispatch, Sanaa, 18 December 2001; and BBC News report 19 December 2001, on http://news.bbc.co.uk/1/hi/english/world/middle_east.

peninsula, the GCC needs to develop an integrative strategy towards the country even if it cannot accept it as a member state.

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III. THE GCC VIEW

In the aftermath of the Kuwait crisis, the GCC began the arduous process of developing policy positions and options on matters of concern and interest to its members. But because of the very nature of the GCC, these policy options have had to be consensus-based and rather general in content. This does not mean, however, that the GCC does not have articulated positions on the key regional issues; nor that the GCC countries have not been able to develop their own perspectives on regional matters.

1. The regional long term

The GCC regimes would like to see the problems of Iraq, Iran and Palestine settled as the pre-condition for a better economic and political environment. Greater interaction in all fields with Iran (including on regional security), and a restoration of such interaction with a reformed Iraq, would be favoured. Such an evolution would also remove some of the problems associated with their close security ties with the US and some EU members: a reduced US profile in particular will be welcome – although an ultimate assurance of Western protection will remain required.

2. Iran: the foreseeable future

The GCC states favour the reform process in the hope that Iran will burn up what remains of its revolutionary zeal. They also like the language of détente and co-operation. The GCC states long to see the definitive end of Iranian cross-border 'revolutionary' activities, and the reform movement championed by Khatami provides the clearest chance for this to happen. Already, though, there is an appreciation that official Iran, at least, has no interest in fomenting domestic trouble on the other side of the Gulf. However, the UAE is determined that better relations with Tehran should not occur at the expense of its off-shore territorial dispute.

The question of Iran's rearmament drive and the improvements in its naval and anti-ship facilities remains sensitive. For one thing, the GCC states are concerned that they could find themselves exposed to Iran's naval build-up. For another, they are acutely aware that naval friction between Iran and the US Fifth Fleet could very easily suck them into an unwanted conflict situation. This is nowhere more vividly sensed than in Bahrain, the home of the Fifth Fleet.

Yet on balance, there is an appreciation of Iran's own security concerns that underlie some of this drive. Overall, there is a greater concern to develop and build on a *modus vivendi* with Iran, leading to greater security cooperation. Saudi Arabia's Crown Prince Abdullah has made it clear that his country will not be led by the United States in this regard, since he views Iran as a permanent neighbour, in contrast to the US.⁴⁷

3. Iraq: the foreseeable future

Iraq remains an open sore as far as the GCC state are concerned. While there is genuine sympathy with the Iraqi people, the GCC is still committed to seeing the current Iraqi regime contained and Saddam Hussein's regional ambitions checked. Kuwait, the direct recipient of Iraq's wrath, has been best placed to articulate these concerns for the Council. However, the GCC's Iraq policy is complicated by two other factors: first, that Iraq as a sovereign, Arab, state should not be compromised at any cost; and second, that Iran should not be allowed to take advantage of Iraq's weaknesses and straighten its foothold in that country. Kuwait's concerns about Iraq's military strength and its WMD activities are less prominently placed on the GCC's Iraq agenda. The GCC is more generally concerned about the politics of the sanctions and their long-term consequences for Iraq and the Gulf region, including any impact that Iraq's post-sanctions policies might have on oil movements and the price of a barrel. Beyond Saddam, there is a strong feeling in all GCC states except Kuwait, that Iraq needs to be built up again, both for reasons of principle and Arab solidarity, and because of the major economic engine the country can be for the region. Even in Kuwait, such views are being increasingly aired. Indeed, some – including in the royal family – have raised the possible future development of transport infrastructure linking Iraq and Kuwait with the wider world, and the need to open channels of communication.⁴⁸ Nevertheless, there is also no doubt that some among the ruling families of Kuwait and Saudi Arabia would

⁴⁷ See Hermann Eilts, 'Saudi Arabia's Foreign Policy', in L. Carl Brown (ed.), *Diplomacy in the Middle East: The International Relations of Regional and Outside Powers* (London: IB Tauris, 2001), pp. 219-144, at pp. 239-240.

⁴⁸ For instance Sheikh Nasir al-Sabah Al-Sabah, in a presentation to the *Conference on Iraq and Kuwait*, Center for Strategic and Future Studies, Kuwait University, Kuwait, 13-15 May 2000.

welcome Western support for the controlled removal of Saddam Hussein,⁴⁹ if they could be confident that, contrary to previous experience, such support would be sustained until the end, and (at least for Saudi Arabia) that they themselves were not directly implicated. It would be a different matter, of course, if a direct and credible threat by the Iraqi regime against the Kingdom could be established.

4. Yemen

Attitudes towards populous, poor, and politically unruly Yemen differ among the GCC states' leaderships. The bitterness engendered when Yemen opposed the military campaign against Iraq in 1990/91 has largely dissipated, but concerns remain. Yet the UAE has resumed the very significant aid that used to characterise its relations with the country from whence many trace their mythical ancestry; Kuwait too has resumed development assistance, reasoning that the Sanaa government's charm offensive was indeed based on a genuine reassessment of its interests, and that the growing closeness between Sanaa and Washington offered reassurance; and in Saudi Arabia, Crown Prince Abdullah pushed through a reassessment of the Kingdom's Yemen policy which put greater store on future stability than on old Saudi claims and sensitivities (although the replacement of Yemen's long-time Prime Minister Abdul-Karim al-Iryani, with whom relations had been frosty, helped). All were no doubt also influenced by US encouragement to consider Yemen's sins expiated.

Yet a return to the level of Yemeni employment in the GCC states has not occurred – nor is it a likelihood: the economic situation in the GCC along with those states' own burgeoning unemployment problem, and residual concerns over the influence Yemeni Arabs might have among sections of the local population, continue to limit a full return to the *status quo ante* in labour market terms.

Yemen does continue to be seen as a source of potential difficulties for the range of reasons outlined in section II.6.2 above. But precisely for this reason, wariness is combined with an increasing willingness to engage again, whether through the settlement of the border (Saudi Arabia), through exploring greater security cooperation, or through helping to foster economic

⁴⁹ See for instance the interview with Prince Turki bin Faysal in Douglas Jehl, "Saudi sees no Bin Laden-Iraq Link", *New York Times*, 22 November 2001. This is confirmed by other sources.

development. Yet none of the GCC governments (and indeed probably few among the populations) consider GCC accession an acceptable option. Yemen is simply too large, too poor, and too politically different and unpredictable in terms of internal dynamics, to be a realistic fit with the six states of the Council. Apart from practical difficulties, such a move would be viewed by the ruling families as a threat to their interests – interests which were after all at the heart of why the GCC was created. Alternatives short of membership, however, could well find favour.

5. The link with Palestine and the Arab-Israeli conflict

As will have become clear from the analysis in section II.1 above, for the GCC states there continues to be both an objective and a perceived link between the Gulf's security and the Arab-Israeli conflict. Whether it is tensions between Iranian policies and Israel, or general public support for the Palestinian cause, so long as the conflict continues and the Palestinian aspirations are not seen to have been addressed, the GCC leaders will find it practically impossible not to swim with the tide.⁵⁰ Indeed, the striking contrast between the treatment of Israel and Iraq in terms of both states' contravention of UNSC Resolutions and international law, is noted by even the most pragmatic and pro-Western of Gulf leaders. Frustration and, often, anger, at the perceived double standards, and at the wider disregard for Arab and Muslim grievances over Palestine and Jerusalem, is palpable throughout these societies – including at the highest level.⁵¹ Even in Kuwait, where suspicion of the Palestinians is higher since the second Gulf war significant portions of the population and the ruling family feel strongly about the symbolic issues involved.⁵² In the context of the *al-Aqsa intifada*, Saudi Arabia and the smaller GCC states have made it clear that they

⁵⁰ Gary Sick, 'The Ghost at the Table' *The World Today*, February 1999, pp. 15-17.

⁵¹ *Ibid.*; confidential interviews and informal discussions in Saudi Arabia, the UAE, Oman and Qatar in the course of several visits between 1997 and 2000. Perusal of the GCC's printed press over the past decade (providing a mix of the official views and more independent voices) provides a powerful confirmation. See also the very perceptive analysis of the linkage between the Palestine question and Saudi-US relations, by John Duke Anthony, 'The Impact of the Al-Aqsa Intifada on US relations with key Arab countries: the GCC region', Briefing, House of Representatives, 31 July 2001, published by the National Council on US-Arab Relations, Washington.

⁵² Confidential interviews and informal exchanges in Kuwait, in several visits between 1997 and 2000, in addition to reporting and commentary by Kuwaiti academics on the Gulf2000 Network.

stand with their Arab neighbours in condemning Israel and the unconditional US support for that state.

The combination, therefore, of (1) an intrinsic sense of injustice, (2) a political need to avoid too harsh a discord with strongly-held popular views, and (3) the desire to avoid being seen by other Arab regimes and populations as insufficiently strong on the defence of Arab and Islamic interests, means that the GCC regimes will continue to view the Palestine issue and the Arab-Israeli conflict as very important in its own right. This is made all the more acute in the context of having to deal with the Iraqi threat: this, after all, makes them both supplicants to, and targets for pressure from, the United States. The very involvement of Western – and especially US – forces in the defence of Saudi Arabia has been a highly problematic issue since 1990, for the legitimacy of that regime. Continued involvement in military actions against Iraq a decade later are even more so – again especially at a time when the peace process in Palestine has been seen to die a slow death without Israel being brought to book.

Consequently, the GCC leaderships would strongly welcome the echoes of a louder and more resolute European voice being heard in Israel and Washington, as well as a more high-profile European presence in the conflict. A resolution of the conflict that allows the emergence of a viable Palestinian state with at least shared sovereignty over Arab East Jerusalem, is, indeed, of the essence: nothing less could ever be acceptable either to the Palestinian population itself or to the rest of the Arab and Muslim world. For the GCC states, this is not only a strongly-felt goal in its own terms, but a necessity for domestic and regional political reasons. Since 11 September 2001 this has, if anything, only become more acute.⁵³ By the same token, it is a key objective interest for the West, even if a failure to appreciate the nature of local and regional dynamics has in the past obscured this to some decision- and opinion-makers especially in the US. A more proactive European policy towards the attainment of those goals, therefore, would serve European as well as wider Western interests, while more particularly also facilitating relations, and dialogue, with the GCC.

⁵³ See for instance Roula Khalaf, 'Kingdom Faces a Tough Test of Sympathies', *FT Survey: Saudi Arabia*, 29 October 2001.

6. The campaign against “terrorism”

The common interest between the EU and the GCC governments is the containment of groups that aim at the overthrow of Gulf governments as well as at damaging Western interests, and are willing to use indiscriminate violence or attacks on civilian targets, in the Middle East or elsewhere to achieve those aims – thus falling within the strict definition of “terrorist”. There is also a degree in commonality – in contrast with the US – in an appreciation of the difference between such groups on the one hand, and, on the other, groups that fall outside this strict definition – several of which are seen by many Muslims and their governments as legitimate resistance movements against Israeli policies and occupation, against Russian policy in Chechnya, and the like. While GCC governments may not be supportive of the activities of some of the latter, they do not have the domestic room for manoeuvre to condemn them outright, nor to cut off funds flowing from private individuals to Islamic charities not clearly linked to activities falling under the strict definition of “terrorism”. Hence, for instance, groups funnelling money to organisations fighting Israel through political means or through armed resistance within the occupied territories, would not automatically qualify, except where they can be shown to have adopted a policy of attacking civilian targets.

Within those limitations, collaboration with the campaign against terrorism will certainly be maintained, through the monitoring of groups, individuals, and money flows, and intelligence cooperation. Direct collaboration in military activities against Afghanistan or Iraq, however, will be indirect at best, in the covert or low-profile provision of intelligence, logistical collaboration, or local facilities other than for troops. Sensitivities in this respect will vary between the different GCC states, being lowest in Kuwait and highest in Saudi Arabia, where the Al-Saud regime with its Islamic claim to legitimacy, and as protector of the two Holy Places, will continue to be in the spotlight.

The room for manoeuvre the GCC governments have in this respect can become wider only once significant progress is shown to be made on the Arab-Israeli issue, and provided other pillars of legitimacy are not undermined.

* * *



IV. IMPLICATIONS FOR EUROPEAN POLICY POSITIONS IN THE EU-GCC DIALOGUE

1. General

EU/European governments must be prepared to address security and international affairs in their dialogue with the GCC – and in particular Gulf security and Palestine. These remain of central importance regardless of, and beyond, the need for collaboration in the 2001 campaign against terrorism, but are reinforced by their direct linkage to it. European governments must therefore attempt to agree on a common position on these issues, based on a perception of common interests with the GCC states. There will always remain nuances between the interests and views of individual European governments, so a minimal common platform should be combined with appropriate additional accents in bilateral approaches. It is crucial, though, that those individual ‘accents’ are at least coordinated. The realisation underlying all of this is that Gulf security – a key interest of the EU – is one of the GCC governments’ top concerns, and that there is an inescapable link between this and the Arab-Israeli theatre. Fruitful collaboration on the issue of terrorism will need to be sensitive both to the domestic limitations these governments are constrained by, and to the roots of those limitations.

2. Terrorism

When it comes to the issue of terrorism, there are differences between the EU and the GCC in perceptions, definitions, and in availability of tools. Yet there is a common interest between in the containment of groups that aim at the overthrow of Gulf governments as well as at damaging Western interests, especially when such groups can be defined as “terrorist” by their adoption of *indiscriminate violence or attacks on civilian targets as a policy tool to achieve those aims*. It should be possible to include in a common campaign groups that demonstrably fall under that definition, while agreeing to disagree on others. Within those limitations, GCC governments will maintain their collaboration with the campaign against terrorism, through the monitoring of groups, individuals, and money flows, and intelligence cooperation. Collaboration in military activities against Afghanistan or Iraq, however, will be indirect at best.

European policy, therefore, needs to focus on sharpening the collaboration in those areas, while at the same time fine-tuning the distinction between groups all can agree on as “terrorist”, and others that do not fall within

the strict definition given above.⁵⁴ While a single formal definition of “terrorism” is unlikely ever to be reached (whether among EU states themselves, between the EU and the US, or between EU and Middle Eastern actors), a pragmatic approach that takes account of some of these differences is nevertheless possible as well as necessary. This will bring with it a definitional and policy difference with the US and Israel, as well as, in some cases, with other governments around the world, including in the Middle East and the GCC in particular. Yet, while it will not satisfy the desire of a range of governments to include particular groups as targets, it is the only practical way forward that will deliver the broad acceptance needed to maintain a long-term coalition: the best (in any case variously defined) must not be the enemy of the good.

One of the most important aids in the campaign against Islamist terrorism, however, and in maintaining and strengthening collaboration with the GCC states, would be to address the other subjects raised in this study: the various aspects of Gulf security, and the Arab-Israeli dispute.

3. Overall Gulf security

The overarching common interest is long-term Gulf security. The EU and European governments should:

- pursue close dialogue and cooperation with the GCC states over short- to long-term issues in Gulf security, aiming in the long term to bring both Iraq and Iran into a Gulf-wide security system less reliant on a large-scale US presence;
- for the medium to long term, explore the idea of a standing *Security and Confidence-building Conference for the Gulf & the Arabian Peninsula*, devolved into subject-specific working groups (see section II.1);

⁵⁴ In this sense, the US’s inclusion of Hizbullah on a list of 21 proscribed organisations, is particularly ill-advised: Hizbullah is essentially a local southern-Lebanese resistance and social movement with a large local social base and now part of mainstream Lebanese parliamentary politics, which has not adopted a policy of indiscriminate targeting of civilians. See A. R. Norton, *Hizbullah of Lebanon: Extremist Ideals vs. Mundane Politics*. (New York: Council on Foreign Relations, 1999). Tellingly, the crude explanation by US National Security Adviser Condoleezza Rice, for President Bush’s refusal to meet Yasir Arafat at the UN in New York, that “You cannot help us with Al Qaeda and hug Hezbollah or Hamas,” infuriated the Saudi leadership – with foreign minister Prince Saud al-Faysal publicly expressing his anger. (BBC News on-line, 10 November 2001; Elaine Sciolino & Patrick Tyler, ‘Saudi Charges Bush with Failure to Broker Mid-East Peace’, *New York Times*, 9 November 2001).

- Set continued willingness to sell weapons systems to the GCC against the background of the development of an EU-wide approach to Gulf security.

4. Iraq

European interests in this respect are the following:

- finding a long-term solution to the Iraqi threat;
- avoiding popular upheaval and anti-Western bitterness in Iraq and the region;
- in the short term, containing the Iraqi potential to threaten its neighbours and others;
- exploitation of trade and business opportunities, and maintaining a presence in the Iraqi oil and gas market in the hope that Europe will be able to participate in the development of this sector in the post-sanctions era.

The first of these in turn requires finding long-term solutions to the sources of Iraq's insecurity. This has political implications (including a change away from the present regime); strategic implications, especially as regards access to shipping lanes; and economic implications. As regards the latter, a rebuilt and wealthy Iraqi economy would clearly also be in the European interest. This would, moreover, feed directly into the fourth interest listed above.

It is striking that these European interests are not only compatible within the EU (even if there will of course be competition on the commercial front), but almost identical with the GCC's own interests in these respects.

Consequently, the European efforts should be directed towards:

- initially, a further reform of the sanctions regime by streamlining the operation envisaged by UNSCR 1284 and 1382;
- working towards the lifting of all sanctions except controls on military or military-related imports; a front-end temporary, conditionally renewable suspension of sanctions could be made the carrot for Iraqi continued compliance on the following three aims:
- working towards re-establishing WMD monitoring in Iraq;
- supporting the Kurdish autonomous area and assure that in any future dispensation, regional autonomy is secured (within a guarantee for Iraqi territorial integrity);
- giving real voice to international efforts to resuscitate the Iraqi civil society and to assure future observance of human and political rights in Iraq;

- preparing a long-term plan for the rebuilding of the Iraqi economy; this could include a proposal that once Iraq is reintegrated in the international community by fulfilling its obligations, war reparations could be wholly or partially waived, partial debt forgiveness could be negotiated, and special access to international financial instruments could be arranged. The precedent of Afghanistan could usefully be referred to.

The issue of Saddam Hussein remains a dilemma: it is without a doubt in the interests of both the EU and the GCC that he disappear from the scene, but it is unlikely that agreement will be found either within the EU or within the GCC on the best way forward. Yet the above policy recommendations would in theory be applicable with or without the present regime: indeed, such a policy would be more, not less, likely to bring change closer. Meanwhile, maintaining and developing contacts with Iraqi civil society at large, as well as political groups of all persuasions, should be high on the agenda. Some of this, of course, could probably be better pursued by some European governments, in coordination with their EU partners, rather than by the EU as such.

5. Iran

There are common *European interests* in:

- fostering Iran's continued political development;
- fostering Iranian economic growth;
- helping along Iran's integration into a Gulf security system.

These interests are, again, compatible with those of the GCC states – although the latter retain some concern over Iran's potential to threaten their interests, as in the case of Abu Musa and the Tunbs. Moreover, there are more general strategic and economic benefits which Europe and the US can derive from a good relationship with a rehabilitated Iran.

Consequently, the European efforts should be directed towards:

- developing the dialogue with Iran, including on regional and international security matters;
- persuading the US Administration to waive, and eventually to drop, the sanctions regime and let Iran come in from the cold;
- supporting the GCC states and Iran in efforts to integrate Iran into a common management of Gulf security;
- enabling Iran to play the moderating role it wishes to have in relations to the countries north of its border. In the fight against Al-Qaida and the Taliban,

and in the knock-on effects that this may yet have, the Iranian role can be especially valuable.

6. Yemen

There are common *European interests* in:

- improvement of the internal security situation in Yemen and the avoidance of the 'failed state' scenario; the following three interests derive their importance in part from this one;
- political development;
- economic development and poverty reduction in Yemen;
- greater regional integration on the Arabian peninsula.

The first and third of these are shared, moreover, with the leaderships of the GCC, while the fourth, at least in some versions, is also in the GCC's objective security interest.

Consequently, the European efforts should be directed towards:

- poverty reduction, good governance, development of human resources and other issues that have already been addressed in the past e.g. under the EU-cooperation agreement of 1997;
- expansion of European efforts to support the development of the Yemeni economy (e.g. oil & gas sector, tourism, Aden Free Trade Zone);
- keeping European relations with the GCC and with Yemen on a comparable level, declaring European support for the possibility of a GCC association agreement with Yemen and for a Yemeni role in a regional security system.

7. Palestine and the Arab-Israeli conflict

European interests as regards the Palestine issue and the Arab-Israeli conflict are, again, in close parallel to those of the GCC states (even if for the latter the concern about the domestic and regional threat emanating from the continued festering of the issue, is more immediate). A solution with long-term viability is a necessity for the interests of both Europe and the GCC – not least precisely because the Arab-Israeli theatre cannot be separated in its effects from that of the Gulf.

Moreover, since the summer of 2001, the GCC states have been increasingly forcefully insisting on a stronger European stance on, and

involvement in, the issue, and the attempts to build an anti-terror coalition after 11 September only reinforced this imperative.

Consequently, Europe should be prepared to:

- reassert existing European positions on the Arab-Israeli dispute;
- indicate a willingness to use pressure on both Israel and the Palestinian Authority – but given the stark asymmetry of the equation (Israel holding virtually all the cards) and Israeli policies since autumn 2000, Israel’s interests in its links with the EU should be given particular scrutiny;
- continue its political and financial support for the development of the Palestinian economy and its trading links with the EU;
- undertake a concerted and continued effort of dialogue with the US on the subject of Palestine, but definitively leave behind what has come to be seen in the Middle East as a position of subservience.

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