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In The Name Of God

PERSIAN GULF SECURITY ARRANGEMENTS, WITH SPECIAL REFERENCE TO IRAN'S FOREIGN POLICY

Submitted by

MAHBOUBEH SADEGHI-NIA

As A Thesis For The Degree Of The Doctoral Of Philosophy In International Relations

July 2008

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I certify that all material in this thesis which is not my own work has been identified and that no material is included for a degree which has previously been conferred upon me.

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ABSTRACT

PERSIAN GULF SECURITY ARRANGEMENTS,

WITH SPECIAL REFERENCE TO IRAN'S FOREIGN POLICY

MAHBOUBEH SADEGHI-NIA

The aim of this study is to provide a conceptual and analytical foundation for a discussion about the future shape of security arrangements in the Persian Gulf. The Persian Gulf is a region whose strategic and economic characteristics have strengthened its vital significance to all littoral states as well as the entire world's economy and political life. Its significant geopolitical situation, in addition to its dominant position as an energy source and gateway for global energy has caused this region to be a worthy rival to outside powers, particularly the West, while also being the most unstable and chaotic of any world region.

Therefore the objective of this thesis has been to provide a security model for the Persian Gulf that address the need for a stable and peaceful structure of relationships which will provide security for all individual littoral states, as well as assuring the interests of the external powers.

The thesis' hypothesis of cooperation as the only possible basis for a comprehensive strategy for peace and stability in this region has been substantiated by employing a variety of conceptual and analytical tools to understand the reasons for the failure of security models in the Persian Gulf and to confront the huge obstacles to a security system for this region. The relevance of this model is supported by the modern global political landscape, most especially the events that have occurred since the end of the

Cold War, in addition to various successful cooperation models that are to be found in other regions of the globe, e.g. the EU. This is assisted by the unprecedented opportunity for regional cooperation and the conditions for the creation of new security arrangements in the Persian Gulf and beyond that have been created since the downfall of Saddam's regime in 2003, which was one of the major elements of insecurity in this region.

To this end, this study has analysed various security models in this significant geopolitical region in the world since 1962, with special reference to Iran's foreign policy. Particular reference has been made to Iran because of its geostrategic and geopolitical situation and as the hegemonic power in the Persian Gulf, which regardless its political regimes, it has great national and security concerns and plays a determinant role in peace and security of the region.

With emphasis on dialogue as the best solution to the regional security problems in the Persian Gulf, this study has come up with a pyramid security model on the basis of the region's geopolitical realities which emphasises the need for domestic reforms as well as interaction and cooperation and a balance of interests between all regional and non-regional players.

DEDICATED TO

Peace And Freedom

And

Whoever Makes Them Possible

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ACKNOWLEDGEMENTS

This thesis would not have been possible without the support and encouragement of many people, especially my family, colleagues and friends. I would like to express my deepest appreciation to all of them.

The help and advice of Anoushiravan Ehteshami, who acted as my supervisor, is deeply esteemed. His great encouragement made me to enjoy this work very much rather than be concerned about the difficulties of such a long term research process. Special appreciation also goes to Keith McLachlan whose continued support and advice assisted the formation of the thesis' early structure.

I thank the Islamic Republic of Iran's Foreign Ministry for providing me with the opportunity to investigate and use their archives' documents in this thesis. I must also recognise the honest and friendly talks, discussions and interviews with different high ranking authorities of the department of Middle East/Persian Gulf in this ministry, especially Nosratollah Tajik, Hussein Sadeghi, Ali Asghar Khaji, Jalal Firouznia, Hossein Naraghian, Mohammad Reza Nouri and Alireza Salari. In additional, I must acknowledge different comments and the assistance of Richard Schofield, Mahmood Sariolghalam, and Pirouz Mojtahed-Zadeh, on the early stage of this thesis. Discussions with many elites and scholars in the Arabian Peninsula of the PG, especially Seif Abbas, Hamed Al-Abdullah, Abdul Reda Assiri, Masoumeh Al-Mubarak, and Abdul-Aziz Al-Mohanna must also be registered, as an important factor to have a better and deeper understanding about various issues and concerns in the Persian Gulf.

The great and absolute support and understanding of my sons, Sadegh and Abbas, with whom I could have instead spend more time, and the encouragement of my husband, my mother, my sisters and their families, and all other relatives, can not go unmentioned. I thank them all from the bottom of my heart.

The last and not the least acknowledgement is for my colleagues in the Iranian Broadcasting (IRIB) whose support and cooperation provided me with sufficient time to complete this thesis.

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ABBREVIATIONS

AP	Asian-Pacific
bbl/d	Barrels Per Day
CBM	Confidence Building Measures
CIA	Central Intelligence Agency
EIA	Energy Information Administration
EU	European Union
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GME	Greater Middle East
ICJ	International Court of Justice
IEA	International Energy Agency
IRGC	Islamic Revolutionary Guard Corps
IRI	Islamic Republic of Iran
ME	Middle East
MENA	Middle East and North Africa
MOU	Memorandum Of Understanding
NATO	North Atlantic Treaty Organisation
OPEC	Organisation of Petroleum Exporting Countries
PG	Persian Gulf
RDF	Rapid Development Force (US)
RRF	Rapid Reaction Force (EU)
SANG	Saudi Arabia National Guard
SAVAK	National Security and Information Organisation (Iran)
SIS	Secret Intelligence Service
UAE	United Arab Emirates
UN	United Nations
US	United States of America
USSR	Union of Soviet Socialist Republic
WTO	World Trade Organisation
WWI	First World War
WWII	Second World War

DEFINITIONS

1) The Persian Gulf, a semi-enclosed sea in the Southwest Asian region, is in the inferior folds of southern Zagros Mountains and is an extension of Indian Ocean that is situated between Iran and the Arabian Peninsula. Eight countries with a coastline on the PG are Iran, Iraq, Kuwait, Saudi Arabia, Bahrain, Qatar, United Arab Emirates and Oman.

2) Security system has been defined as Michael Kraig expresses "to create a stable and peaceful structure of relationships that allows every state to meet its minimum security needs and develop its economy and political institutions without at the same time increasing the level of threat toward its neighbours."[1]

3) Regularly terms such as *international system, international political system, international politics*, *international affairs,* and *world politics*, have been used as synonyms for *international relations (IR).*

4) Geostrategy has been defined as a subfield of geopolitics which refers to foreign policy based on geographical factors and a desire for the control of foreign geographic resources. As Zbigniew Brzezinski explains, "Geostrategy is the geographic direction of a state's foreign policy. More precisely, geostrategy describes where a state concentrates its efforts by projecting military power and directing diplomatic activity."[2] Therefore, geostrategic region has been used as those geographical locations with such feature.

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[1] Michael Kraig (Fall 2004), 'Assessing Alternative Security Frameworks for the Persian Gulf', *Middle East Policy*, Washington: vol.11, issue 3, cited in the site of *Gulf2000* of Columbia University, NY, USA.

[2] Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives.* (New York: Basic Books, 1997), p. 40, cited in *Wikipedia*, http://en.wikipedia.org/wiki/Geostrategic#_note-1 (3 November 2007)

5) Hegemony is defined as Power, control or influence exercised by a leading state over other states.[3] It is a concept that has been used as a strategy of the US, based on: an imbalance of power and interests, the use of both offensive and defensive threats and a network of friends and allies who greatly share the US' foreign policy goals.

6) Geopolitics in a simple way means studying the role of geography in politics or as Pirouz Mojtahed-Zadeh notes, it "deals with the geographical dispersion of power in the world and the study of structural relations among them." Therefore, geopolitical region refers to those geographical locations with such affect.

7) In general a balance of power signifies parity or stability between competing forces, as a term in international law it also expresses intention to prevent any one nation from becoming strong enough to compel the others to obey its political agenda.[4]

8) Grand strategy is military strategy at the level of movement and use of an entire nation state or empire's resources.[5]

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[3] *Oxford University Press*, www.oup.com/uk/orc/bin/9780199281954/01student/flashcards/glossary.htm (11 June 2008)
[4] *Wikipedia*. http://en.wikipedia.org/wiki/Balance_of_power_in_international_relations (6 June 2007)
[5] *Wikipedia*. http://en.wikipedia.org/wiki/Grand_strategy (5 October 2007)

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Map of the Middle East and its Sub-Region of the PG



Introduction

The intention of this thesis is to provide a conceptual and analytical foundation for a discussion of the future shape of security arrangements in the Persian Gulf (PG), as one of the most important regions in the world. It aims to address the need for a stable and peaceful structure of relationships that provides security for all individual littoral states, as well as assuring the interests of the external powers.

The hypothesis is that for a comprehensive strategy of peace and stability in the PG region to be viable, cooperation is the only possible basis. Based on this hypothesis a cooperative model for a security system has been developed. The principal claims relied on to establish this hypothesis are:

a- The failure of previous approaches to regional security in the PG, all of which have been imposed on the PG by external powers aware of their own national interests, resulting in the continuation of crises in the region, especially during last three decades;

b- Various changes in the global political landscape, most especially those that have occurred since the end of the Cold War, have provided a fresh opportunity to develop a new approach to international security. This new approach is one which places particular emphasis on patterns of cooperation. Traditional security methods that are based on massive military confrontation are no longer particularly effective or even acceptable to global public opinion. In addition to various successful cooperation

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models that are to be found in other regions of the globe, e.g. the EU, the invasion of Iraq in 2003 with all its consequences is the latest example which highlights the need for cooperation. The reason is twofold: on the one hand, the invasion has exacerbated the security problems of the whole region; and on the other, the downfall of Saddam's regime, one of the major elements of insecurity in the region, has created an unprecedented opportunity for regional cooperation and the conditions for the creation of new security arrangements in the PG and beyond.

This study has employed a variety of conceptual and analytical tools to understand the reasons for the failure of security models in the PG and to confront the huge obstacles to a security system for this region raised by the three levels of analysis: the individual, domestic, and systemic. However, using the level of analysis framework, it is argued that the best solution to the regional security problems in the ME, including its sub-region the PG, is through dialogue. That is, to promote unofficial, informal contacts and negotiations to create a functional regional security arrangement, a matter that puts emphasis on soft, as opposed to exclusively hard, power. To support my position, I appeal to the analysis given by theorist such as Kraig, who believes that such a strategy presents a good model for defence and economic policy. According to him, the proposal recommends "a situation in which the financial and human capital of nations is used primarily for social, political, economic and spiritual development, rather than for military and security/police forces."[1]

The focus of this thesis is on the geopolitical significance of the PG which, due to regional and the non-regional players' competition to play a greater geopolitical role, thereby furthering their strategic interests, has been a disruptive element in the region's security. However, this thesis aims to show how it is possible to change this

geopolitical significance to become a convergent element that encourages cooperation among all beneficiary parties. The context of the discussion is the period of 1962-1997, but some analysis is given of geopolitical and security developments since 1997 in order to support the analysis of the period of primary focus as to provide a warning about the impact of further policies of regional and non-regional players on the security of the region. The reason for focussing on this period of time is also that it highlights the following points that are relevant to the thesis:

i - The fundamental and significant role of Iran in any security approach in this region: Iran's significant role in regional political evolutions and Tehran's national and security concerns, regardless of the nature of its political regime in the country at any one time. For this reason, throughout the entire study Iran's role in various events is given close attention. Following an empirical analysis of external threats and Iran's recent trends in its foreign relations, especially concerning security of the PG with key countries including the Great Powers and its PG neighbours, 1962 marks the beginning of Tehran's increasing interest in regional issues of the PG. The failures and successes in the period leading up to 1997 of Iran's policy towards the PG will be divided into three different phases within both the bi-polar and unipolar system of international system: the successful period of 1962-1979 under Muhammad Reza Shah's rule and within the Cold War; and two post-revolutionary periods from 1979-1989 and 1989-1997. While the first post-revolutionary phase was a failure, in the second phase Iran regained much of its regional and international legitimacy, which included the adoption of a pragmatic and active policy within the PG to manage affairs in this region.

ii- The prevailing application of the traditional policy is that 'to dominate a region it is necessary to weaken regional powers': the crucial position of the PG in world politics and the geostrategic situation of Iran, encouraged Britain and later the US to establish domination over Iran and the PG. For this reason Iran's efforts to establish power in the PG were totally unacceptable to and annulled by Britain. They severely vetoed every action, measure, or proposal by Iran to establish a navy for security in the PG. Moreover, the US only accepted Iran's superiority in the region when Tehran was acting as a US proxy. Instead, during their dominance these two major ultra-regional powers continued their military superiority in the region in order to prevent any other countries gaining control over the region and its mass energy resources, and also to maintain their military access to the geostrategic region of the PG, thereby allowing them to control events in many other significant regions of the world. In addition, the old excuse given by Britain for preventing Iran from gaining power in the PG, i.e. its uncertainty about 'what Iran's intentions might be'— e.g. when Nasereddin Shah Qajar in 1865 tried to form a navy and his request for British help was rejected[2] — was also used by the US, especially regarding Iran's nuclear plans since 2003.[3] This important historical political fact is highly suggestive of the strategy of the major powers in the region.

iii – The increased militarization in the region, together with the belief that for political survival or to ensure strategic interest, a back up military power is a necessity. The US' direct military involvement in the PG has resulted in competing reactions from emerging powers with interests in this region viz., China, the EU and Russia. This is to secure their strategic interests by gaining extensive access to PG security and adopting a greater geopolitical role in this waterway and also because of their deep concerns over US permanent hegemony in the ME/PG. The US military

presence has also stimulated popular discontent in the host countries, particularly against Arab regimes. This situation has resulted in increasing militarism, whether in the form of extending the military presence and power of different regional and non-regional parties, directly or indirectly, or in the form of terrorist attacks. However, the role of other ultra regional players, especially those emerging powers with their growing dependency on PG energy supplies, is significant as a counterbalance to the US hegemonic position in particular, and for building a durable regional security framework.

iv– The importance of a proper relationship between the US and Iran for any durable security approach in this region. The thesis argues that establishing peace and security would be impossible without such a relationship between these two major players. In addition to the need to construct comprehensive multilateral coalitions the argument is made that, it is important to recognise the significance of the relationship between major regional and non-regional powers in order to achieve a durable and long term security situation in any region. In this regard the thesis focused particularly on the major regional and ultra-regional powers with the most influence over any security approaches; the major topic of analysis was the behaviour of Iran and the US. This study is necessary owing to the failure of all security models in the PG during the time period of this study. Also the vast and extended regional and global consequences of regional crises combined with the increasing complexity of methods of competition, specifically the more frequent resort to military solutions with more sophisticated weapons rather than to diplomacy or socio-economic cooperation. Hence, under such circumstances achieving even remotely stable security is increasingly difficult. Therefore, it is argued that as long as the foreign policy goals of the US as the hegemonic power in the present international system are based on preventing a natural

development of regional powers' roles, especially Iran's, none of the security arrangements can work. The consequences of the US political strategy of containment in the PG could be similar to the defence strategy during the Cold War which soon became militarized and even nuclearised. The argument is made that the Islamic Republic of Iran (IRI) is also responsible for the current tense political situation. It has failed to establish a stable relationship with its neighbours as well as with the West (especially the US), and to acknowledge Western interests in this geopolitical region. It has also failed to reconcile its differences with the West and assure it of its vital interests in the PG. This has meant that Iran's goal of establishing collective regional security arrangements excluding foreign powers has not been achieved, and has therefore contributed to the wider presence of foreign forces; a major success of the Imperial rule of the Pahlavi regime which IRI has not been able to achieve.

v- The noticeable double standards of the international system due to the huge influence of the great powers, particularly the US, to protect their own interests, had a great influence on the security of this region during this period of this study. Such an international political system which applies different criteria could coerce some states into pursuing a dangerous policy to achieve their foreign policy goals. In studying Iraq's behaviour it is possible to show a complete turn about of attitudes from the international countries: from offering aid to open hostility.

This study offers not only a contribution to academic scholarship, but also to security formation on the ground. It argues for the introduction of additional factors to the existent elements for security, so a more comprehensive and durable security arrangement can be obtained. Building on international experiences, this study offers a new security model which would be able to manage relations between states and

create a regulation of power, which would mean the rule of 'law' and not 'the powers'. The Pyramid security model could be a solution to the very volatile situation in the PG, because in addressing major security issues this model is based on the geopolitical realities, as well as the political and economic concerns, of all regional and ultra-regional parties. A security model that will be able to give basic assurances to all its members, the gains it aims to achieve being mutual gains for all participants, not gains for one particular player, or set of players, and thereby would be able to assure that remaining in the system will be in all the relevant parties' interests, and it would be immune to any internal turmoil or changes to the littoral states.

In sum, throughout the whole study the complex foreign policy goals of the US in the region have been investigated, especially regarding its antagonistic policy towards IRI. The consequences of the continuance of such a policy, including persuading Iran to be equipped with nuclear weapons, as Steven Wright notes "would, on a geopolitical level, clearly challenge the United States' dominance in the region and under the guise of the War on Terror poses an acute national security threat."[4] However, since the US' interests have been guaranteed whether in peace or crisis situations in this region, some major questions are raised, and answered, especially with respect to the two most important traditional objectives of Washington's policy in the ME: preservation of the oil flow at an affordable price and the security of Israel. Some questions such as: is there any willingness to build peace and security in this region or does Washington need at least one permanent enemy in the region to achieve its hidden hegemonic intentions? Or, does the US support any collective regional security arrangements in the PG?

Moreover, besides the major concerns of the West, particularly the US, to ensure its superiority in this region it has been argued that another important concern of the West would be of an era after oil. Control of the most likely energy source would be a significant element in the US energy security policy and would also assure the continued dependency of the littoral states of such a geopolitical region on the West. Since nuclear energy seems to be the best replacement for oil in the next century, the West prefers to have its exclusivity. Hence, the US' contrariness toward obtaining nuclear technology, including mastering the fuel cycle of especially independent countries and those antipathetic to US unilateralism, e.g. Iran, has caused another crisis in this region. At the present the US' main concern in this region is Iran's intentions, such as the spread of revolution, increasing its influence to change the balance of power into its benefit, and any possibility of its being a threat towards Israel or being able to develop a nuclear arsenal, however for the ear after oil where Iran will have the ability to provide its own energy or even to provide energy for its Arab neighbours in the PG, Washington's concerns would increase if Tehran's influence would increase much more than today.

However, since 2003, despite massive global and even American support for direct dialogue between Washington and Tehran as the only solution for resolving issues over Iran's nuclear programme and the US dilemma in providing security in Iraq, the US administration's enthusiasm for a more antagonistic policy towards Iran, such as implementing more sanctions and serious concerns for military reaction, is noticeable in light of the previous questions about the complex foreign policy goals of Washington in the ME/PG.

The conclusion of this study is that the entire situation with its suspicions and mistrust among all regional and ultra-regional states, combined with neglecting other parties' interests and security concerns, has resulted in a daily escalation of the crises in this most geostrategic region in the world. The people of the region, in particular, are the greatest losers in such an unstable and critical situation. The littoral states' regimes do not benefit from such circumstances either. All these factors, combined with a global loss of energy security and increases in the price of energy combined with the more recent issue of spread and growing process of terrorism from the radical religious militants, should press all the different parties, both regional and non-regional, to support and help to establish comprehensive security cooperation in this narrow but vital waterway for global peace, security and prosperity.

Notes

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[1] Michael Kraig (Fall 2004), 'Assessing Alternative Security Frameworks for the Persian Gulf', *Middle East Policy*, Washington: vol. 11, issue 3, cited in the site of *Gulf2000* of Columbia University, NY, USA.

[2] Rouhollah K. Ramazani, *The Persian Gulf: Iran's Role* (Charlottesville: University of Virginia Press, 1972), p.18.

[3] On February 9, 2003, President Khatami announced the existence of the Natanz (and other) facilities on Iran's television and invited the International Atomic Energy Agency (IAEA) to visit them. Among many see http://www.payvand.com/news/03/oct/1015.html.

[4] Steven Wright, *The United States and Persian Gulf Security; The Foundations of the War on Terror* (UK: Ithaca Press, 2007), p. 207.

Methodology and Conceptual Approach

The approach in this study chose to provide a foundation for a discussion about the future shape of security arrangements in the PG is historical analysis and theoretical. The methodology adopted to conduct this research uses theories of geopolitics and of security, and draws upon the level of analysis framework in international relations to the foreign policies of select PG states and the forces that affected them. As it will be explained in the following sections, it presents a conceptual framework of important works of literature related to the security issues of the PG.

The issue of security will be studied from a combination of different perspectives, political, social, military, economic, geopolitical and international, all of which affect security in this region. This is the reason this research tries to study relations between these factors as different variables relevant to modeling security in this region.

The thesis, which has taken advantage of a great variety of secondary sources of historical, analytical data, as well as some primary documents such as interviews and also various Iranian Foreign Ministry documents, ends with a general conclusion. Moreover, detailed primary source material accumulated from my experiences during 1980-2003 as the political correspondent of Islamic Republic News Agency (IRNA) and later Iran Broadcasting/TV (IRIB) as well as working as a political researcher in the PG Department in the IPIS (IRI Foreign Ministry Institute of Political and International Studies), has been followed up through discussion with the key actors.

In addition to advices, comments and the assistance of prominent scholars in the field of the PG issues such as Keith McLachlan, Richard Schofield, Mahmood Sariolghalam, and Pirouz Mojtahed-Zadeh, on the early stage of this thesis, I had the opportunity to take advantage of the honest and friendly talks, discussions and interviews with different high ranking authorities of the department of Middle East/Persian Gulf in Iranian Foreign Ministry, especially Nosratollah Tajik, Hussein Sadeghi, Ali Asghar Khaji, Jalal Firouznia, Hossein Naraghian, Mohammad Reza Nouri and Alireza Salari. Furthermore, discussions with many elites and scholars in the Arabian Peninsula of the PG, especially Seif Abbas, Hamed Al-Abdullah, Abdul Reda Assiri, Masoumeh Al-Mubarak, and Abdul-Aziz Al-Mohanna assisted me, as an important factor to have a better and deeper understanding about various issues and concerns in the PG. Also I had the opportunity to take travel to most of the region's countries and also living from 1985 to 1987 in Bandar Abbas, capital of Hormozgan Province on the southern coast of Iran which occupies a strategic position on the narrow Strait of Hormuz and is the location of the main base of the Iranian Navy. Having the opportunity to visit and study various areas, and talk and socialise with the inhabitants of Hormozgan in my several visits to different cities and villages, as well as to the islands, including Abu Musa, Hormuz, Larak, Qeshm and Hengam, helped me to have a better understanding about the lifestyles and original and natural interrelations between the inhabitants in the southern and the northern side of the PG. It also assisted me to gain a clearer comprehension about the geographical dimensions of various islands in respect to their significant location regarding security issues in such a geostrategic waterway.

Geopolitical Approach

This study focuses on debates surrounding geopolitics to provide a more comprehensive understanding of the significance of the PG as a sub-system of the ME and its impact on the politics of the region. The intention is not to discuss different kinds of geopolitical schools of thought as power knowledge but rather to highlight the effect of the natural geographical location of the PG on power struggles in international politics. A further aim is to examine the foreign policy goals of great powers and to be able to predict more accurately political developments in the region. One of the outcomes of this thesis is to emphasise on the necessity of having a geopolitical vision of the regional states in the PG to be able to understand their significant situation in balance of power politics and to be able to take advantage of various opportunities resulting from geopolitical developments in their best interests as well as the region's security and stability. The importance and popularity of geopolitical discourse which mainly provides us with an explanation of relationships between geography, power and international relations, as Gearóid Tuathail also notes, is because:

> (...) it deals with comprehensive visions of the world political map. Geopolitics addresses the 'big picture' and offers a way of relating local and regional dynamics to the global system as a whole. It enframes a greater variety of dramas, conflicts and dynamics within a grand strategic perspective, offering an Olympian viewpoint that many find attractive and desirable. Furthermore, while unavoidably textual, it nevertheless promotes a spatial way of thinking that arranges different actors, elements and locations simultaneously on a global chessboard.[1]

Here, the idea of geopolitics as a key to develop a security model in this region is drawn from many geopoliticians' definitions, such as some prominent Americans and Iranians like:

Gearóid Tuathail:

The conventional understanding today is that geopolitics is discourse about world politics, with a particular emphasis on state competition and the geographical dimensions of power.[2]

Ezzatolah Ezzati:

Geopolitics means understanding the realities of geographical environment to achieve power, through being able to involve in great level of global games and to secure national and vital interests. In other words, geopolitics means knowledge about relationship within a geographical environment and finding their effect on political fate of nations.[3]

Non-Regional States' Geopolitical Intention

Emphasis on debates inclosing geopolitics is to be found throughout the whole study to support the discussion about the rivalries and foreign policy goals of the great powers in the region, in particular the US' in regard to the significance of Iran's geopolitical situation. What is obvious is that despite various concepts for geopolitics in different historical periods and structures of world order in the twentieth and twenty first centuries, (viz. imperialist geopolitics, Cold War geopolitics, new world order geopolitics, environmental geopolitics, and anti-geopolitics; including definitions in a range of: geopolitics as an unproblematic description of the world political map to a culturally and politically varied way of describing, representing and

writing about geography and international politics — critical geopolitics) as Tuathail notes, geopolitics as a shape of "power/knowledge", which was obviously responsible for many chauvinist, racist and imperialist ideologies in the first half of the twentieth century, and which supported oppressive European colonial empires that assumed a white supremacy hypothesis and imperialist interventionism (a process which resulted in the WWII) did not disappear after World War II. Nevertheless, geopolitics is still a very popular discourse, especially in respect of the later years of the Cold War, where it has been used to explain the global rivalry between the US and the USSR for control over the states and strategic resources and wealth of the world, and the basic and dynamic theoretical role of geopoliticians to politicians to extend such power/knowledge.[4]

An important point is that geopolitical debates are still being used as both theory and practice, just as it was during the Cold War. Compared to the imperialist geopolitics of the beginning of the twentieth century when physical geography had a determining influence on foreign policy and global strategy, in the Cold War geopolitics geography was entwined so closely with ideology in the ways of describing the US-Soviet antagonism. So as Tuathail notes "The very geographical terminology used to describe the world map was also a description of ideological identity and difference." During the Cold War, the West was more than a geographical region and US leaders viewed their state as leading the "free world" with democratic regimes and the highest standards of civilization and development, in a crusade against "evil". The USSR was never simply a territory, but was represented by the West as a constantly expanding threat. The continuity of this geopolitical debate and how US statesmen conceptualised the role of their state in world affairs which intensified since September 11, 2001, can be seen through the US terminology whereas instead of "the

evil empire," of Ronald Reagan to describe the USSR, George W. Bush's terminology for the official enemies of the US in 2002 is the "axis of evil," an axis which includes, Iraq, Iran and North Korea.[5] As Tuathail notes,

> Hostility to collective action against the long term degradation of the planet by the occupants of the White House is not new (...). What is new, from their point of view, is the global war against terrorism that began when terrorists attacked the World Trade Center and Pentagon, (...) a new post-September 11 era that marked the end of the post-Cold War era. The US president declared the United States at war and the phrase "global war on terror" became so ubiquitous within the US government that it earned a bureaucratic acronym: GWOT. (...) [The] illegal action [of invading Iraq in 2003] and the general unilateralism of the Bush administration produced a significant rift in transatlantic relations. (...) But GWOT and the Iraq war has been good for certain groups within the United States. The US Department of Defense budget is at a record level and it remains the most powerful bureaucracy within the US state. US defense contractors, some with strong ties to the White House, are cashing in on the swelling appropriations. And, despite dangerously low popularity ratings, George W. Bush was able to use his self-appointed status as a "wartime president" to win a close re-election battle in November 2004. Bush's Republican Party also made electoral gains, leaving it in control of both the Congress and White House. GWOT, in short, has been very good for the GOP (the Grand Old Party, the nickname for the US Republican Party).[6]

In the context of this geopolitical discourse, it is not unlikely that Washington has a plan invade Iran, as the other "axis of evil" state. In this respect, the work of geopoliticians such as Mahan (1890), Halford Mackinder (1904) or Spykman (1944) about geopolitical significance of the ME/PG region and particularly the great influence of their theme of imperial expansionism in a variety of ways on great

powers' geopolitical expansion, have been briefly presented to enrich the subject of study.

Their views which have been used by US politicians were all focused on the containment of the USSR to prevent them from dominating the Eurasian marginal crescent. Halford Mackinder, who restating the importance of land power as a response to the seapower doctrine of Alfred Mahan being the first necessary condition for global power, described part of the Russian land mass as the "heartland," a geographical and territorial region. In Mackinder's view, competing for authority in a marginal crescent to which the maritime powers have approachability, the Mediterranean and Middle East were key regions in the conflict.[7]

Nicholas John Spykman's great influence on US policy since WWII advocated that the US adopt policies that would promote American influence in the marginal crescent, which he called 'the rimland' or at least try to keep the USSR away from controlling or seizing them. He believed the rimland is more important than Mackinder's heartland. He argued that the balance of power in Eurasia directly affected US security. The rimland's defining characteristic is that it is an intermediate region, lying between the heartland and the marginal sea powers. It includes the European Continent (except the USSR) and Central Asia, Iran, Iraq, Saudi Arabia, Afghanistan, India, the southeast of Asia, China, Korea and Siberia. He notes that all these lands as the amphibious buffer zone between the land powers and sea powers, must defend themselves from both sides, and therein lie their fundamental security problems. Spykman believed that whoever controls the rimland rules Eurasia, and who rules Eurasia commands the world.[8] The evidence of the vital geographical location of rimland for Washington is seen in the US military strategy at the end of

the twentieth century. As Ezzati notes, the US has three defence positions in the world: first the USA, second the Western Europe and third the PG.[9]

However, Drysdale and Blake's opinion in 1985 regarding the lack of validity in the ideas of heartland (Mackinder) and rimland (Spykman) and the struggle between landpower and seapower to secure control of the marginal states in the modern world for different reasons — including more developed military technology — except for the ME rimland, is still credible; as the ME has still a key strategic role in the global power struggle, besides concerns over access to its energy resources.[10]

The view of Saul Bernard Cohen who suggested a more dynamic and less controversial scheme of world geostrategic regions will also be draw upon. The general view of the geopolitical world that Cohen provides is more dynamic than the previous model of a bipolarised world because of his concerns about the emergence of "second order" powers in the world political hierarchy system, e.g. Europe, China and Japan also regional powers, like Iran, Nigeria, India, with the potential for regional authority and infiltration. In contrast to Mackinder who surveys the globe as 'closed' political space[11], Cohen believes that the space is not united strategically, but a fundamentally divided world is a composition of a number of separate areas and so the overall picture of the geopolitical world is a multiple power-node world with many overlapping areas with influence. Similar to the others, in his theory the ME is defined as a crucial contact zone between Eurasia and the maritime world.[12]

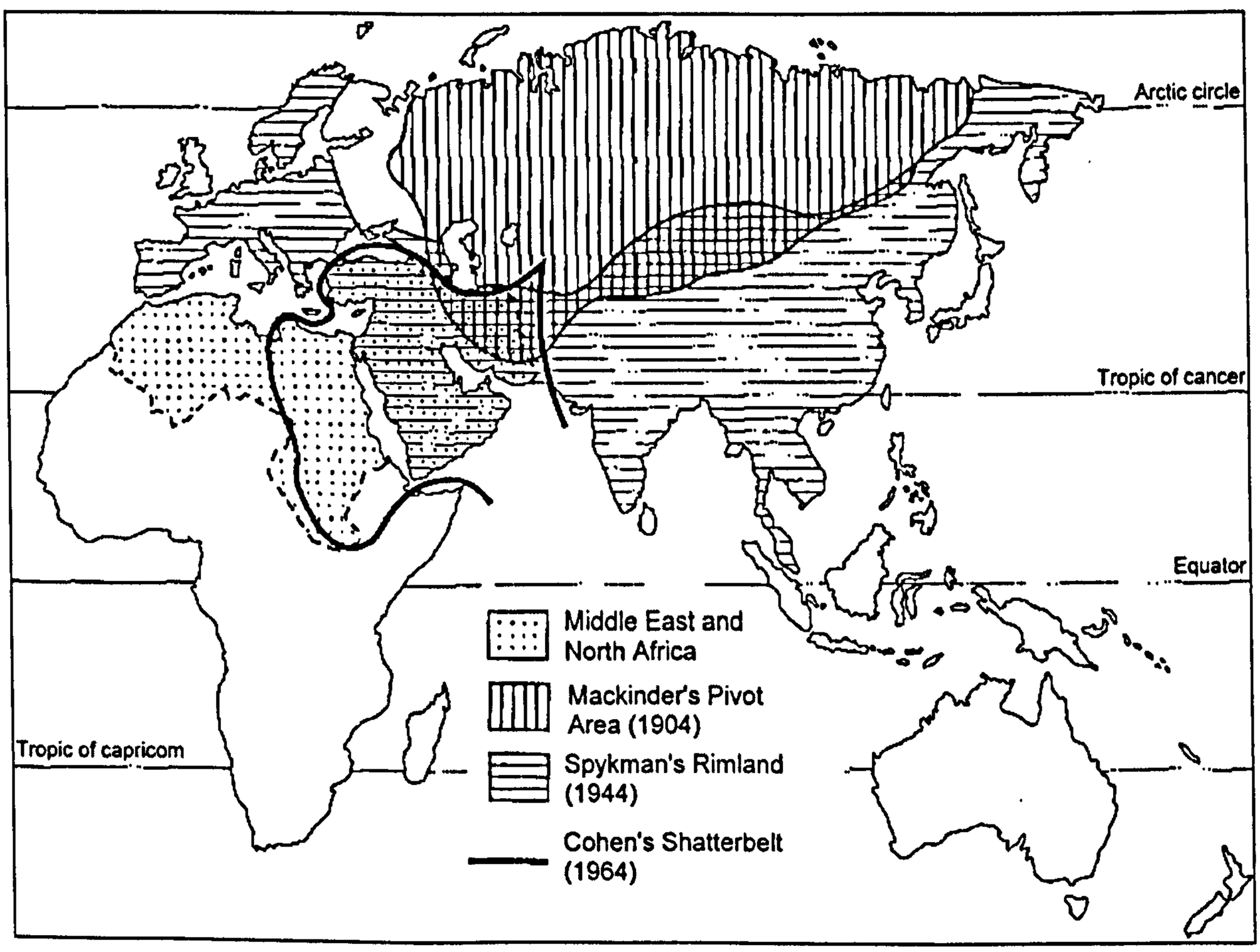
Interestingly, Iran's situation in various geopolitical theories as shown in Figure A is very significant. This situation arises because of this country's connection to free seas through the PG and Oman Sea. In addition to Iran's passage situation, its northern

parts are embedded in the heartland in addition to Iran's plateau which is positioned in the rimland's heartland.

In addition to the fact that the PG contains 55 percent of proven world oil reserves, (See figures, B & C) about 93 percent of the PG oil exported travels through the Strait of Hormuz,[13] with Iran controlling it. (See figures, D & E) This is besides the fact that Iran is the second OPEC (Organisation of Petroleum Exporting Countries) oil producer and has the second highest natural gas reserves in the world.

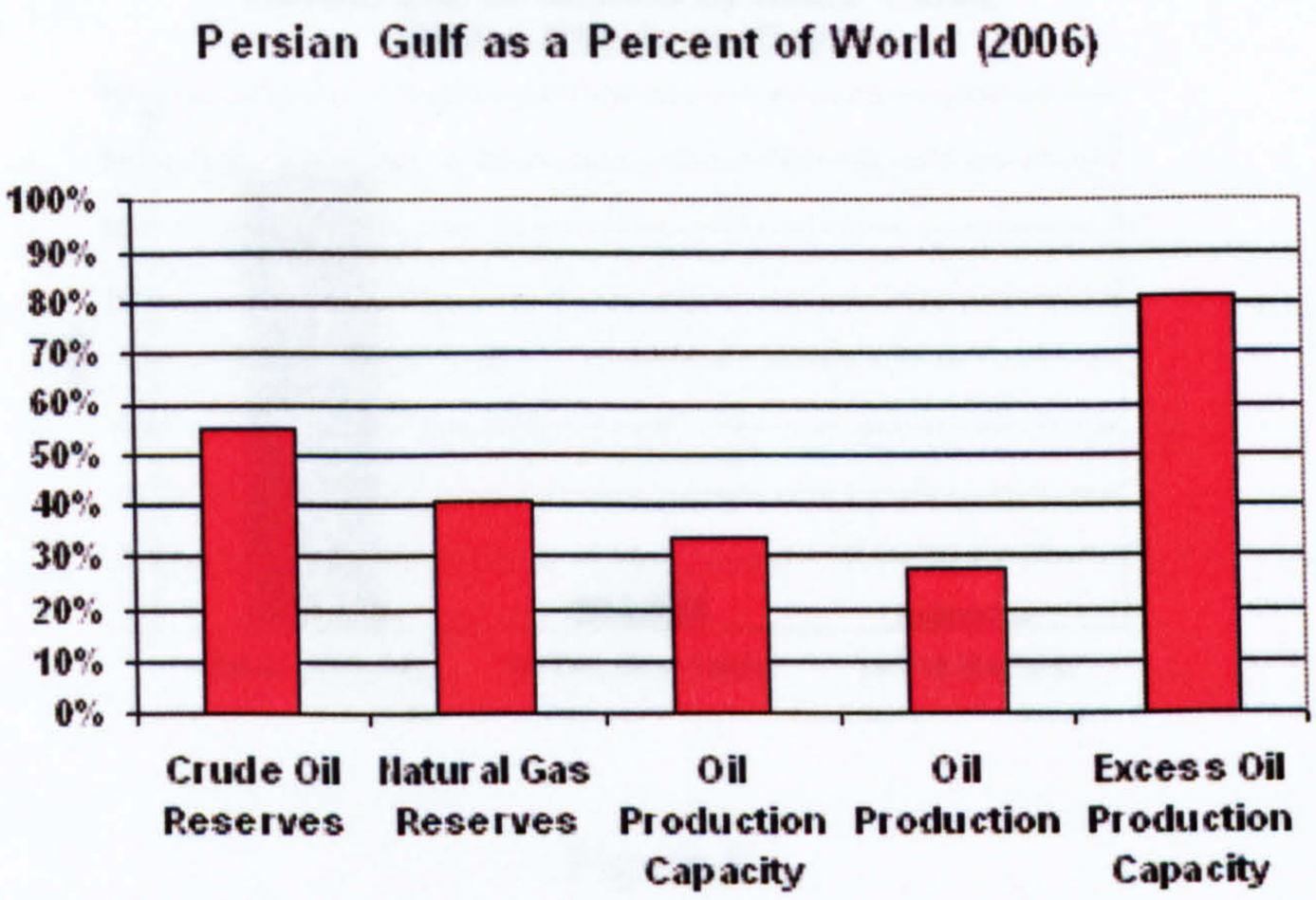
Figure-A

Geopolitical views of the world: Mackinder, Spykman, and Cohen



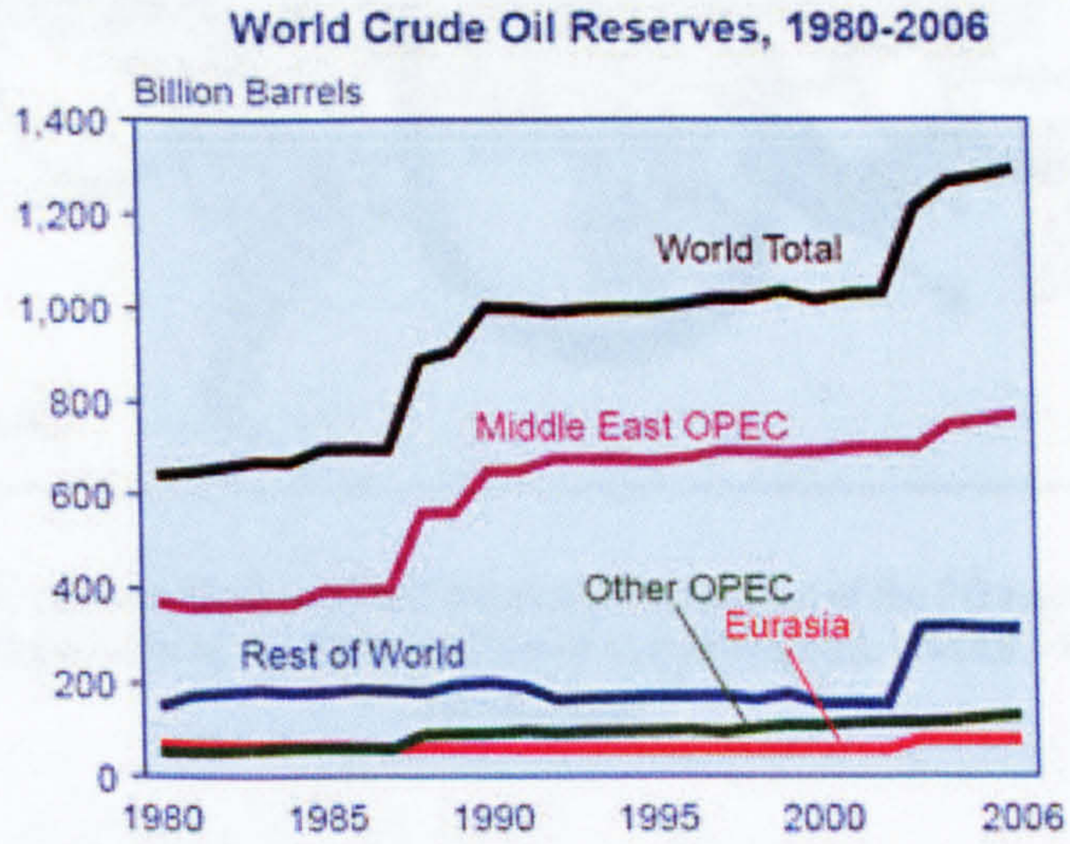
Source: Drysdale and Blake [14]

Figure-B



Sources: *Oil and Gas Journal* and EIA *Short Term Energy Outlook*

Figure-C



Note: Reserves include crude oil (including lease condensates) and natural gas plant liquids.

Sources: **1980-1993:** "Worldwide Oil and Gas at a Glance," *International Petroleum Encyclopedia* (Tulsa, OK: PennWell Publishing, various issues). **1994-2006:** *Oil & Gas Journal* (various issues).

Figure-D

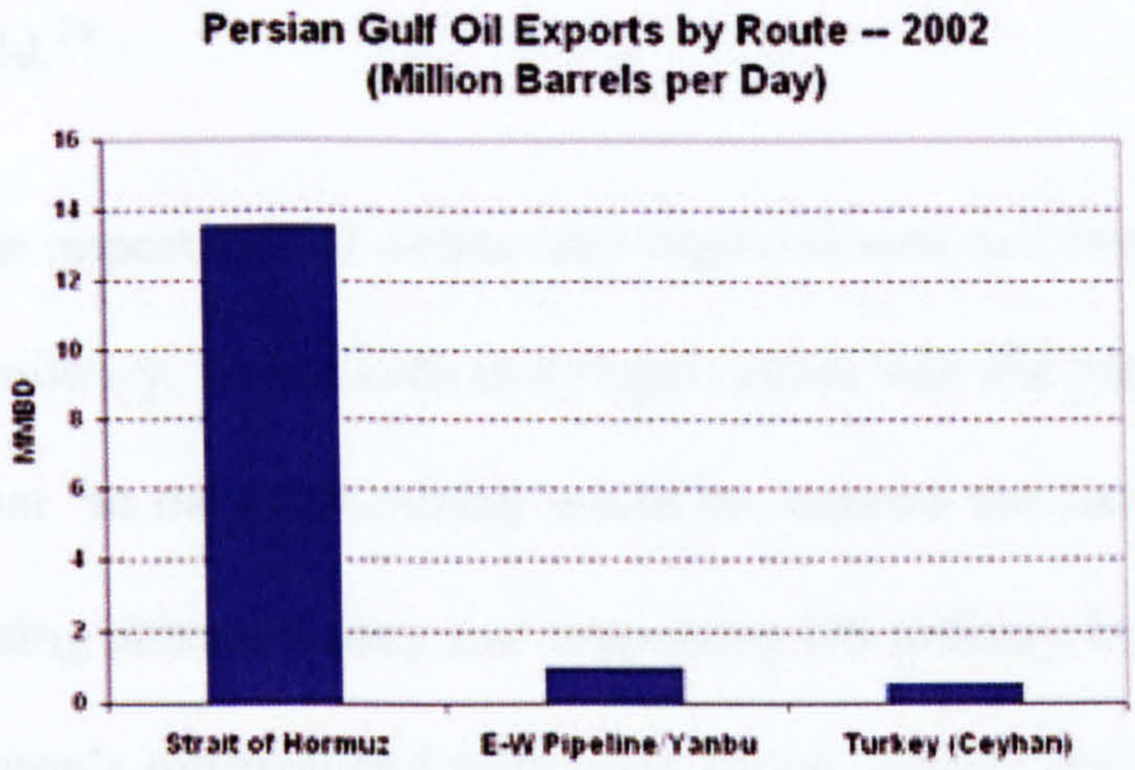
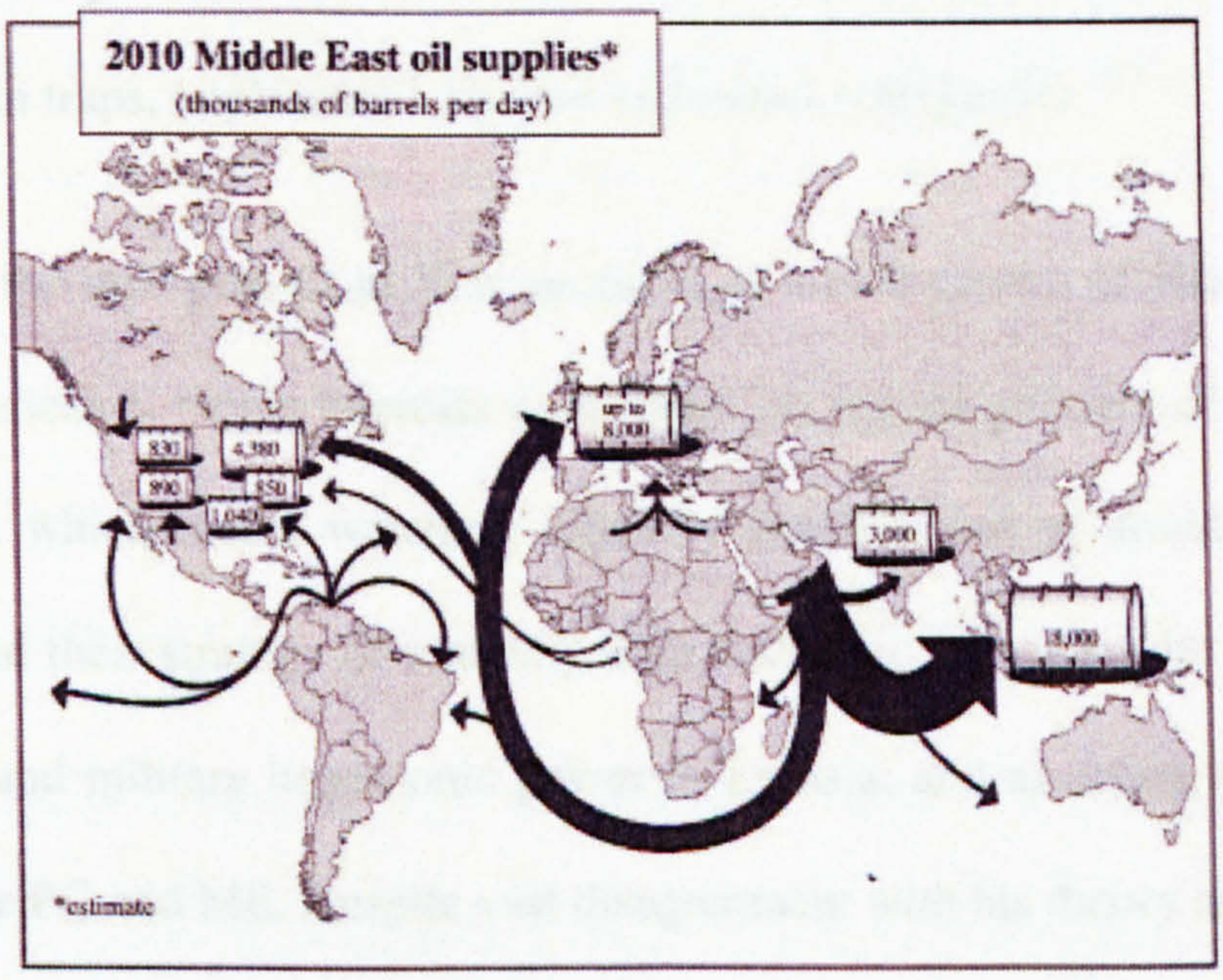


Figure-E



This flow map of world crude oil illustrates well the global importance of the PG region for petroleum. And it shows the strategic importance of the Strait of Hormuz as a chokepoint. US/DOE - EIA (Energy Information Administration [15]

A recent model of emerging world order has been discussed by the American neoconservative political scientist Samuel Huntington (1993), namely the 'clash of civilizations', as a dominant factor in the future global politics. While emphasising the continuation of nation-states' position as the most powerful actors in world politics, he also claimed that culture will be the dominant source of conflict and an element in divisions between nations and groups of different civilizations in the future. In his

opinion the most fundamental of such clashes is the conflict between the West and the Rest of the world.[16]

Emphasising the importance of democratic organisations and institutions of authority, especially the military, he believes that organisation was the path to political power, and so notes that "in the modernizing world he controls the future who organizes its politics" criticising *détente* policy and supporting US military buildup since President Carter, Huntington's imperial and militarism vision, despite the end of the Cold War, was not changed and so he remarked that the emerging world "is likely to lack the clarity and stability of the Cold War and to be a more jungle-like world of multiple dangers, hidden traps, unpleasant surprises and moral ambiguities."[17]

According to the new post-Cold War geopolitical world-picture of Huntington three principal American strategic interests were: perpetuating the primacy of the US as the global power, which meant watching carefully Japan's goal of attaining economic dominance and their strategy of reaching such ambition; impeding the emergence of any political and military hegemonic power in Eurasia; and asserting substantial US interests in the PG and ME. Despite vast disagreement with his theory as a remarkable simplistic thesis, as Tuathail notes,[18]

> It is significant, nevertheless, as an example of how neoconservative intellectuals of statecraft are endeavoring to chart global space after the Cold War. What is most interesting about this act of geopower is how it uses the assumptions, goals and methods of Cold War strategic culture to re-territorialize the global scene in a way which perpetuates the society of security and politics as *Kulturkampf*.

Huntington's post-Cold War strategic debate as Tuathail also notes due to its aim of maintaining the US as the premier global power, should be based on "renewing its

Western civilization from within and actively containing, dividing and playing off other civilizations against each other." The other point that Tuathail remarks is that Huntington's model describes a world of potential and actual Cold Wars threats against the US. However in his new debate of the 'clash of civilizations', his major concerns regarding the necessity of renewal of the society of security within the "West" instead of Japan focuses more on a new danger which is:

> a 'Confucian-Islamic connection' which features a militaristic Chinese economy exporting arms to Islamic states who are determined to seek nuclear, chemical and biological weapons capabilities. 'A Confucian-Islamic military connection has ... come into being, designed to promote acquisition by its members of the weapons and weapons technologies needed to counter the military power of the West (...) A new form of arms competition is thus occurring between Islamic-Confucian states and the West". (...) Huntington's response, amongst other things, is to call for a moderation in (...) [military] reduction of Western military capabilities and for the West to "maintain military superiority in East and Southeast Asia". [19]

Therefore, Tuathail concludes that "Huntington's thesis is not about the clash of civilizations. It is about making global politics a clash of civilizations."[20]

Regarding Huntington's perception of the potentially rough conflict between Western and Islamic civilizations as a defining feature of an evolving world order, as Kemp and Harkavy note, "the Middle East (including the Caspian Basin region) has now assumed the role of the strategic high ground, a key strategic prize in the emerging global system at the juncture between the twentieth and twenty-first centuries."[21]

In general, this study agrees with Huntington when he downplays the continuing major power of the nation-states in the future of global politics. The specific point of

agreement is not his point of view that employs 'cultures' of people as the dominant source of conflicts in the future global politics, but from the point of view that people (individuals and groups) will gain much more power and will play a greater role in international political affairs in the future. The modern world's wider and more complex set of interactions in addition to the growing capacity and importance of and emphasis on reforms will encourage nations and groups to have more influence on world affairs. Nevertheless the orientation of the future global politics is important to whether they serve the interest of a premier global power or serve the benefit of a world which appreciates diversity and contains different nations and civilizations. This is where the thesis has stressed the necessity of considering more seriously President Khatami's theory of dialogue among civilizations in international relations. This theory which was mainly provided in response to Huntington's, emphasises the importance of dialogue, despite cultural diversities in a time where all nations and the globe itself need the most cooperation and harmony; some major examples are the global warming, environmental degradation and resource depletion.

Regional States' Geopolitical Perspectives

As there is a basic place for power in geopolitical discourses this domain of knowledge and expertise can provide power for whoever applies it. In addition, the advantage of this knowledge is it predicts the future direction of international affairs with all its conflict and cooperation possibilities.

However, as long as the ME/PG is a disperse region lacking a single geopolitical perspective, the intention of this study is to gather all PG states' attention towards this important element in their strategies. Lack of attention to their geographical location will cause more geopolitical problems. The topography of this part of the world has

affected its peoples' regional and not global geopolitical perceptions, also long-standing divisions and traditional contentions between regional states has caused them to focus on regional more than global dangers. Hence, as long as the ME/PG political regimes do not support the geographical integration or the existence of a mosaic of related and imbricated geopolitical spheres in this region, there will not be any possibility of security and stability in this region. But as Ezzati notes if the countries in Fertile Crescent, from east of Mediterranean through the PG and sea of Oman (Jordan, Iraq, Syria, Lebanon, Arabian Peninsula and Iran), which, owing to their significant geopolitical situation have for centuries been a region of rivalries and so a cause of insecurity, were able to take advantage of their geographical contiguity and establish free movement within this region, then stability, and security will return to these territories. Therefore, besides external threats and interferences other reasons which involve their domestic and regional threats and problems are major reasons why the PG states have regional geopolitical perspectives rather than global views. Because of this significance, four chapters of this study (chapters seven to ten) are dedicated to the foreign policy approach of littoral states. In addition, the borders between these states have been left as *de facto* boundaries in a way each state looks at its neighbouring states as its own complementary. As Wilkinson notes,

> To some extent the countries concerned have tried to resolve this frontier heritage [of Britain] in recent years, but even when they appeared to have reached understanding they are reluctant to finalize their agreements according to those international rules which that entitle them to consider that their arrangements constituted an inviolable and permanent feature of the political map.[22]

Chapter six is dedicated to the territorial and boundary disputes between the littoral states as a major source of instability in the PG too. However, only if such a fragile region is able to take advantage of a single geopolitical perspective would it be able to sort out most of its political, social, economic and military problems.[23] For the PG states it is a necessity to look at this region as a whole, not as divided states and groups of individuals ranged against the other states or groups. However, having a geopolitical perspective would provide understanding and recognise the geopolitical significance of this region from the non-regional players' views too.

This study has filled some of the gaps left by these global geostrategic models with respect to geopolitical visions in this region. First, as was mentioned earlier this thesis aims to show how it is possible change the geopolitical significance of the PG, which has been a disruptive element in the region's security due to its being a subject of rivalries, to be a convergent element that encourages cooperation among all beneficiary parties.

Second, all the models which are not based on the major geopolitical realities of this region were so preoccupied with superpower rivalry that they ignored the role of humans in their equations. Such ignorance, as Drysdale and Blake note, was present whether regarding the deeply complex and relevant regional geopolitical relationships or the geopolitical perspectives of the people.[24] This thesis' security model appreciates the role of peoples' communication.

Third, it has an inclusive vision which considers the interests of all regional and ultra-regional parties whose their security and interests is somehow related to this region. Whereas all these theories in contrast had different expansionism vision from their

own countries' political interests regardless the regional states' security concerns and national interests. In this regard as Tuathail also notes:

> Geopolitical experts are never detached but embedded in economic, political, racial and sexual relations of power (as Mackinder certainly was). They do not see objectively but within the structures of meaning provided by their socialization into certain (usually privileged) backgrounds, intellectual contexts, political beliefs and culture. They do not see "the real" but see that which their culture *interprets and constructs* as "the real." Their so-called "laws" of strategy are often no more than self- justifications for their own political ideology and that of those in power within their state. Their production of knowledge about international politics, in other words, is a form of power which they wield to serve their own political ends.[25]

Considering this significant geopolitical position of the PG required close scrutiny of the important geopolitical elements and security concerns and systems in this region. Therefore, the geopolitical elements, especially oil and gas, and their impact especially on the ultra-regional powers' politics has been studied (through the chapters two to five) to get a clearer understanding of different security models in this region with respect to all regional and ultra-regional players' interests and security concerns.

Foreign Policy Approach

In order to be able to analyse the determinant factors of a security system this study has drawn upon the level of analysis framework in international relations. This contribution has examined the issues involved in creating a regional security model so as to turn threats into opportunities for regional cooperation and sustainability, especially through being able to identify casual factors of international politics.

Taking advantage of arguments of scholars such as Steven Spiegel, Theodore Couloumbis and James Wolfe about the significance of finding links between the insights derived at the various levels and from different actors and units of analysis to be able to identify what Couloumbis and Wolfe note as, "different pieces of a multidimensional puzzle" which at the end could be able to "put these pieces together into a general theory of interaction, a theory that has both descriptive and predictive powers",[26] this study also has discussed all three levels of the PG state's foreign policies and the forces that affected them, including the systemic level (the interaction between states) and the debate that occurs at the domestic and individual levels in chapters seven to ten. These chapters also draw upon social analysis, to provide an analysis of the situation in PG states with regard to their social backgrounds and belief systems. They also draw upon elite theory to provide an analysis of power relationships or policy-planning networks in the PG states' societies, as well as their different definitions of security and national interests.

Besides issues of particular importance to other countries, the thesis makes especial effort to evoke the perspective from which the PG states themselves view their problems and choose their domestic and foreign policy priorities in respect to their certain legitimate strategic concerns which arise from their geographic, social, and historical context. This is a fundamental factor which motivates states' political behaviour to ensure the state's security, territorial integrity, national cohesion and approach to the sources of wealth essential to develop its economy and political institutions effectively and independently. What is usually missing from many analyses in the West, specifically in Washington, is that security in the PG will be very heavily influenced by how they understand the regional states' perceptions of threat as well as their national security issues. Therefore, the outline of chapters seven

to ten dedicate to the study of PG littoral states in this respect is as follows: 1) political history 2) political system 3) internal threat, 4) external threat to stability of PG states. Albeit, the non-Western scholars, including Iranians, such as Rouhollah Ramazani, Shahram Chubin, Sepehr Zabih, etc. have paid more attention to the regional states' concerns and their role in any security arrangements in the region but this contribution has still filled a gap left by the previous studies with respect to a definite necessity of the role of both the two strongest regional and global powers with some interest in a specific region of the world, including the PG, to establish any long term multilateral security approach and ensure peace and security in that region, as a principal. The study has emphasised the necessity of appropriate relationship between these two regional and non-regional powers (in this thesis, Iran and the US) to assure a more stable region and security for all players.

Security Approach

To lay the groundwork for developing a better and more comprehensive future security arrangement, this thesis appeals to empirical data and observation, as well as theoretical framework and critical analysis, to articulate the reasons for the failure of security models in the PG. The arguments are supported by detailed evidence for each model, during the time period 1962-1997. Regional security is examined in order to explain the major strategic choices available to both the PG and the external powers' decision makers in a different international atmosphere in this regard. This analysis is conducted through the prism of three fundamental schools of thought in international relations, realism, neo-liberalism or the cooperative-security school, and the hegemonic or counterproliferation. The present aim in this study is to investigate a comprehensive strategy for peace and stability in the PG. In order to do this the

relative strengths and weaknesses of the three theories by studying their differences and similarities as well as the various historical challenges in applying the frameworks to the PG security environment will be assessed in much detail in chapter eleven.

The differences and similarities of these security theories has been indicated in this study by referring Kraig as follows: proponents of traditional realpolitik consider international security to be a balance of interests based on a rough balance of power, whereas the more recent US strategic model is based on an imbalance of power and interests (hegemony) and on the use of both offensive and defensive threats. While according to neo-liberals the cooperative model can be considered as a balance of interests based upon mutual reassurance. However, despite the similarity of realpolitik and cooperative in that both strategies advocate the importance of brokering a balance of interests, they differ in their preferred model of guaranteeing this balance. The realpolitik relies to a great extent on implicit military and economic threats (and temporary alliances to build up power), while the cooperative theory relies on promises and reassurances as firm and impenetrable factors. Nevertheless, both of these schools are quite different to the evolving US hegemony strategy which is increasingly focused on establishing a unitary and dominant value system based on a network of friends and allies in keeping with US foreign policy objectives. The hegemonic approach assumes no possibility for competitors with different goals and values, while the realpolitik and cooperative security models believe that each nation-states' national interests should be guaranteed at some minimal level. In addition, the cooperative school of thought shares some of its theoretical assumptions with realism, e.g. requiring a set of geopolitical circumstances. For instance, they both assume that the primary actor is the sovereign state and that such states will be domestically

stable, immune from the sort of domestic turmoil evident in Iran's 1979 revolution, and therefore the mutual agreements ordering relations would remain stable.[27]

This study will show how the policies of selective multilateralism, bilateralism and unilateralism have been unsuccessful in bringing about security in the PG. It will be shown that this is because the most prominent states favour inextricably exclusionary types of coalition. All of the above policies result in the systematic exclusion, economically or militarily, of a major state and of non-state actors in the security order. Regarding strategic properties of the PG which affect how successful a security system in it will be and the fragility of temporary alignments of the classical kind of two against the third pillar, there is an emphasis on a combination of two synergistic components of balance of power between the three key regional players, Iran, Iraq and Saudi Arabia, and meaningful reform in the littoral states for the future PG security system; where the region lacks both. Therefore, analysts and scholars, as well as policy-makers, have drawn similar conclusions concerning the two dominant contending frameworks for PG security: US hegemony and its dominant military presence and principled multilateralism. These conclusions are viewed as even more valid in the post-Saddam era. Accordingly by studying the analysis of Michael Kraig, Steven Spiegel, Richard Russell, Rathmell and Bjørn Møller who with regard to strategic properties of the PG all emphasis on the need of a new approach and policy options for security in the PG regional and external powers security policies towards the region, however from various angles and different solutions, this study has tried to come up with a more practicable approach to the security of this region.

A number of key research gaps have been highlighted regarding security in chapter eleven which have resulted in an alternative security model in the PG. The Pyramid

security model could be a solution to the very volatile situation in the PG, because in addressing major security issues this model is based on the geopolitical realities, as well as the political and economic concerns, of all regional and ultra-regional parties. It is also able to avoid the typical problems that arise for models based on a competition for power between states with conflicting national interests and agendas, like Russell's,[28] as it does not base a balance of power on such confrontational bases.

Building on international experiences and all successes and failures of previous models, this study has created a model on the basis of the mixed approaches of a cooperative-security (liberalism) framework and Realpolitik (realism) which would be able to manage relations between states and create a regulation of power, which would mean the rule of 'law' and not 'the powers'. To achieve such goal analysts have suggested multiple different approaches: for instance Kraig has suggested a 'principled multilateral' approach which includes a rule-based system in which international law is applicable to all actors in the PG, including the US.

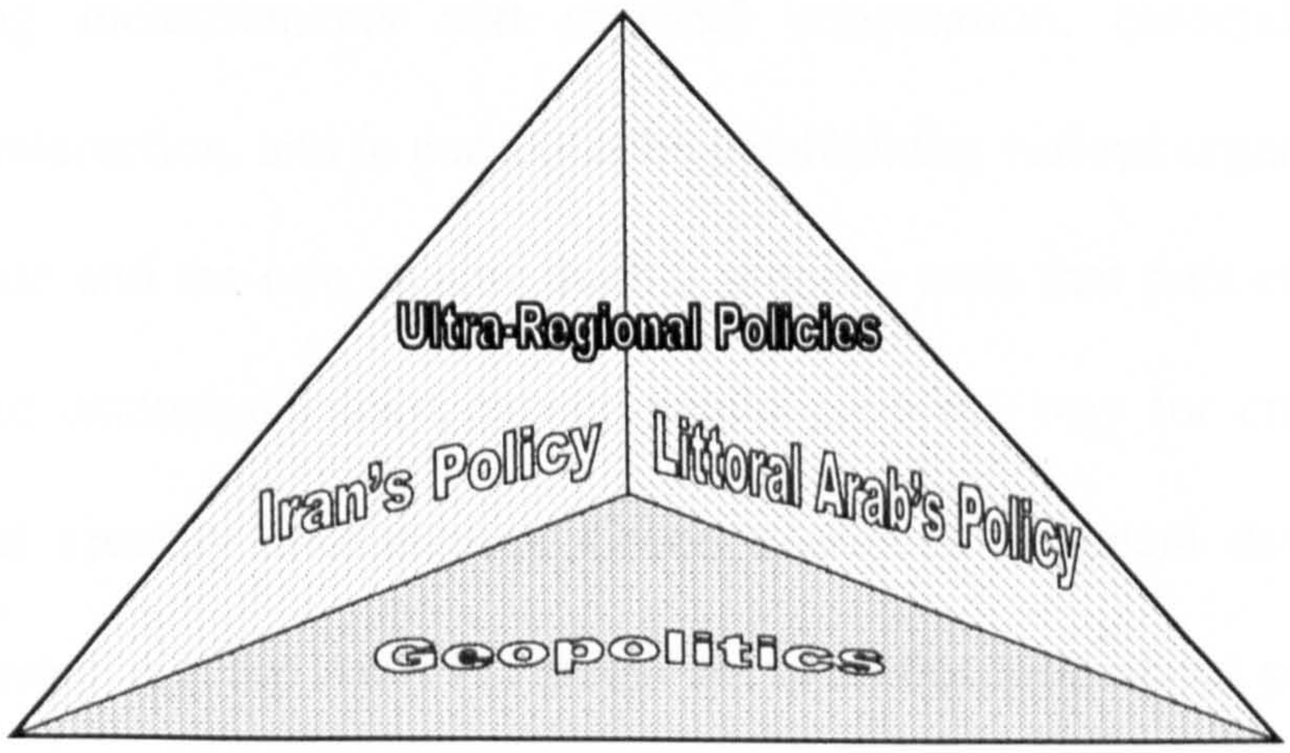
Pyramid is a model of developing security through the feelings of attachment and interdependency which should occur when the littoral states have a single geopolitical vision. It is designed (see, figure- F) with three sides consisting of: a) the policies of the littoral Arab states; b) the policies of ultra-regional powers; c) Iran's policies - as the most powerful regional player in the PG. The base of the pyramid which interacts with all three sides is the 'geopolitics of the PG'.

Choosing geopolitics as the base of the new model stems from the necessity of emphasising a convergent element among the PG states for insuring the long-term functionality of a security model, and as an element which can assure and remove the fear of bigger states by smaller states. This is due to the fact that geopolitics is the

most fixed and firm feature of the region, with an impact on every single nation-state's interests and national security. Emphasising the region's geopolitics shows that every state, as a part of this geopolitical region, like pieces of a puzzle, has a unique and non-ignorable place in the security system. Irrespective of their size, all states have a similar, though unequal, weight.

Figure- F

The Pyramid Security Model



In the pyramid model regional states have been urged to have global and not merely regional geopolitical perspectives. This would result in a single geopolitical vision as a power/knowledge for all the regional states in the PG, which would enable them to play a major role in the balance of power politics. They would thus be able to take advantage of various opportunities resulting from geopolitical developments, to their best interests as well as the region's security and stability. Only by addressing this fragile region as a whole, not as divided states and groups of individuals ranged against the other states or groups, would it be possible to prevent further geopolitical problems in this region and change the traditional disruptive role of geopolitical significance of the PG in the region's security to enable it to become a convergent element. Under such circumstances, geopolitics would work as an element that

encourages cooperation among all beneficiary parties instead of being an expansion lever of the external powers. Under the prevailing global atmosphere which places particular emphasis on patterns of cooperation as well as real domestic reforms, the PG region would be able to take advantage of a single geopolitical vision in international system if they make efforts to solve their domestic problems as well as their long-standing regional disputes, e.g. territorial and boundary disputes. This could be done through the improvement of the political conditions via extending confidence-building measurements and regional cooperation, especially having greater economic interaction, and in particular by establishing various organisations to promote cooperation and the rule of law. Such a process, ones that puts emphasis on soft, as opposed to exclusively hard, power would pave the way for creation of a functional regional security arrangement. Given examples of recent developments support this argument; e.g. the Arab PG states are unenthusiastic about putting their security solely in the hands of the US and their leaders have recently supported the idea of a collective security arrangement for the region that includes Iran (as voiced, for instance, by Saudi Foreign Minister Saud al-Faisal at the 2004 Gulf Dialogue in Bahrain).[29] In addition, Mahmoud Ahmadinejad has welcomed the idea of a joint organisation between Iran and the member states of the GCC in his recent trip to Qatar. In his address to the GCC summit, held in the Doha in December 2007, Ahmadinejad made a string of proposals for collective economic and security cooperation.[30]

Hence, by increasing the geopolitical position of the region every member state will benefit. By emphasising geopolitical elements, especially socio-political and economic power, rather than military power it is possible to minimise the significance of the fear of bigger states by smaller states. This would in turn lessen the possibility

of any states withdrawing from the model because of any sudden ideological or political changes. Therefore, the pyramid is immune to any significant internal changes to the littoral states. In addition, this model connects the issues of legitimacy and authority closely with the issue of sustainability. A major cause of the potential success of the model is in the way it construes the gains it aims to achieve: the gains are mutual gains for all participants, not gains for one particular actor, or set of actors. It can thereby more plausibly make the assurance that remaining in the system will be in the interests of all the relevant parties.

This study has also come up with two new mechanisms for the pyramid which differentiates it from the previous security models. First, the necessity of a proper and positive relationship between the strongest regional actor and the major non-regional player (with great influence and interest in that region), as a general and certain principle to attain regional security in any region. The lesson to be learned from the experience of the most geopolitical region in the world, the PG, is that no other alternative strategy would be able to fulfill regional and ultra regional interests and meet security concerns in any region, including in the PG. Hence, it is argued that in addition to the need to construct comprehensive multilateral coalitions, the key issue for achieving a durable collective security approach in the PG region will remain Iran-US relations. This is in marked contrast with the other analysts' approaches, whereby all the key players in the region, namely, Iraq, Iran and Saudi Arabia are given the same weight.

Besides the regional perception of the importance of cooperation models and the significance of the US-Iran relationship, this study has emphasised the significance of the role of other ultra regional players, especially those emerging powers like the EU

and some key states in the AP (viz. China, India, and Japan) to construct a more sustainable PG security system. Through their strategic interest in the PG, especially their growing dependency on PG energy supplies which exceeds the US', their close ties with the region by a network of economic and political linkages and their deep concerns over US permanent hegemony in the ME/PG, which have resulted in their recognition of a need to adopt a greater geopolitical role independently of Washington, it is possible to create a counterbalance to the US hegemony in the PG in benefit of developing a multilateral security regime (mainly explained in chapters three and four).

The second mechanism pyramid model introduces is a fourth element to previous categories of the important, interlocking elements needed to establish a workable, legitimate and authoritative security model in the PG. An appropriate international political environment with a proper international security system's structure was added to other three elements of: an inclusive and multilateral approach; a balance of power, preferably through arms control negotiations among all three regional key players; and domestic developments and reforms in the littoral states. Such stress is also important because many scholars such as Kraig perceive an external contribution to improve the security situation within the region important, owing to the fragility of domestic politics and interregional relations in the PG.[31]

The importance of this model stems not just from the role that states have in its architecture and their effect on its functionality, but also that some consideration is given to the role of people (even sub-national groups), their interactions, as well as their satisfaction. Its emphasis on reforms will encourage positive competition among all littoral states to upgrade their weight in this security framework via greater civil

development, rather than military power or territorial size. This is true for ultra-regional players too; in particular, by contributing towards the regions' development they can upgrade their role in this region.

The Structure of the Thesis

The thesis is divided in two parts. Part I, entitled 'Geopolitics of the Persian Gulf', is compromised of five chapters. Chapter one provides some general global geopolitical background to the PG. It highlights the significance of the geographical location of the PG, which is important for understanding the issues dealt with in the subsequent chapters. In these chapters (chapter two through to chapter five) a study is made of the political environment of the PG together with its evolution of the economic life from fishing and trade to more sophisticated oil industry, which shaped the distinctive environment of the geopolitical region of the PG with a vital effect on all littoral states as well as the entire world economy and political life. Here arguments are developed regarding the strategic position of oil with a basic impact on the geopolitical importance of the region which has caused a development of the new concept of 'energy security' since 1970s, and so severe and increasing competition among great powers for securing the principal production areas and transportation routs of oil and gas via various military or diplomacy manners.

Part II is called 'Security of the Persian Gulf'. Divided into six chapters (chapter six through to chapter eleven), the purpose of this part is to identify convergence elements among littoral states so as to turn threats into opportunities for regional cooperation and sustainability by considering the insecurity components in the region. Applying these components in suitable security theories assists construction of a new regional security arrangement (explained in chapter 11).

Chapter six deals with territorial, boundary and maritime disputes, as one of the major insecurity factors among the littoral states. Chapters seven through to ten also focus on domestic, foreign and security policies which are not divided issues for the PG states. In addition, the eight littoral states' interaction condition, especially the three major players (Iran, Iraq and Saudi Arabia), are also examined in chapters seven through to ten, as well as the increasing intense superpowers rivalry with its effect on PG states' domestic and foreign policies, and the impact of their internal and external security threat on PG regional security as a whole.

Notes

[1] Gearóid Ó Tuathail, Introduction; thinking critically about geopolitics. In Gearóid Ó Tuathail, Simon Dalby, and Paul Routledge (eds.), *The Geopolitics Reader* (US and Canada: Routledge, 1998), p. 1.

[2] Gearóid Ó Tuathail, General introduction; thinking critically about geopolitics. In Gearóid Ó Tuathail, Simon Dalby, and Paul Routledge (eds.), *The Geopolitics Reader* (US and Canada: Routledge, 2006), second edition, p. 1.

[3] Ezzatolah Ezzati, *Geopolitic dar Gharn-e Bist-o Yekom [Geopolitics in the Twenty First Century]* (Tehran: SAMT, 1380 Solar Calendar [2001]), p. 7.

[4] Tuathail (1998), op. cit., p. 1; **also** Gearóid Ó Tuathail, Part I; introduction. In Gearóid Ó Tuathail [et al] (1988), op. cit., p. 24.

[5] Tuathail (2006), op. cit., p. 3; **also** Tuathail (1998), op. cit., p. 6.

[6] Tuathail (2006), op. cit., p. 3.

[7] Ezzati, op. cit., p. 67; **also** Tuathail (1998), op. cit., p. 5.

[8] Alasdair Drysdale and Gerald H. Blake, *The Middle East and North Africa: A political geography* (New York: Oxford Press, 1985), p. 27; **also** Ezzati, op. cit., p. 59; **also** *Wikipedia*.

[9] Ezzati, op. cit., pp. 18-19; **also** *Wikipedia*. http://en.wikipedia.org/wiki/Nicholas_J._Spykman (3 November 2007)

[10] Drysdale and Blake, op. cit., p.27.

[11] Tuathail (1998), op. cit., p. 16.

[12] For more details see, ibid.; **also** Pirouz Mojtahed-Zadeh, *Security and territoriality in the Persian Gulf, A Maritime political Geography* (Curzon Press, 1999), pp. 6-7.

[13] *Energy Information Administration (EIA)*, International Energy Outlook 2003 World Energy Consumption http://www.eia.doe.gov/emeu/cabs/pgulf.html (2 April 2004)

[14] Drysdale and Blake, op. cit., p. 26.

[15] Figure cited from, Geoffrey Kemp and Robert Harkavy, *Strategic Geography and the Changing Middle East*, (Washington, D. C.: Brookings Institution Press, 1997), p. 118.

[16] Samuel Huntington (Summer 1993), 'The clash of civilizations?', *Foreign Affairs*. pp. 22-49.

[17] Gearóid Tuathail, Samuel Huntington and the 'civilizing' of global space. In Gearóid Tuathail [et al] (1998), op. cit., pp. 170-171, cited from Samuel Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968), p. 8.

[18] See, Tuathail, Samuel Huntington and the 'civilizing' of global space', in Tuathail [et al] (1998), op. cit., pp. 171, 173.

[19] Ibid., p. 174.

[20] Ibid., p. 175.

[21] Kemp and Harkavy, op. cit., pp. 7-8.

[22] John C. Wilkinson, Britain's role in boundary drawing in Arabia: a synopsis. In Richard Schofield (ed.), *Territorial foundation of the Gulf states* (London: UCL Press, 1994), p. 96.

[23] See, Drysdale and Blake, op. cit., pp. 27-28; **also** Ezzati, op. cit., p. 80.

[24] Drysdale and Blake, op. cit., p. 28.

[25] Tuathail (1998), Introduction; thinking critically about geopolitics, op. cit., p. 17.

[26] Theodore A. Couloumbis and James H. Wolfe, *Introduction to International Relations: Power and Justice* (New Jersey: Prentice-Hall, Inc. 1990), pp. 19-31.

[27] Ibid.

[28] Richard L. Russell (Winter 2005,)' The Persian Gulf's collective-security mirage, *Middle East Policy Council*, vol. XII, no. 4, p. 81.

[29] Trita Parsi (7 Jun 2006), 'Gulf widens between US and sheikhdoms', *Asian Times* http://www.atimes.com/atimes/Middle_East/HF07Ak04.html (8 June 2007)

[30] *IRNA*, 13 December 2007, http://www2.irna.ir/en/news/view/line-17/0712129462102751.htm

[31] Kraig, op. cit.

Part I

Geopolitics of the Persian Gulf

This study focuses on debates surrounding geopolitics to provide a more comprehensive understanding of the significance of the PG as a sub-system of the ME and its impact on the politics of the region. The purpose of Part I is to highlight the effect of the geopolitical elements of the PG on power struggles in international politics.

Considering the significant geopolitical position of the PG requires close scrutiny of the important geopolitical elements and security concerns and systems in this region. Therefore, the geopolitical elements of the PG, including the natural geographical location and also oil and gas, and their impact especially on the ultra-regional powers' politics will be studied to get a clearer understanding of different security models in this region with respect to all regional and ultra-regional players' interests and security concerns.

Chapter 1

Significant Geographical Location of the Persian Gulf

Introduction

Throughout history the PG has had the richest and longest running seafaring tradition of any world region and has connected the continents of Asia, Europe and Africa. However, its ancient and traditional role as an important crossroads for trade and communication has become less significant compared to its geopolitical character which has given this waterway a strategic importance. These two elements, economic and strategic, which strengthened the region's vital significance to all littoral states as well as the entire world economy and political life, have caused the PG to be a worthy rival to outside powers, particularly the West, while also being the most unstable and chaotic of any world region.

Initially the importance of the PG lay in the trade of merchandise such as pearls, spices and silks. Later, from the end of the fifteenth century to the eighteenth century, different European trading companies belonging to the Portuguese, British, French, Dutch and Russians, who realised that the domination of this region was critical to their colonial policies in the East, sought to establish footholds and trading monopolies in this waterway. Since the earliest times, the geographical location of the PG (whose details can be found in Appendix-1) as the sub-system of the ME, which was recognised as the center of the old world, has given this waterway its importance as the heart of the old world as the great trade routes of the old world had to pass through this region. The region was considered a vital passage between Asia and

Europe, despite the link which had been provided by the Suez Canal between the Red Sea and the Mediterranean.[1] As Kelly notes,

> For centuries before the coming of the Portuguese the Persian Gulf had been one of the great highways of Asiatic trade. Along it passed the wares of India, China, and the Eastern Archipelago, bound for markets in Persia and the Levant, and back flowed the merchandise of Arabia, Persia and Europe to India and the Far East.[2]

Since then, this international trade waterway has altered to become an important strategic region of the world, especially after the discovery in the early twentieth century of the largest oil reserves in the world on its shores. This created large industries connected to the extracting and refining of oil and also the appearance of large and sophisticated oil tankers in this waterway.

The geopolitical importance of the PG will remain unchallenged in an international context not only because of its high proportion of the world's hydrocarbon resources, but also due to the importance of the location of the littoral areas of this waterway, which combined form the heart of the world center. The competition for oil and gas reserves has had a great impact on intra-regional relations and border arrangements since the British military withdrew from its territorial base in the PG in 1971, an impact which will be examined in the next chapters.

The Persian Gulf from Global Geopolitical Perspectives

There have been various attempts amongst geopoliticians to provide the most comprehensive geopolitical models of inter-state relationships in the global hierarchy system. Their efforts have enabled politicians to tilt the geopolitical weight of power in favour of their own interests by getting access to the new geographical locations

and by enhancing their power and influence relative to their rivals.[3] Following to the ideas of the American historian A. T. Mahan about sea power in international strategy and its importance for controlling waterways and straits due to a scansorial process of trade and business between states, the US strengthened her maritime forces. Controlling the seas was the first necessary condition for global power. The British geographer Halford Mackinder who originally started almost all discussions of global geopolitical perspectives was restating the importance of land power as a response to Mahan's views. As Drysdale and Blake explain,

> Mackinder's basic thesis was that the inner area of Eurasia is the pivot region of world politics. With its abundant resources, it is also beyond the reach of the maritime powers (...) this pivotal area was surrounded by a marginal crescent, which encircled the Middle East [including the Persian Gulf]. If the pivot state should ever gain control of the marginal lands, thus gaining access to the sea, 'the empire of the world would then be in sight'.[4]

Mackinder expressed his views in his 1904 thesis *"The Geographical Pivot of History"*. According to Morgenthau, Mackinder was the first person who expressed space as the basic conception of geopolitics and emphasised geography as an absolute factor that determines the power, and hence the fate of nations. Morgenthau adds "According to geopolitics, it is a law of history that peoples must expand by 'conquering space' or perish, and that the relative power of nations is determined by the mutual relation of the conquered spaces."[5] Mackinder, who believed that the 'World Island' was organised of three continents of Europe, Asia, and Africa, around which the lesser land of the world were grouped, concluded that, "Who rules East Europe commands the Heartland: Who rules the Heartland commands the World-Island: Who rules the World-Island commands the World."[6] On the basis of this

analysis Mackinder predicted the emergence of Russia, or some other nation which would control this territory as the dominating world power. In Mackinder's view with the land-based power competing for authority in a marginal crescent to which the maritime powers have approachability, the Mediterranean and the ME were key regions in the conflict. Drysdale and Blake point out that, "The U.S. policy of post-World War II containment [Communism], according to which alliances and bases were established within the Eurasian marginal crescent, was designed to prevent the outward expansion of this heartland power, the U.S.S.R."[7]

According to this view the pivot region which in 1919 was named the Heartland comprised of a great part of Russia, Iran, the western part of China and Mongolia, all of which extended to near maritime boundaries. In 1943 he emphasised the importance of having links to free seas as well. Most criticism of Mackinder's thought was concentrated on the Heartland concept and the effects of new technology upon strategy, such as a land power's access to an ocean-going fleet, intercontinental ballistic missiles, and developed strategic air forces. Other criticisms of the Heartland concept came about because of his underestimation of the resistant power of peninsular states, particularly those in alliance with the US, and upon the details of the Soviet Union's strength within the Heartland.[8] However, his thesis was true regarding the ME, at least up to the collapse of the USSR. In this region as Drysdale and Blake in 1985 note, the US was concerned about any territorial expansion by the heartland power, whereas the USSR deeply feared US influence in borderland states regarded as vital to Soviet security.[9]

Nicholas John Spykman, who named the marginal crescent 'the rimland', believed that whoever controlled the rimland ruled Eurasia, and whoever ruled Eurasia

commanded the world. His basic thesis concentrated attention on the possibility of connection between land and sea due to the maritime situation of the rimland states. Since oceans and the navy were important to him, marginal states (rimland) were more consequential in his mind. Chronological studies gave him the idea of competition between Britain and USSR over the marginal crescent during WWII, so he advocated that the US adopt policies that would promote American influence in the marginal crescent, 'the rimland' or at least try to prevent the USSR from controlling or seizing them.[10]

Saul Bernard Cohen, an American geopolitician, moved away from Mackinder's Heartland-Rimland theory and suggested a rather less controversial scheme of world geostartegic regions in which the ME along with Egypt, Sudan, and part of Libya, are characterised as 'the Middle East shatter belt'. Cohen defined a shatter belt as "a large, strategically located region that is occupied by a number of conflicting states and is caught between the conflicting interests of the Great Powers."[11] He recognised only two such regions: the ME and Southeast Asia.[12] He looked at the world in terms of 'geostartegic' and 'geopolitical' regions, and believed that the space[13] is not united strategically, but is fundamentally divided between a number of separate areas. His framework for geopolitical analysis is distinguished between divisions with global extent known as geostrategic regions, and divisions of a regional extent which were called geopolitical regions.

Cohen (1963) in his *Geography and Politics in a World Divided* explains that "The geostrategic region is the expression of the interrelationship of a large part of the world in terms of location, movement, trade orientation, and cultural or ideological bonds." According to this definition, he goes on to say, "control of strategic

passageways on land and sea is frequently crucial to the unity of geostrategic regions." The geopolitical regions were subdivisions of each "geostrategic region" and had a tendency to be relatively contiguous in terms of some norms of politics, economy, and culture. According to his definition "the geostrategic region has a strategic role to play and the geopolitical region has a tactical one."[14]

Cohen believes in only two geostrategic regions, each dominated by two of the great powers. He calls them "the Trade-Dependent Maritime World": the Maritime Ring of the USA; and "the Eurasian Continental World": the Russian Industrialised Triangle.[15] He subdivides geostrategic regions into various geopolitical regions and between the two geostrategic regions he introduces two distinct geopolitical regions as Shatter belts, the ME and Southeast Asia.[16] According to Cohen, these two geopolitical regions are politically fragmented with both geostrategic regions having "footholds" there. "Shatter belts evolve from both internal fragmentation and external pressures."[17] Drysdale and Blake also note that the ME is a definite contact zone between Eurasia and the Maritime World in Cohen's scheme of world geostrategic regions. According to them Cohen's theory has two infirmities with respect to its application to the Middle East and North Africa (MENA) that are:

> First, the global perspective tends to obscure the infinitely complex and pertinent geopolitical relationships within the region itself. In reality a mosaic of related and overlapping geopolitical spheres exists. Second, global geostrategic models are so preoccupied with superpower rivalry that the geopolitical perspectives of the people of the region are distorted or ignored altogether. A better grasp of these perspectives might cause external powers, particularly the United States, to rethink their policies in the region.[18]

As Mojtahed-Zadeh also notes, the general view of the geopolitical world that Cohen provides is more dynamic than the previous model of a bipolarised world due to his concerns about the emergence of "second order" powers[19] in the world hierarchy system.[20] This is one of the advantages of his model for a world political hierarchy system.

The ME as a highly divided area of almost no strategic, political, cultural, or economic homogeneity, in Cohen's consideration is mentioned as a shatter belt where great variations lead to great diversities in its character as a geopolitical region.[21] Although the ME is a contact zone between Eurasia and the maritime world, it is not a unit geopolitical region and it includes a variety of geopolitical regions with different basic geopolitical objectives. As a sub region of the ME, the PG represents a congruent perimeter in itself. The PG includes nations varying in some cultural aspects, but with similarities of economic, political, and strategic interests. Although according to Drysdale and Blake there has not been a similar and singular view of geopolitical perspective of the ME states, including the PG, but a variety of views conditioned by history, political ideology, and geographic location. In other words, people's real geopolitical preoccupations are mostly regional and not global, since their long-standing political differences and traditional rivalries dominate relationships between states. They give an example of the Arab states' fear of the USSR or the US, which is only half as strong as their fear of Iranian military and ideological expansionism. The Iran-Iraq War served to concentrate minds on regional dangers, and the Gulf Cooperation Council (GCC) was formed as a regional response.[22]

Conclusion

Geographical location put the PG at the heart of the old world, its political environment was created by each power that came to dominate it, but most especially during most of the nineteenth and twentieth centuries by Britain (whose details can be found in Appendix-2), and since that time by the US. This together with the economic shift from fishing and trade to the oil industry that has occurred since first half of the twentieth century, has shaped the distinctive environment that is the geopolitical region of the PG. Therefore, it is obvious that any regional or non regional crises and chaos in this region would affect all continents of the world, especially Asia and Europe. On the other hand, according to the impact of major evolutions in international relations on the geopolitical position of different regions, the geopolitics of the PG also has been changed during previous centuries. Pervasive wars, the collapse of empires, the expansion of capitalism and state socialism, the establishment of international organisations, great revolutions and the transition of balance to a bipolar system and its later tailspin, have all had considerable impact on the importance of geopolitical position of the PG.

Considering this significant geopolitical position of the PG requires close examination of the important geopolitical elements and security concerns of all regional and ultra-regional players. Hence, in the next four chapters, the geopolitical elements of the PG particularly, geographical location of the energy resources as well as the massive oil and gas reserves available, and also their impact on especially the ultra-regional powers' politics will be studied in order to get a clearer understanding of different security models in this region.

Notes

[1] For details among many see, Pirouz Mojtahed-Zadeh, *Security and territoriality in the Persian Gulf, A Maritime political Geography* (Curzon Press, 1999), p. 10-11; **also** Ali Asghar Kazemi, *Aba`de hoghoghie- hakemiate- Iran dar Khalije- Fars [Legal dimensions of Iran authority in the Persian Gulf]* (Tehran: Institute for Political and International Studies (IPIS), 1368 Solar Calendar [1989]); **also** In search of ancient seafarers in the Persian Gulf.
http://home.btconnect.com/CAIS/ Geography/persian.gulf/pg_seafarers.htm (14 February 2004)

[2] John Barrett Kelly, *Britain and the Persian Gulf 1795 -1880* (London: Oxford University Press, 1968), p.1.

[3] To develop a clearer argument of the following discussions, besides mentioned sources, some other analysts' critical points, including Drysdale and Blake, Mojtahed-Zadeh and Javad Etaat's, op. cit.(s), have been drawn upon.

[4] Alasdair Drysdale & Gerald H. Blake, *The Middle East and North Africa: A political geography* (New York: Oxford Press, 1985), p. 23.

[5] Hans J. Morgenthau, *Politics among nations: The struggle for power & peace*. Revised by Kenneth W. Thompson. (New York: Alfred A. Knopf Inc., 1985), p.178.

[6] Halford J. Mackinder, *Democratic ideal and reality*, (New York: Henry Holt & Co. 1919), p.150.

[7] Drysdale & Blake, op. cit., pp. 23-27.

[8] For more information see: Drysdale & Blake, op. cit.; **and** *Introduction* written by Anthony J. Pearce, in Mackinder, op. cit.

[9] Drysdale & Blake, op. cit., p. 27.

[10] Javad Etaat, *Geopolitic va siasat-e Khareji-e Iran [Geopolitics and Iran's foreign Policy]*, (Tehran: Safeer Publication, 1376 Solar Calendar [1998]), pp. 32-33.

[11] On this basis shatterbelts are located between the Heartland and sea with connective role between the sea powers and land powers. Consequently countries with such locations are fragmented in the competition process of the sea power and land power.

[12] Saul B. Cohen, *Geography and politics in a world divided,* (New York: Random House, 1963), p. 229.

[13] According to Cohen the term *space* includes natural resources or location with respect to the lines of movement that carry these resources.

[14] Cohen, op. cit., p. 62.

[15] The US is thrusting its development energies toward its coastal rims, intensifying connections with other parts of the Maritime World. The Soviet Union's development thrust is landward, with its major direction in to the Eurasian Heartland. The secondary thrust along the western and eastern frontiers is spearheaded by pipeline and railroad construction. Ibid., pp. 64-65.

[16] According to Cohen, these two regions are distinct since each is a zone of contact between the continental Eurasian Realm and the Trade-Dependent Maritime World, easily reached from them, and commanding transit lanes and significant mineral wealth. Both regions recently emerged from colonialism, have been unable to attain the economic and political unity to which many of their leaders aspire. Instead, internal divisions have become accentuated by the East-West struggle, and the Shatter belts have become areas of contention rather than neutral buffers. Ibid., p. 229.

[17] Ibid., p. 231.

[18] Drysdale & Blake, op. cit., p. 27-28.

[19] Emergence of new world powers such as Europe, China and Japan also regional powers, like Iran, Nigeria, India, with potentiality for regional authority and infiltration.

[20] Mojtahed-Zadeh, op. cit., pp. 6-8.

[21] In his point of view the Middle Eastern geopolitical environment is a jungle. There is not a single Middle Eastern state, including littoral states in the PG that lives at complete ease with its neighbors and almost every Middle Eastern state struggles with internal tensions that are the product of deep-rooted cultural clashes and geopolitical immaturity. See, Cohen, ibid., p. 231.

[22] Drysdale & Blake, op. cit., p. 28.

Chapter 2

Persian Gulf Oil and Gas

Introduction

If you want to rule the world you need to control the oil. All the oil, anywhere.

Michel Collon (2001)[1]

The PG is of vital significance to all littoral states as well as the entire world economy and political life. Oil and gas, as the major elements of the modern industrial age, has also given this waterway a new and invaluable global paramount.

Since early in the twentieth century, the exploration of oil in the PG, this waterway has occupied a special place in the political strategies of international powers and its major regional players have entered the highly complex equation of oil and global power. (Details in Appendix-3)

In the global structure and function of the twenty first century, oil still will emerge as an effective variable and will resolute the nature of relations and rivalries, i.e. diverge or integration among international personages. Valid evaluations and analyses emphasise that oil will account for the main portion of global consumption and its role in the global economy will remain of greatest concern. Therefore oil will remain an independent and effective variable in the arena of global equations. (Details in Appendix-4)

Political Geography and Geopolitics of oil and Gas

Oil has been the origin of many political geography issues in the PG as well as in entire oil rich region of the ME. Drysdale and Blake point out that "oil, in short, has transformed the political and strategic map as much as the economic one" and explain that oil is the reason of the existence of some Middle Eastern boundaries and countries [particularly in the PG]. They believe in oil's considerable role in the geographic distribution of wealth and balance of power within this region, as well as the great powers increasing competition for accessing the main production areas and oil transit routes.[2] Also as McLachlan notes,

> The ownership of oilfields and control of oil transit routes remains a powerful factor influencing national policies towards Gulf regional affairs and bilateral relations between states. Far from abating, oil-related boundary and hydrocarbon exploitation issues increasingly complicate contemporary inter-state links.[3]

The oil deposits in the world are geographically very concentrated, and the PG as a subsystem of the ME contains the single most important oil region in the world.[4] (See figures 2-1 & 2-2) The existence of much of the ME's oil within a few large fields has caused two issues of distribution of wealth and power, and also the emergence of regional and international policies. As Drysdale and Blake note this is because:

1) The main ME's oil reserves lies in the PG in the area between Iran and Arab zone. Saudi Arabia, Kuwait, Iran, and Iraq together have about 80 percent of the ME's oil reserves, which is two-thirds of the world's reserves: more proven oil reserves under their soil than the rest of the world combined.

2) Low costs of oil exploration as well as easy oil transition to the global market from the PG has very much attracted the world, especially the great powers' attention to this geopolitical region.[5] For these reasons the security of oil supplies from the PG is so significant for the developed world.

Figure 2-1

The Oil Corridor [6]

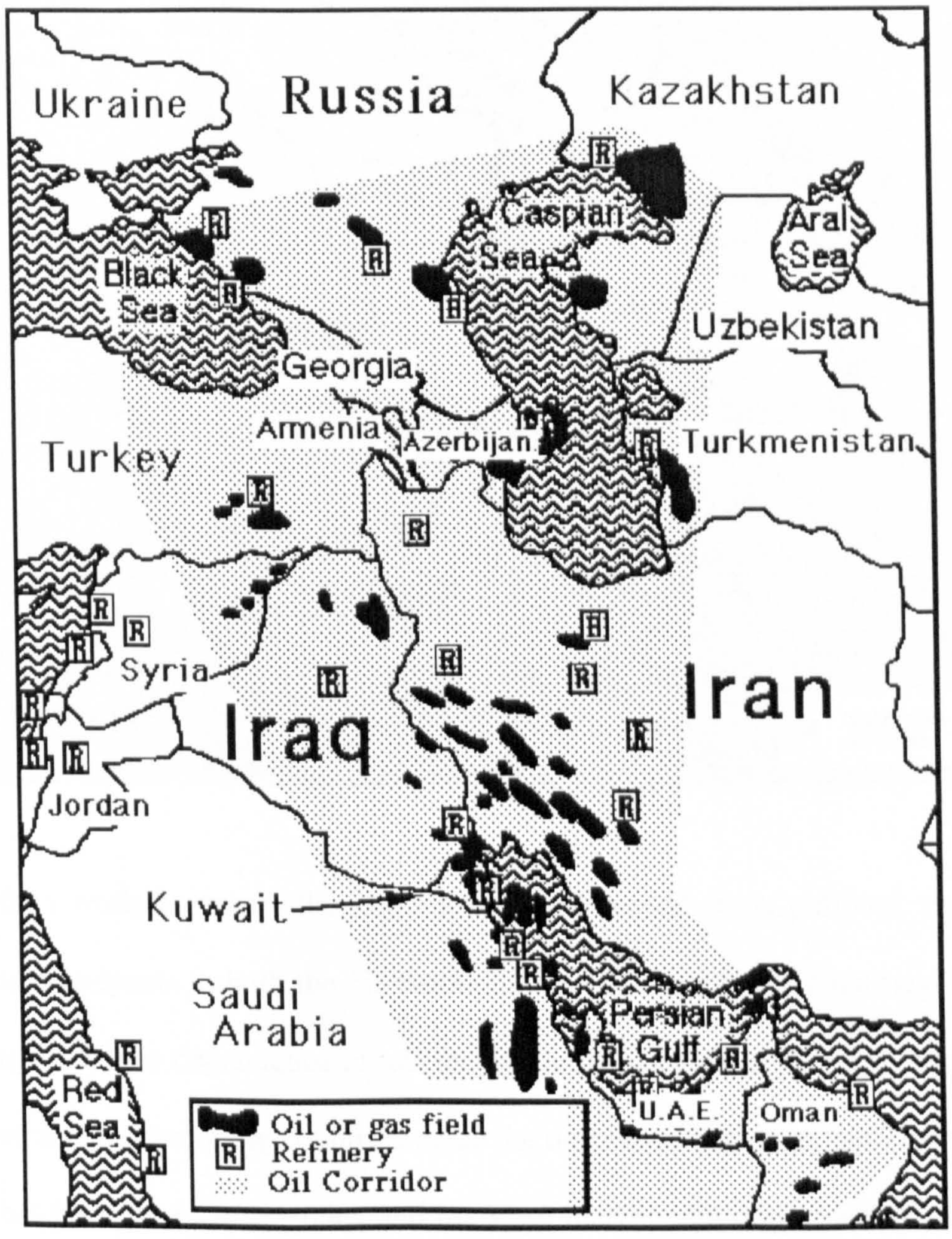


Figure 2-2

Major Oil Fields of the Middle East [7]



During the twentieth century the importance of oil caused many political, social and economic cataclysms in both the oil-producing and oil-consuming countries. The oil-producing countries dependence on oil income as well as the economic development of industrial and developing countries made the oil market extremely political. The oil market has been the most complex and involved market effecting political events and changes in the whole world; as it has been impossible to make any accurate economic

decision in oil market without regard of political factors and similarly impossible to take political strategic decisions without attention to the oil market. Any fluctuation in oil prices had caused heavy damages to finance, economy, employment and social stability in the oil-producing countries, and the high speed with which crude oil prices soared, has threatened the people's daily living in oil-consuming countries, and thus brought social unrest and turmoil in some countries. Consequently it affected the basis of sustainable growth of the global economy.

The significance of the PG's huge natural gas reserves that equate to about 41 percent of total proven world natural gas reserves has increased the geopolitical importance of the PG.[8] Enumerating the reserves of the Caspian Basin which raises the figure[9] as well as the exploitation of new technologies to reduce the high costs associated with gas transportation would further increase the world desirability of the region's natural gas.[10]

Strategic Position of Oil

Since early in the twentieth century, oil, because of its significance as a major element of energy in industry and transportation, has gradually played a strategic role in ties and relations between different nations in the world. This strategic position of oil had a basic impact on the geopolitical importance of the ME and caused severe and increasing competition among the great powers to secure the principal production areas and transportation routes of oil via various military or diplomacy manners.

During the twentieth century oil caused a rapid movement of technology of transportation, changed both military and commercial significance of time and space

and the types of war and weapon. Consequently it had a radical impact on the rise and fall of the powers. As Kemp and Harkavy observe:

> Because of the rapidity of the shift from coal to oil to fuel ships, this period of the early twentieth century provides a particularly good example of how the power of an empire can be eroded by lack of access to a vital resource. Britain became increasingly dependent upon one of its major industrial rivals, the United States. Equally important it demonstrates how quickly a hitherto backward region such as Mesopotamia can assume great strategic importance in a relatively short time.[11]

Since end of the Second World War and the emergence of the bipolar system, oil got involved in superpowers rivalries as the most important objectives of the West in the PG were containing Soviet influence and protecting stable access to oil. At the same time the Soviet Union was attempting to increase its political and security influence in this region, specifically through unaligned and anti-West countries.

In the global structure and function of the twentieth century, oil emerged as an effective variable and the main portion of global consumption; hence its role in the global economy, especially in the Western economy remained of greatest concern and an effective variable in the political equations of the Western countries.

In addition, the tension over the Iranian government decision of oil nationalisation demonstrated the vulnerable position of individual Middle Eastern governments confronting a united front of giant companies who had exclusive control on all stages of oil operations including optional set of the oil price.[12] Establishment of OPEC, the Organisation of Petroleum Exporting Countries, in 1960 by five countries — Iran, Iraq, Saudi Arabia, Kuwait and Venezuela — which was one of devices responded to

the attempts by the oil-importers industrial countries also affected the oil global market. (Details in Appendix-5)

The location of more than 75 percent of the proven reserves of oil in the world out of the main industrial countries' territories has made this element not only an economic fundamental product but a product with political aspects. The lack of discovery of new major oil reserves out of its main domains, and the approaching maximum production levels in these oil reserves, e.g. Alaska and the North Sea, which decrease the proven reserves of the US both absolutely and proportionately, together with the failure of innovative policies in the 1970s to develop alternatives and reduce dependence on the PG in order to diminishing the dependence of the West on PG oil, have had a significant impact on world demand for energy. Kemp and Harkavy point out that, "In more recent times access to Persian Gulf oil has been the prize and that factor has profoundly influenced strategic planning by the major powers. (...) Similarly, advances in military technology have had a most significant impact upon strategic access problems."[13]

Consequently since the 1970s energy issues have become a security matter for Western countries. The security aspects of this issue are related to the control and domination of the oil resources and the contrast with oil-producing countries' interests. Also most of the oil-consumer countries take their vulnerable need to import oil as a threat to their national securities. The potential of any interruption of oil import could affect on their economic security in particular and their political-social security in general, a matter which will be studied within the rest of Part I.

Notes

[1] Collon, Michel, (2001) Monopoly-US-British Imperialism. *The Four Winds.* http://www.fourwinds10.com/news/05-government/C-fraud/04-US-gov/2003/05C4-12-07-03-monopoly-us- british-imperialism.html (18 April 2004)

[2] Alasdair Drysdale & Gerald Blake, *The Middle East and North Africa: A political geography* (New York: Oxford Press, 1985), p. 313.

[3] Keith McLachlan, Hydrocarbons & Iranian policies towards the Gulf States. In Richard Schofield (ed.), *Territorial foundation of the Gulf states*, (UCL Press, 1994), p. 236.

[4] Details in, Drysdale & Blake, op. cit., p. 314.

[5] Ibid., pp. 313-318.

[6] *Early Warning report (EWR)* (2002) Map of oil corridor-Iran/Iraq. http://www.webcom.com/beacon/mapcorridor.html (30 March 2004)

[7] *Middle East Map Gallery* (2000) Major oil fields of the Middle East. http://maps.unomaha.edu/Peterson/funda/MapLinks/SWAsia/gallery.html (19 April 2004)

[8] *Energy Information Administration (EIA)* International Energy Outlook 2003 World Energy Consumption. http://www.eia.doe.gov/emeu/cabs/pgulf.html (24 October 2005)

[9] See, *Energy Information Administration (EIA).* http://www.eia.doe.gov/emeu/cabs/Persian_Gulf/Background.html **and** http://www.eia.doe.gov/emeu/cabs/Persian_Gulf/Background.html (20 December 2007)

[10] Details in, Geoffrey Kemp and Robert Harkavy, *Strategic Geography and the Changing Middle East*, (Washington, D. C.: Brookings Institution Press, 1997), pp. 120-121. **Also**, statistical information is taken from Energy Map of the Gulf, *Petroleum Economist*, 1993 cited in ibid., p. 112.

[11] Ibid., p. 37.

[12] Until the early 1970s, the united seven sisters (giant companies) i.e. five American, one British, and one Anglo-Dutch, produced more than 80 percent of the ME and North Africa's oil.

[13] Kemp and Harkavy, op. cit., p. 25.

Chapter 3

The European Union and Persian Gulf Energy Security [i]

Introduction

The European Union (EU), as the world's second-largest energy consumer after the US, considers energy as a political priority while most of the EU's oil needs have historically been supplied by the ME, especially the PG.

The EU which faces geopolitical effects of its growing dependence on external energy, specifically gas, as a preferred energy source coming mainly from Russia and North Africa, does not yet have all the means possible to change the international energy market.

The international strategic importance of PG energy, specifically its huge natural gas resources that amount to 41 percent of the total proven world gas reserves, its geopolitical consequences together with the EU energy supply policy has encouraged this union to consider an extensive access to PG security and adopt a greater geopolitical role in this waterway. Besides EU's vulnerability to the volatility of oil prices and also its growing dependence on imported energy, the EU faces the US and the Asian-Pacific (AP) region energy, political, economic and military policies in the PG. Consequently, the EU as an emerging global power considers all means of insuring its energy security policy in the PG region.

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[i] This chapter was published in *Journal of Middle Eastern Geopolitics*, vol. 1, No. 2, 2005, pp. 59-73.

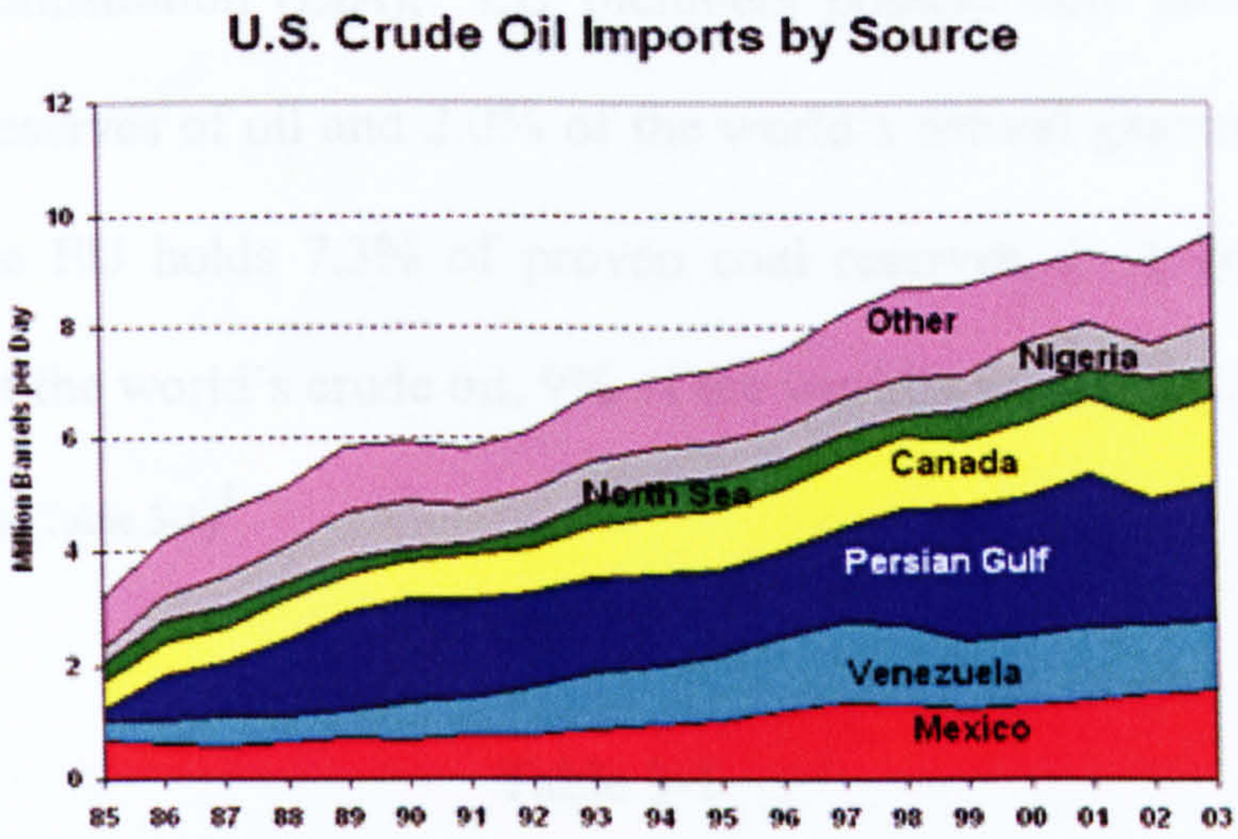
The European Union Challenges

The PG as the main dominant energy source and gateway for global energy in the future, in 2003, had about 27 percent of the world's oil production, while holding 57% (715 billion barrels) of the world's crude oil reserves. Besides oil, the PG region also has huge reserves (2,462 trillion cubic feet-Tcf) of natural gas, accounting for 41% of total proven world gas reserves.[1]

The 1970s oil shocks developed the concept of "energy security" and with the Soviet withdrawal from Afghanistan, *glasnost*, the end of the Cold War, and also the crisis of the Iraqi invasion of Kuwait in 1990, US security policy found a great opportunity to be stabilised in the region.

Such great geopolitical changes of regional security, along with Operation Desert Storm paved the way for the "Bush doctrine" and his "new world order" on the basis of the US hegemony and provided the possibility of US control and access to oil reserves of the southern littoral states of the PG; this has been extended to Iraq since its occupation in 2003. Although the US has formed its importing energy strategy on decreasing dependency on the PG and has safeguarded almost 58% of the total oil demand from supplies in Canada, Venezuela, Nigeria and Mexico, Washington has increased its presence in the region and its efforts to control the area's oil vent pipe. The US by its military superiority and by applying a unipolar security system in the region could also impart the geopolitical consequences of growing demand for the abundant and low priced oil and natural gas of the PG as a critical prerequisite for Japan and EU growth, and increasingly for the industrial growth of Asia and much of the developing world. In addition, with domestic production in decline the US will become ever more dependent on imports from the PG.[2] (See figure, 3-1)

Figure 3-1



Energy Information Administration, (EIA)

http://www.eia.doe.gov/emeu/cabs/usa.html

Besides, the EU — like the US — endures the steady increase of AP region oil and gas demand from the PG which is already more than Europe and the US merged together. This is according to Kemp and Harkavy "a most significant statistic and one that will have a profound impact on the geopolitics of the region." Certainly it will have an effective impact on EU and US energy security policies.[3] The vital interest of the AP regarding a sufficient and safe energy supply from the ME/PG, which will be studied in the next chapter, has increased the concerns of the Western dependent countries, including EU, on this region's energy.

Energy Supply Policy

The EU was shaped as the European Economic Community (EEC) to improve economic and political integration within Europe. Its foundation was based on compacts about energy matters — the European Coal and Steel Community — established after WWII. Hence energy, as a political priority for this union since its inception, has played a major role on its existence and future. Western Europe shifted

from native coal to cheaper imported oil after WWII. According to the Energy Information Administration (EIA), "EU members possess only about 0.6% of the world's proven reserves of oil and 2.0% of the world's natural gas reserves. [See Table 3-1] However, the EU holds 7.3% of proven coal reserves, (…). In 2001, the EU produced 4.1% of the world's crude oil, 9% of the world's natural gas, and 11% of the world's coal." (See Table 3-1)[4]

Table 3-1

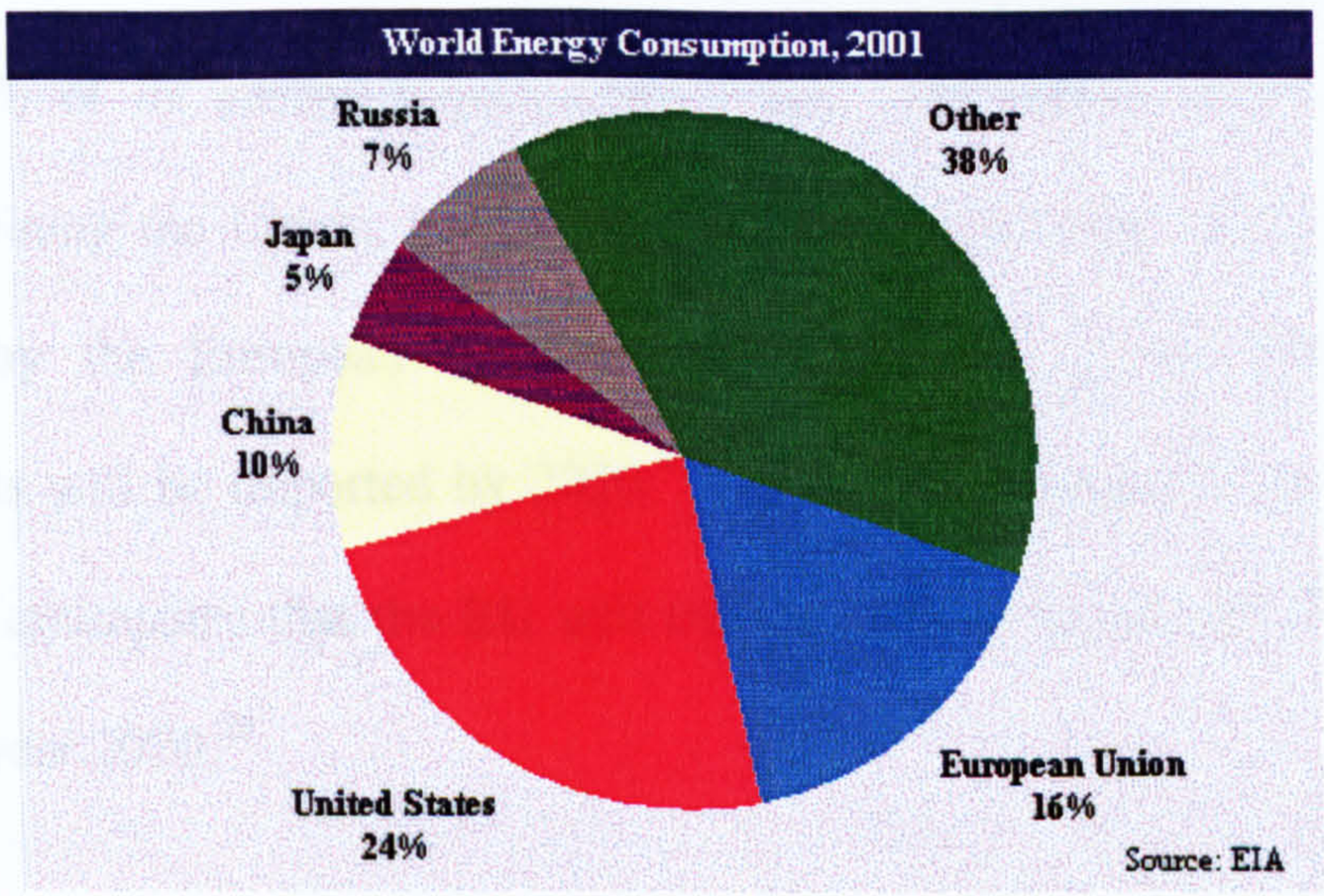
Table 3. Energy Supply Indicators – EU and Accession Countries

	Fossil Fuels Proved Reserves			Fossil Fuel Production, 2001			Electric Generation Capacity 2001 (Million kilowatts)	Crude Refining Capacity, 1/1/03 (Thousand barrels/day)
	Crude Oil 1/1/03 (Million Barrels)	Natural Gas 1/1/03 (Trillion Cubic Feet)	Coal 2001 (Million Short Tons)	Total Oil Production (Thousand Barrels per Day)	Dry Natural Gas (Trillion Cubic Feet)	Coal (Million Short Tons)		
Austria	86	0.8	28	21	0.1	6.5	14	209
Belgium	0	0.0	0	0	0.0	13.8	14	791
Denmark	1,347	3.0	0	346	0.3	7.6	13	176
Finland	0	0.0	0	0	0.0	7.3	16	252
France	148	0.5	40	35	0.1	20.9	111	1,903
Germany	342	11.3	72,753	86	0.8	265.1	114	2,267
Greece	9	0.0	3,168	6	0.0	75.9	10	407
Ireland	0	0.7	15	0	0.0	3.2	4	71
Italy	622	8.0	37	79	0.5	22.1	69	2,300
Luxembourg	0	0.0	0	0	0.0	0.2	0	0
Netherlands	106	62.0	548	46	2.7	23.4	21	1,207
Portugal	0	0.0	40	0	0.0	5.2	10	304
Spain	158	0.1	728	7	0.0	45.2	48	1,322
Sweden	0	0.0	1	0	0.0	3.7	33	424
United Kingdom	4,715	24.6	1,653	2,541	3.7	70.8	76	1,789
Sub-Total	**7,533**	**111.0**	**79,010**	**3,167**	**8.3**	**570.7**	**554**	**13,422**
Accession-10	235	7.7	32,388	76	0.3	276.1	76	1,128
Total EU+10	**7,768**	**118.7**	**111,398**	**3,243**	**8.6**	**846.8**	**630**	**14,550**
United States	**22,446**	**183.5**	**273,656**	**8,957**	**19.4**	**1,121**	**813**	**16,623**

Sources: Energy Information Administration and Oil & Gas Journal

According to the EIA, in 2001 the EU consumed 16% of the world's total energy consumption whilst the US consumed 24%. (See figure 3-2)[5]

Figure 3-2



The EU, which consumes 18 percent of total world oil, is responsible for less than [about] 4 percent of world production[6] and also consumes 16% of the world's natural gas. "Under current patterns of energy production and energy use, the European Union is consuming limited reserves at a rate that compromises the availability of energy to future generations and threatens the local and global environment."[7] (See table 3-2)

Table 3-2

Total Primary Energy Consumption by Energy Type (% of total consumption): 2002

	OECD Europe	EU-15	EU-25*
Petroleum	40.7%	43.1%	38.4%
Natural Gas	22.7%	23.5%	22.6%
Coal	16.3%	13.5%	18.5%
Net Nuclear Electric Power	12.6%	13.9%	14.4%
Net Hydroelectric Power	6.4%	4.4%	5.8%**
Other	1.4%	1.5%	0.3%

Note: Other includes net geothermal, solar, wind, and biomass (wood and waste) electric power.
* in 2000 (Eurostat data); ** all renewable

http://assembly.coe.int/Documents/WorkingDocs/Doc05/EDOC10458.htm

The EU's dependence on energy imports has been increasing constantly, while European oil production, especially from the North Sea fields, is dropping. The EU imports 50% of its energy requirements,[8] and with central and eastern European countries joining the Union, it will become more significant. According to a report published by the European Commission, two-thirds of the EU's total energy requirements will be imported by 2020.[9] The EU Commissioner for Energy, Loyola de Palacio, anticipates that the EU will import 90% of its oil and 70% of its natural gas by the year 2020.[10]

Most of the EU's oil needs have historically been supplied by the ME. In 1992 almost 4 mb/d — more than 25 percent of total ME oil production — were exported to the European continent.[11] In 1999, OPEC countries supplied 43% of EU oil 30% of this coming from the PG.[12] Therefore, by 2020, the Energy Commission's Green Paper of 2000 expects OPEC to cover as much as half of the EU's energy needs, compared to about 40% at present.[13]

A similar dependence has developed with regard to gas. In the next decades, gas use will increase most rapidly due to environmental concerns and the phasing out of much of the EU's nuclear energy capacity.[14] Europe uses natural gas for 22% of its energy needs with over 90% of its total gas imports coming from just three sources — Russia, Norway and Algeria with Russia contributing 25% of Europe's natural gas imports.[15]

Russia's increasing geopolitical importance as a source of different energies — oil, natural gas and electricity — and its position as the largest energy supplier outside of OPEC has encouraged Moscow to ensure its position as a major energy importer to Europe and dominate Europe's markets, as well as to support its domestic and foreign

policy objectives. Hence, the geopolitical dimension of the EU's growing dependence on gas and oil imports is considerable. According to an EU official report,

> Future imports of fossil fuels will tend to come from increasingly distant places with obvious price consequences (...) Such a situation [especially for those countries which are completely dependent on a single gas pipeline linking them to a single supplier country] naturally makes many European countries vulnerable to supply shocks, price oscillation, transport costs and other risks.[16]

In such a situation, "The EU does not yet have all the means possible to change the international market. This weakness was clearly highlighted at the end of 2000 by the strong increase in oil prices."[17] The oil shocks of the 1970s demonstrated the largely negative impact on Europe's economy and society that interruptions to supplies and fickle energy prices can cause. The determinant impact of high oil prices on economic growth and inflation as well as unemployment in the EU also affected Europe's economic competitiveness. Although such circumstances caused changes in energy markets aimed at reducing dependence on oil, it did not affect the rise in fossil fuel demand over the previous decades and is not expected to act in this way for the foreseeable future.

Strategy for Security of Energy Supply

To face the two major challenges of the EU, i.e. volatility of oil prices and the growing dependence on imported energy, the Energy Commission's White Paper in 1995 emphasised the importance of a secure energy supply as a prerequisite for the EU's successful economy. Along with the emphasis of the White Paper on security of supply and environmental protection, improving the competitiveness of European businesses was identified as one of its three main objectives. This objective stressed

the significance of proper economic and political ties with oil and gas producing countries. So in the geopolitical sense, the EU needed to variegate its energy supplies and suppliers as well as its energy resources.

At present, it seems that the EU is employing the same policy as the US used during President Carter term when the 1979 oil crisis occurred. Their intention is to implement a more active role in the security of their structural interests in the PG: to link oil market security to geopolitical conditions and a more committed and apparent EU policy by establishing a military force to react in conflicts with a concentration on crisis-management.

To achieve the EU aims of the White Paper, the necessity of improving a new strategy was highlighted to enhance the energy security in the mid and long term, as was emphasised later in the Green Paper of 2000, by means of:

- the progressive substitution of oil by alternative sources of energy and their technological tools[18]
- an effective demand policy to decrease the energy intensity of EU economies and disconnect the relation between energy consumption and economic growth with respect to a more prominent integration of energy policy within the EU members
- maximising environmental protection, including energy efficiency, energy saving and climate protection, specifically in domestic activities with respect to the Kyoto Protocol aims of reducing greenhouse gases[19]
- to stabilise the needs of energy supply policy with EU's economic, political and environmental goals, via intervention in the internal market and proper ties with oil and gas producer countries for greater market diversification,

better market transparency and adequate supply pacts, and also the greater possibility of effecting the international market

- power of controlling any challenges for energy supply policy before emerging as a crisis. The EU Brussels agreement of the 22nd of November, 2004 to create a rapid reaction force (RRF) of a number of units each made up of 1500 troops, to be deployed at short notice to conflicts around the world with concentration on crisis-management, humanitarian relief and peace-keeping tasks independently of NATO is conceivable in this regard.

The European Union and Persian Gulf Security

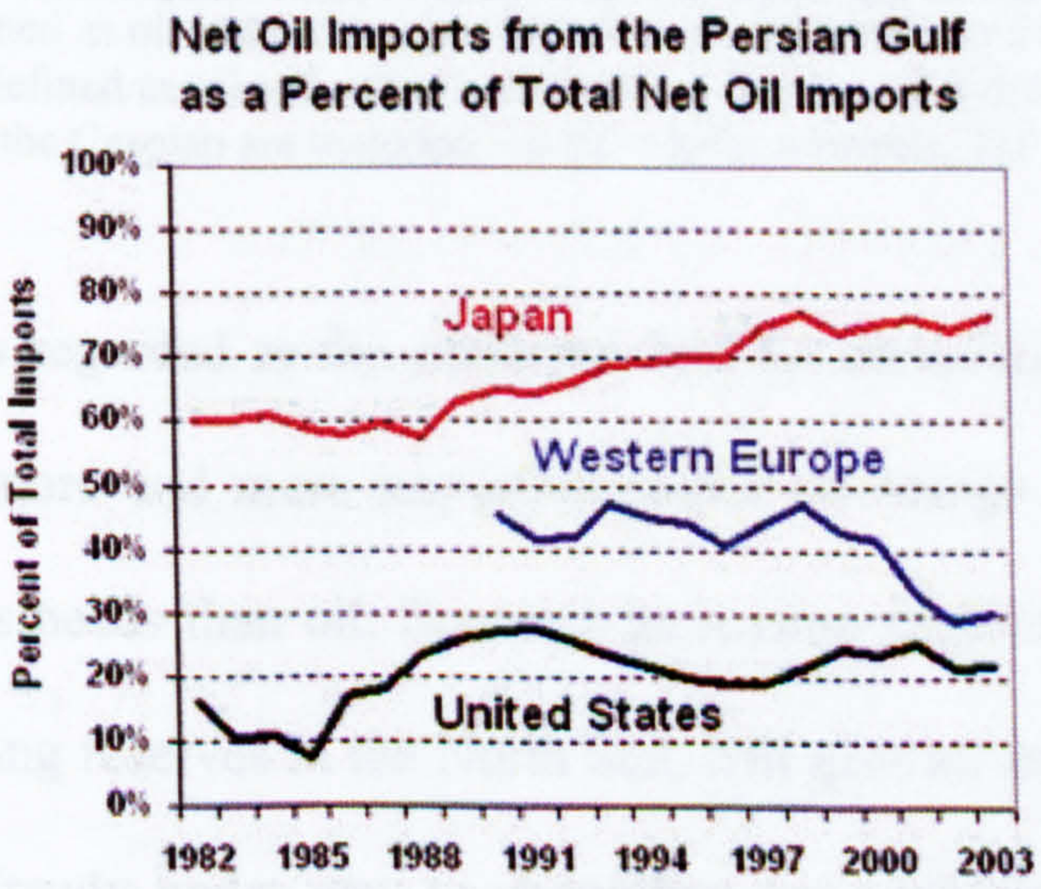
The European Union energy supply policy has encouraged the EU to consider an extensive access to PG security and adopt a greater geopolitical role in this waterway. The EU's major concerns in this regard are:

- the necessity of continued access to oil and gas at predictable and controllable prices, also profitable markets in the PG oil-producer states
- the security of European investments in the PG
- the constant dominance of the PG oil fields coinciding with the reduction in production of older oil fields in Europe and North America
- uncertainty about the accessibility of oil from other major sources in the Caspian Basin, Central Asia, Russia, the South China Sea and China
- increasing global demand for oil and gas because of economic growth anticipation
- more significant trends of oil use in transportation sectors

The EU has common concerns in the PG with the US and has played a supportive role in contributing to the coalition that liberated Kuwait from Iraqi occupation and later toppled Saddam's regime, and such relations are likely to be continued in long term policy. Nonetheless, due to some divergence interests with Washington, the EU has been keen to form its own relations with the energy producer states in the PG.

There is no consensus in foreign policy among the members of the EU and each member pursues its own national interests although, "there is still a lingering fear in Europe that the United States will embroil European countries in conflicts that do not involve threats to their vital interests."[20] In addition, the EU, who is even more dependent on the PG's energy that the US, will continue over the next decade to use the PG as its dominant source of energy supplies, the source to which the AP region will also turn to fill its burgeoning energy demands. (See figure 3-3) Consequently, the perception is likely to arise that a serious interruption of PG oil supplies would cause severe economic and financial dislocation as well as political and social instability in the developing world, and this in turn could generate pressure for Western military action.[21] This means more US military presence and control over energy routes.

Figure 3-3



The significance of the PG's huge natural gas reserves at 41 percent of total proven world gas reserves has increased the geopolitical importance of the PG. Enumerating the reserves of the Caspian Basin (about 340 Tcf) which raises the figure to nearly 55 percent, would further satisfy EU security perspectives. (See table 3-3)

Table 3-3

Caspian Sea Region Oil and Natural Gas Reserves

Country	Proven* Oil Reserves	Possible** Oil Reserves	Total Oil Reserves	Proven* Natural Gas Reserves	Possible** Natural Gas Reserves	Total Natural Gas Reserves
Azerbaijan	1.2 BBL	32 BBL	33.2 BBL	4.4 Tcf	35 Tcf	39.4 Tcf
Iran***	0.1 BBL	15 BBL	15.1 BBL	0 Tcf	11 Tcf	11 Tcf
Kazakhstan	5.4 BBL	92 BBL	97.4 BBL	65 Tcf	88 Tcf	153 Tcf
Russia***	2.7 BBL	14 BBL	16.7 BBL	N/A	N/A	N/A
Turkmenistan	0.6 BBL	80 BBL	80.6 BBL	101 Tcf	159 Tcf	260 Tcf
Total	10 BBL	233 BBL	243 BBL	170.4 Tcf	293 Tcf	463.4 Tcf

Sources: Oil and Gas Journal, Energy Information Administration
http://www.angelfire.com/dragon/asif/Caspian_Sea_Region.htm
* proven reserves are defined as oil and natural gas deposits that are considered 90% probable
** possible reserves are defined as oil and natural gas deposits that are considered 50% probable
*** only the regions near the Caspian are included // BBL = billion barrels, Tcf = trillion cubic feet

Natural gas, which is regarded as the preferred fuel for electricity production in the EU, is becoming a more and more important source of energy. The EU has more problems with its gas needs than oil. Europe's increasing preference for natural gas, along with the reducing reserves in the North Sea, will give an added encouragement to political efforts already under way to strengthen ties with other major suppliers.

Russia and North Africa are the main gas suppliers of the EU but studies of the European Commission which predict the increase of the Union's share of energy from foreign sources to rise from about half in 2000 to two-thirds by 2020, confirms the significance of the diversity of gas suppliers for the EU.[22]

Other EU concerns about its diversity of gas suppliers, besides the geopolitical advantages of Russia over the EU's markets and EU's deep dependency on Russia's energy, is the uncertainty about the unstable political, economic, and social situation in North Africa. Preventing any disruption in gas supplies caused by, or the cause of any possible turmoil or conflict in this area would require increasing the European preparation and military planning (especially those of NATO's southern members) "to assemble a European-led force and to request NATO support for an emergency response."[23]

Consequently, the EU has strengthened economic and political ties with all littoral states of the PG to ensure the continuation of its oil and gas supplies. Since the 1980s the bilateral trade relations between EU and GCC countries have changed from a negative trade balance to a positive one in favour of the EU. The GCC is the EU's fifth largest export market, while the GCC is the fourteenth biggest source of imports for the EU.[24]

The EU also benefited from Washington's absence in forming its own independent relations with Iran and Iraq (Iraq until US invasion in 2003) to develop its business and secure its own energy deals outside of US control.

Iran, which contains the world's second largest natural gas reserves and around 10% of the world's total oil resources, and with its geostrategic location as an entrance to

the ME and Central Asian energy suppliers has great potential to satisfy the political and economic needs of the emerging global powers, including the EU.

In spite of the EU's cooperation with the US in its PG security arrangements, "to counter-balance the combined strength of Iran and Iraq [during Saddam Hussein's regime], in defense of the GCC states"[25] the EU did not follow the US policy of 'Dual Containment' and tried to perform a more flexible policy in this region. Differences, especially over Iran, caused tension between the US and its European allies and weakened Washington's efforts to isolate Iran. The EU's disagreement with 'Dual Containment' also undermined the effort to maintain international support for the US policy toward Iraq during Saddam's regime. At the same time, EU flexibility modified the hostile sentiments of the region's people toward the West and provided suitable economic and political opportunities from which the EU benefits.

Hence, the bilateral trade of the EU with Iraq that was interrupted from 1991 to 1996 was once again cultivated following the start of the UN oil-for-food programme in 1997. The EU occupied second place of the main trading partners of Iraq with 33% of Iraq's foreign trade, after the US with 42%. According to the European Commission, in 2001 the EU, accounting for 55% of Iraq's imports to its market imported mainly energy products from Iraq which accounted for 99.9% of imports. This amount of imports from Iraq contained 2.5% of the EU's total energy imports, with Iraq being its 9th energy supplier.[26]

Concerning Iran, Europeans, as Hollis affirms, "see this country as such a significant and powerful player in the Gulf that to attempt to exclude it from a say in regional affairs is to court antagonism"[27] and the EU has been successful in its mediation for

Washington-Tehran debates before emerging as a crisis, e.g. Iran nuclear activities — even since 2005 when such activities have become a serious international matter.

The EU investments in Iranian projects like the development of South Pars (which ranking as the world's largest offshore gas field is Iran's largest energy project, and already has absorbed approximately $20 billion in investment) have confronted a series of unacceptable choices for the US whether to impose sanctions on these firms and face big risks in its relations with its allies or ignore their activities and face weakening international support for Washington's efforts to isolate Iran.[28] According to the European Commission,

> The EU is Iran's main trading partner concerning both imports and exports. EU exports to Iran have almost doubled since 1999 (...). From 1980 to 2001, EU imports from Iran grew by on average 2.7% per year, and EU exports by 2.5%. (...). More than 80% of EU imports from Iran are energy related (mainly oil products), representing 3.8% of the total EU imports in energy products. Iran ranks as 7th supplier of energy products for the EU.[29]

According to the European commission's advice for securing EU's gas supply "by new long-term contracts for imports from third countries"[30] and, as it is mentioned in documents of the Parliamentary Assembly of the *Council of Europe*, to diversify its energy supplies and suppliers in the geopolitical sense, EU in practice is directed to:

> (...) [expand] the energy mix in individual countries, [develop] a closer energy partnership with the Caspian Sea region (as is called for in this Assembly's Resolution 1324 (2003) on "Europe and the development of energy resources in the Caspian Sea region") and [strengthen] its long-term energy co-operation with Russia. To support an eastbound partnership (primarily in natural gas but also in oil), major

investments in network and interconnection infrastructure, as well as in new transit facilities, are needed for transport from, for example, the Caspian Sea to other parts of Europe.[31]

Iran's significance in the EU energy security policy, especially security of gas supplies is conceivable in the EU disagreement with the US hostile policy towards Iran, e.g. 'Dual Containment'. The recent success of a British company in counselling the very important gas pipe line of "peace pipe" from Iran to India via Pakistan which was opposed originally by Washington is noticeable.

However, since 2005 Iran has found itself entangled with both the EU and the US over its nuclear program, due to consistency in Western policy in respect to their red lines as well as to avoid upsetting the wider international Euro-American axis in world politics.

Conclusion

The EU, which faces the geopolitical effects of its growing dependence on external energy, specifically gas as a preferred energy, has tried to variegate its fossil fuels supplies and suppliers. While the PG will remain the main source of EU energy supplies in the next decades, the EU, in order to reduce its dependency on energy supplies, especially the natural gas from Russia and North Africa, has developed its economic and political ties with all littoral states of the PG to ensure future oil and gas supplies. In addition, the EU as an emerging global superpower is "deeply concerned about the US 'new order' in the ME",[32] and is not interested in the US plan of 'The Greater ME' (GME) which is designed for US permanent hegemony in this region. The EU's difference with the US in dealing with the ME countries, which is rooted in

their hidden rivalry to control the strategic region of the ME with major energy reserves, has become particularly obvious with regard to Iran.

The EU, which is seeking to originate its own policy in the region, especially in regards of securing its energy supply, also confronts the steady increase of Asia oil and gas demand from the PG. Besides, Washington's intense political and military presence in the whole ME/AP regions, and China and India's political, economic and military activities working to assure the security of their energy supplies, will have a profound impact on the geopolitics of the PG region as well as an effective impact on EU energy security policy.[33] Under these circumstances, which will be studied in the next chapter, the EU decision to create a rapid reaction force independently of NATO, in spite of its small and limited forces, seems a starting point for the EU to adopt more significant geopolitical role in the strategic waterway of the PG.

Notes

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[1] *Energy Information Administration (EIA)* International Energy Outlook 2003 World Energy Consumption. http://www.eia.doe.gov/emeu/cabs/pgulf.html (24 October 2005).

[2] See, Michael T. Klare (2003), 'The Bush/Cheney energy strategy: implications for U.S. foreign and military policy', *Information Clearing House.* http://www.informationclearinghouse.info/article4458.htm (2 October 2004)

[3] Geoffrey Kemp and Robert Harkavy, *Strategic Geography and the Changing Middle East,* (Washington, D. C.: Brookings Institution Press, 1997), p. 120.

[4] "The ten accession countries will further boost the EU's resources, but only by small percentages. The exception is coal, where reserves would increase an estimated 41%, using 2001 data." From, *Energy Information Administration (EIA).* Regional Indicators: European Union (EU). http://www.eia.doe.gov/emeu/cabs/euro.html#Table2 (2 December 2004).

[5] Ibid.

[6] Kemp and Harkavy, op. cit., p. 119.

[7] *INTUSER.* EU energy supply policy (n.d.). http://www.intuser.net/ufes34.php (8 November 2004)

[8] *EUROPA.* Security of energy supply. http://europa.eu.int/scadplus/leg/en/lvb/l27037.htm (17 November 2004); **also** according to energy site of *Europa* the EU's dependence on oil imports was

high at 75% of its oil supplies in 2000. **See,** *EUROPA*. The European Union's oil supply (4 October 2000). http://europa.eu.int/comm/energy/library/commen.pdf
(7 November 2004)

[9] The report of European Union Energy Outlook to 2020, op. cit. *EIA*, http://www.eia.doe.gov/emeu/cabs/euro.html#Table2

[10] *Metering International, News letter 1*(4 September 2002). EU energy policy focuses on reducing consumption (Europe). http://www.metering.com/bits/newsletter1_4Sep2002.htm (17 November 2004)

[11] "In 2002, the EU imported 27.5% of its oil requirements from Eastern Europe, mainly Russia, followed by the Middle East (24.6%), Africa (20.5%) and Norway (19.95), according to Eurostat." From, Op. cit., *EIA* http://www.eia.doe.gov/emeu/cabs/euro.html#Table2; **also** Kemp and Harkavy, op. cit., p. 119.

[12] *EUROPA,* The European Union's oil supply, op. cit., http://europa.eu.int/comm/energy/library/commen.pdf

[13] *The Report of Committee on Economic Affairs and Development of Parliamentary Assembly*, Doc. 10458 (22 February 2005) Europe's growing energy vulnerability. http://assembly.coe.int/Documents/WorkingDocs/Doc05/EDOC10458.htm (24 October 2005)

[14] For details among many see, http://www.eu-energy.com/eurosaf-fin.pdf (20 May 2008)

[15] Ibid.

[16] Ibid.

[17] *EUROPA,* Security of energy supply, op. cit., http://europa.eu.int/scadplus/leg/en/lvb/l27037.htm

[18] "Overall, the EU consumed about 33% of the world's nuclear power, 28% of renewables other than hydro, 18% of oil, 13% of hydro, 16% of natural gas, and 9% of coal in 2001." From op. cit., *EIA*, http://www.eia.doe.gov/emeu/cabs/euro.html#Table2

[19] Details in *EUROPA,* Security of energy supply, op. cit.

[20] Richard Sokolsky, Stuart Johnson, and F. Stephen Larrabee (n.d.) Persian Gulf Security: Improving Allied Military Contributions. *RAND.* http://66.218.69.11/search/cache?p=europe+gulf+security+challenges&ei=UTF-8&fl=0&u=www.rand.org/congress/terrorism/phase2/persiangulf.html&w=europe+gulf+security+challenges&d=K6o4VGFULnZP&icp=1&.intl=us (24 October 2005)

[21] Ibid.

[22] See, ibid.; **also,** *The National Intelligence Council (NIC)* (n.d.) Report of the National Intelligence Council's 2020 Project, Rising Powers: The Changing Geopolitical Landscape. http://www.cia.gov/nic/NIC_globaltrend2020_s2.html (23 October 2005)

[23] Sokolsky, Johnson, and Larrabee, Op. cit.

[24] Statistical information from *EUROPA /European Commission/External Trade (the website of Directorate General Trade of the European Commission).*Bilateral Trade Relations, Iran. http://europa.eu.int/comm/trade/issues/bilateral/regions/gcc/index_en.htm (7 December 2004)

[25] Rosemary Hollis, Europe and Gulf security: a competitive business. In David E. Long and Christian Koch (eds.), *Gulf Security in the Twenty-First Century*, (Abu Dhabi: The Emirates Center for Strategic Studies and Research, 1997), p. 75.

[26] Statistical information from *EUROPA /European Commission/External Trade (the website of Directorate General Trade of the European Commission)*.Bilateral Trade Relations, Iran. http://europa.eu.int/comm/trade/issues/bilateral/countries/iraq/index_en.htm (7 December 2004)

[27] Hollis, op. cit.

[28] French firm Total, the Russian firm Gazprom, and the Malaysian firm Petronas are involved in investment in Iran's South Pars gas field.

[29] *EUROPA /European Commission/External Trade (the website of Directorate General Trade of the European Commission)*.Bilateral Trade Relations, Iran. http://europa.eu.int/comm/trade/issues/bilateral/countries/iran/index_en.htm (20 November)

[30] *EUROPA, Activities of the European Union, Summaries of legislation* (26 April 2004). Security of supply of natural gas. http://europa.eu.int/scadplus/leg/en/lvb/l27047.htm (20 October 2005)

[31] The Report of Committee on Economic Affairs and Development of Parliamentary Assembly, op. cit.

[32] Paul Rogers (2005, 20 January) A Bush administration buoyed by electoral success is extending its military ambitions to Iran and Syria. *Opendemocracy*. http://www.opendemocracy.net/themes/article.jsp?id=2&articleId=2316# (21 January 2005)

[33] For some more details see, Kemp and Harkavy, op. cit., p. 120.

Chapter 4

Asian-Pacific Region and Persian Gulf Energy Security [i]

Introduction

The Asia-Pacific (AP) region is the world's fastest-growing energy consumer that imports its major energy needs from the ME.

The AP's vital need to maintain a safe and sufficient energy supply, from the volatile region of the ME/PG, has increased the concerns of Western countries that are also dependent on this region's energy. Considering the competitive attitudes of both the AP, and the West, particularly the US, combined with their political trends and geo strategic interests threaten not only the PG stability but also global security.

Furthermore, AP's growing dependence on the volatile region of the ME/PG is an increasing concern for Asian governments seen as a matter of economy and of fundamental national security confronting them with serious economic, political and security challenges.

Energy Policy and Security

The AP region is the world's fastest-growing energy consumer that, according to the data of 1999, imported some 60% of its oil from the ME, compared with just 13% imported by the US and 21% by Western Europe. In the next two decades the AP is expected to become the biggest world energy consumer at 27% of the total world

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[i] This Chapter which was presented in the 16th International Conference on the Persian Gulf (18-19 September 2006), 'The Persian Gulf: An Emerging Security Structure' in the Centre for Graduate Studies of the Faculty of Law and Political Science, University of Tehran, is about to be published as part of this annual conference's series in Iran.

energy consumption, while the US is foreseen to consume 25 percent, Western Europe 18 percent and Japan 5 percent.[1]

The PG as the main dominant energy source and gateway for global energy in the future together with the AP region's rapid economic development along with its great growth of population has paved the way for a closer relationship and mutual reliance between East and West Asia. This entrenched interdependency between the AP and the PG in the energy sector also leads to the potential for creating a new, or at least disturbing the current, regional and international balance of power.

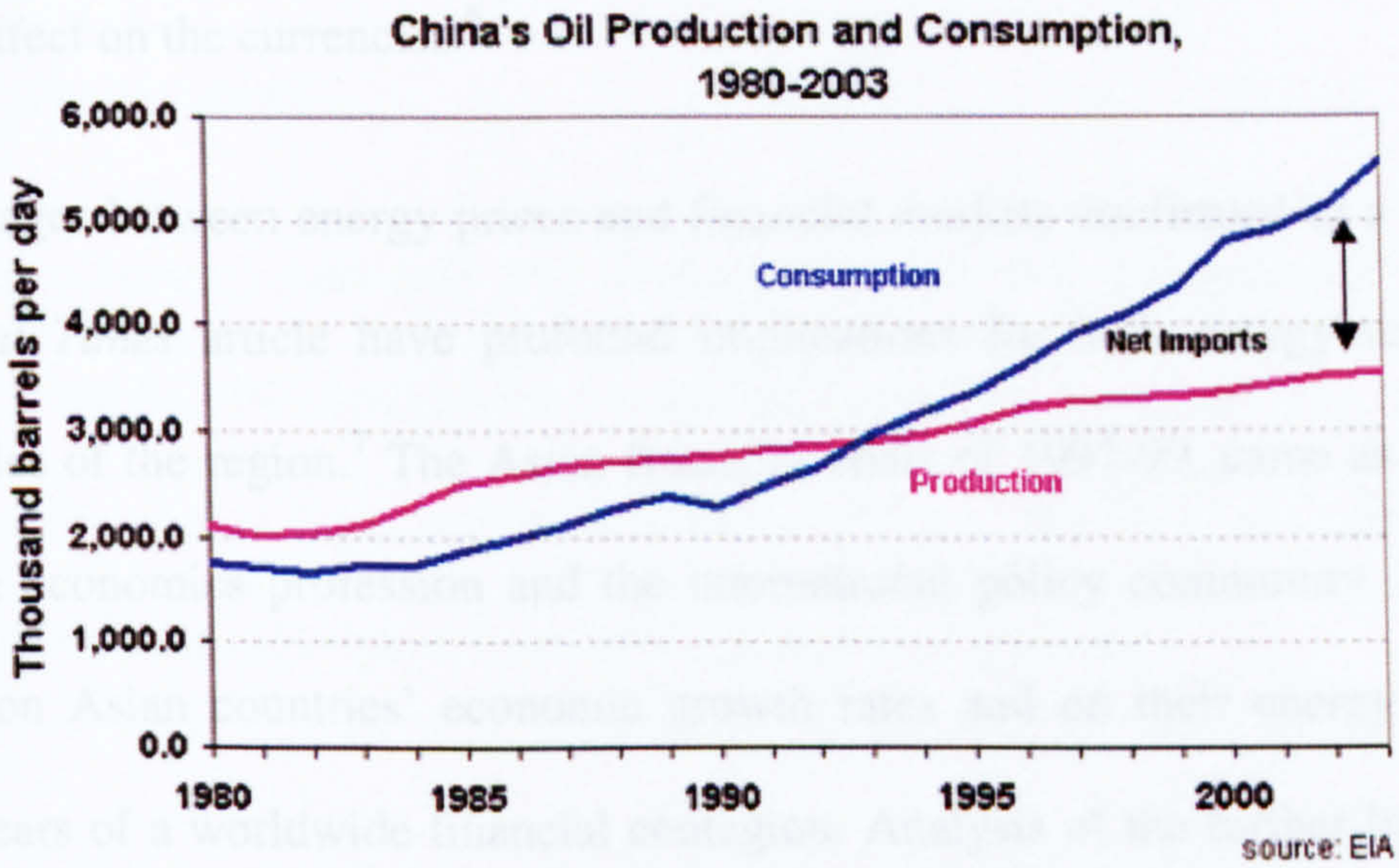
The growing Asian demand for energy from the PG has increased the geopolitical importance of this waterway. Although the strategic significance of these new energy linkages has not yet been outlined, the potential for significant geopolitical evolutions in this region via the interdependency of the two poles of East and West Asia is substantial.

However for some scholars questions still remain, with no certain answers. For example, Calder asks, "Is this principally a benign commercial relationship, or could it fundamentally challenge the prevailing Western dominated political order?"[2] While Manning looks at other dimensions asking, "What are [the] geopolitical implications for PG security, for Asian security, and for the US role in both South-West and East Asia?"[3]

China as the world's most populous country and the second largest energy consumer after the US is expected to keep its position as the largest oil consumer in Asia as its economy increased twofold in size during 1990s. China as an oil exporter until 1993 now produces only for domestic use and according to some estimates its proven oil

reserves could be depleted in 14 years. "China's oil demand is projected by EIA [July 2004] to reach 12.8 million bbl/d by 2025, with net imports of 9.4 million bbl/d. [See figure 4-1] As the source of around 40% of world's oil demand growth over the past four years, Chinese oil demand already is a very significant factor in world oil markets."[4] India, Japan and South Korea as well will continue to be major oil consumers in AP in the next decades.

Figure 4-1



Although oil will remain the main energy source in the world, natural gas is assumed to experience a faster rate growth. South Korea, Taiwan, China, and India are expected to triple their demand for natural gas over the next decade. Therefore, it would not be suppositious to accept the various expectations that the AP region by 2010 will be the world's largest consumer of primary energy and will receive approximately 95% of its energy needs from the ME.

As Manning observes Asia's growing dependence on the volatile region of the ME is "a growing concern for Asian governments that have viewed energy largely in strategic terms, as one of the 'commanding heights' of the economy and a matter of

fundamental national security."[5] Such a geostrategic disposition has confronted AP region with serious challenges:

Economic challenges: The economic growth of the AP region, that has contributed towards regional stability and development since the end of the WWII, has been facing the threat of reduction for two main reasons, a) the rising levels of oil consumption and demand for energy at a greater rate than economic growth, b) the effect of oil-market volatility on the region, especially because of growing oil prices and its effect on the currencies.[6]

The linkages between energy prices and financial markets confirmed in a July, 2004 *Financial Times* article have profound implications for both energy security and economics of the region.[7] The Asian financial crisis of 1997-99, came as a shock to both the economics profession and the international policy community. Besides its impact on Asian countries' economic growth rates and on their energy demand it raised fears of a worldwide financial contagion. Analysis of the further link between price rises for oil and other commodities revealed the AP developing countries' greater vulnerability regarding the economic aspect of energy security. Although the danger of oil shocks is not the urgent element to energy security it could affect economic growth, regional currency markets and domestic purchasing power, which is where the danger for these economies lies. Social unrest and political instability has also threatened some AP energy-dependent states even with significant economies. The forecast these factors establish for energy security and economics in the AP look disturbing.[8]

Political and Security challenges: The AP's high desire for oil and its external dependence on a problematic region's energy, the ME, could increase the danger of

tension due to an oil shortage within the AP region itself. Any tension among specifically major regional players and key economic countries, viz. China, Japan and India, might cause some regional or global destabilisation and even new confrontation too.

China's quiet shift to net oil importer status since 1993 has made Beijing an important actor in the increasingly competitive global oil and gas markets. AP energy security is closely connected to China's energy security.[9] How China satisfies its huge energy needs will be one of the most important challenges over the next decade from regional and global perspectives.

The energy security concerns and challenges within the AP, especially all those relating to the ME/PG, could have a profound impact on the geopolitics of the latter region, while, as was explained in the previous chapter, the West and particularly the US dependence on oil imports from this region is also growing.[10]

Geopolitical Aspects of Asian-Pacific Region Energy Needs from the Persian Gulf

The vital interest of the AP regarding sufficient and safe energy supplies from the ME/PG has increased the concerns of the Western dependent countries on this region's energy, as Kemp and Harkavy explain, "the growing needs of Asia pose a new problem, and the economic dimensions of the energy equation will have a very important security component. If the estimates of Asian energy requirements are of the right order of magnitude, it is clear that this Asian energy gap will have profound consequences for the global economy and the geopolitics of the Middle East."[11]

The energy competitive views of the AP and the West, specifically the US, and their political trends and interests in the geostrategic region of the PG threaten not just the stability of the PG but also global security.

To ensure energy supply security from the PG, the AP, like the EU, prefers to retain an independent geopolitical role from the US in PG security. Geo-economic factors have assisted proper political relations between the AP and the energy producer states in the PG, and so wider strategic interdependency has been created.

Because of the high Asian energy demand from the PG a very wide relationship as well as more mutual reliance has been formed within these two regions. Asia's specific attention to hydrocarbon investments in PG region has increased the interest of the western part of Asia in trading with eastern countries in this continent. Such a relationship, along with the political support of AP countries, particularly the key economic states, could replace the cooperation axis of PG-West with PG-AP.

As Ehteshami expresses, "These trade and investment ties have given each of the two sides of the energy equation a large and equal stake in the economic stability and security of the other."[12]

China is one of these key economic states that since the end of the Cold War has made closer economic, political, military and security ties with many ME and Asian countries, including the regional powers. So, Beijing's strategy in this region is an amalgamation of different concerns, but on a geo-economic rather than geostrategic base. Economic profit, i.e. trade and energy are China's strategic interests in the ME/PG and oil, as Kemp and Harkavy state is, "the key to the geopolitical linkage between China and the Middle East."[13] Hence, regional stability of the ME/PG is a

vital political concern of Beijing. One of China's political achievements in this regard is the development of proper relations with major Middle Eastern adversaries in order to assure regional stability, e.g. Iran, Arab World and Israel, while at the same time cautiously acknowledging the US attitude in this arena to prevent any damages to its relations with Washington.

China's associations in the ME are according to Rubin, driven by "economic goals rather than political ambitions." In 1994 President Jiang Zemin stated that China should aid the dissident countries like Iran, creating profitable relationships, and oppose the US 'hegemony' on the ME as "there may be no room there for any Chinese economic foothold."[14]

China as a net oil-importer has common interests with those of the oil-dependent West, and during the last two crisis of Iraq in 1990 and 2003 has proved that "international stability furthering China's development is more important".[15] However, as a major importer of ME/PG energy there could be some challenges between its interests and orientations with the West in further possible crisis, e.g. the Iranian nuclear program. As Kemp and Harkavy note:

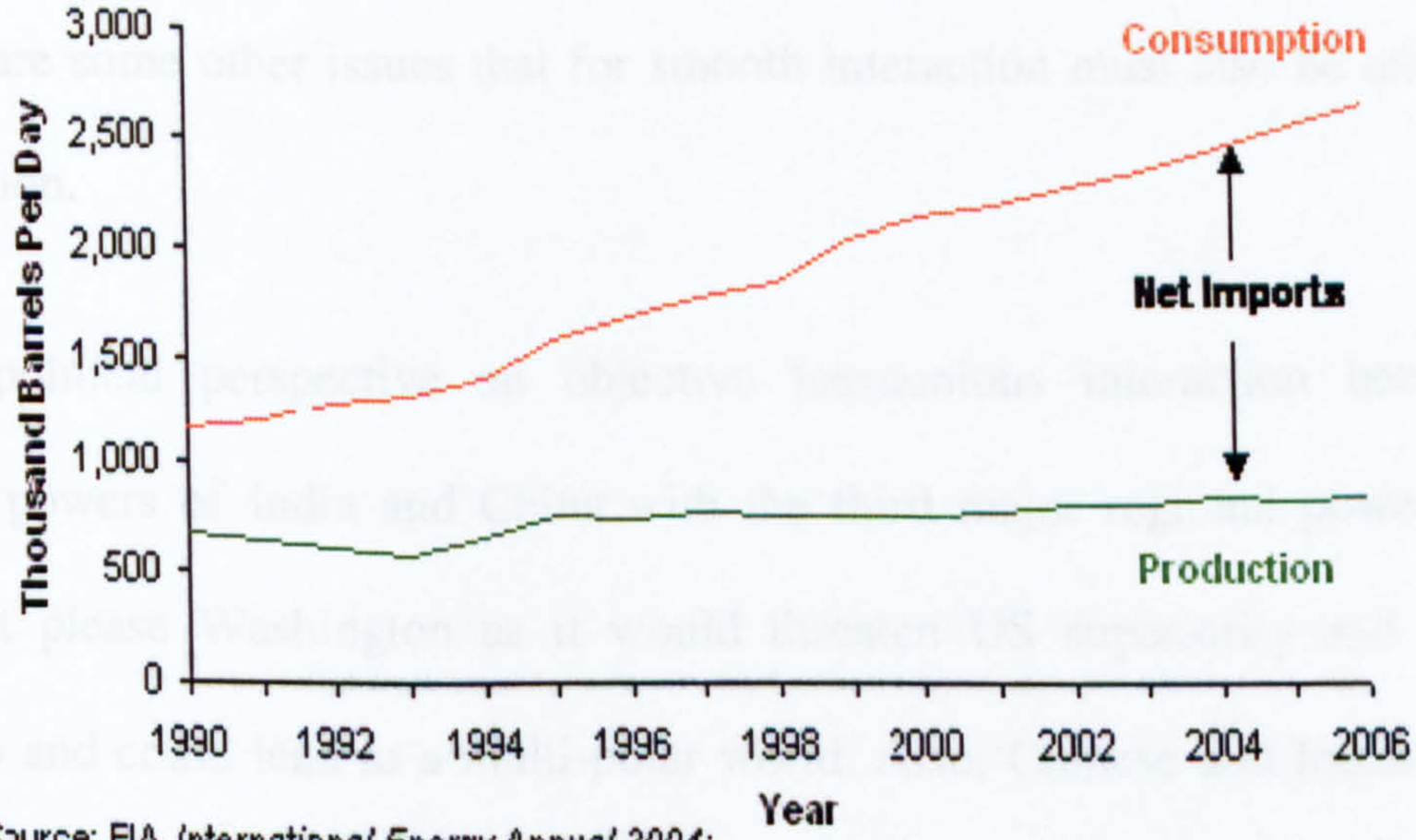
> Unlike 1990, the key Asian countries might be less willing to accept American leadership in crisis management. (...) Similarly, if China and India become major importers of Middle East energy, they will likely have their own, more independent and possibly more confrontational, policies toward the region. There have been suggestions that China's embryonic blue water navy may eventually be deployed in the Indian Ocean in part to assure the security of oil supplies from the Gulf.(...) More speculative, but potentially very important, is the possible link between China's growing needs for Persian Gulf oil and its plans to develop a blue water navy with the

> capability of protecting its sea-lanes in the Indian Ocean and South China Sea and thereby posing a putative challenge to other maritime powers in the region, especially India and the United States. (…) It is impossible to imagine Chinese naval deployment in the Indian Ocean not soliciting a response from India.[16]

India has moved into sixth place in world energy consumption as one of three major powers in Asia like Russia and China, and is searching for a greater regional and international role. Although the Indian energy sector is mainly dependent on coal and oil accounts for about 30% of India's total energy consumption, oil and gas as alternatives to the less efficient, more polluting coal energy are strategically important. (See figure 4-2)

Figure 4-2

India's Oil Production and Consumption, 1990-2006*



Source: EIA *International Energy Annual 2004*; *Short-Term Energy Outlook* (Jan. 2007)

*2006 is estimate

While India is facing declining oil production at home approximately 75% of its total oil-consumption requirements in 2006 were supposed to come from the volatile region of the ME.[17] Therefore, secure energy supplies would be significant for the continuation of its recent economic proliferation and rise as an economic power.

In this regard India's growing blue water navy has been a proper response to its increasing dependence on routes of oil tankers from the ME/PG. The expansion of India's navy, like China's, has raised some challenges to American influence in the Indian Ocean and South China Sea.[18]

From an economic point of view, India and China — besides some of their different policies and interests with Washington — appreciate their relations with the US, while the US as the most significant global and external power within Asia could assist securing the region's security as a vital factor to economies of India and China. Washington, as well as its economic interests in these two populous developing markets, that account for 37% of the world's population, has various common strategic interests with each of them.[19] Interaction between these three internal and external Asian powers could affect the future stability and equilibrium of AP region but there are some other issues that for smooth interaction must also be taken under consideration.

From a political perspective an objective harmonious interaction between the emerging powers of India and China with the third major regional power, Russia, would not please Washington as it would threaten US superiority and its world leadership and could lead to a multi-polar world. Also, Chinese and Indian relations with Iran as an energy supplier and regional power in the PG increase Washington's unease. This is one of the most important strategic relationships since the end of the Cold War, which Ehteshami mentions as the growing military links between Asia's big three countries, China, India and Iran especially via Russia. "The growth of such relationships has also helped deepen Asian strategic interdependencies and create new

opportunities for both cooperation and competition between the major continental Asian powers."[20]

US concerns about India, according to Guihong, are at the top of Washington's South Asia policy and come mostly from New Delhi's different strategy to match the emergence of China as a key world power and to cooperate, not compete with it, especially in oil markets.[21] The US integrated military strategy for the Europe-Atlantic and the Asia-Pacific regions perceives India in a geostrategic position in the Indian Ocean, he remarks. He also adds, "The United States is especially concerned about China's challenge to its world leadership, while India is especially concerned about China's future relationship with Pakistan. For India, [as a developing country, whose priority is economic development] creating or joining an alliance against China does not suit its national interests."[22]

Japan with poor domestic energy-resources has been significantly dependent on the PG for her crude-oil imports. Its extreme dependence on foreign oil started from a massive switch from coal after the WWII. The PG's portion of total Japanese crude-oil imports was 82.1% during the 1969-73 periods. After that with Tokyo's efforts to diversify geographically the sources of supply of its imported oil, especially since the first oil-crisis of 1973-4, it decreased significantly but during the 1984-8 period it still needed 68.9%.[23] Before 1973 Iran was the biggest oil-exporter of the PG to Japan followed by Saudi Arabia. But later the Iranian position was replaced by other littoral states of the PG, viz. Saudi Arabia and the UAE.

Japan is the other AP key economic state with heavy dependence on PG energy that prefers its independent security role from the US, though is harmonious with it. Political convergence has assured Japan of US military support but since the end of

the Cold War Tokyo has realised that reliance only on the Washington is not enough. Economic goals are Japan's main interest in the PG so Tokyo will not have a challenging role in the geopolitical evolution of this region. What Japan is looking for, as Simon asserts, is an independent security role, an appropriate AP regional role and also an international political role.[24] Under such circumstances energy is vital to the continuation of economic growth of Japan.

Japan has been trying her best to reduce her dependency on the PG for her imported oil supply but because of her indispensability and long term needs has sought to establish relations of interdependence with the PG states, rather than totally trading. According to Ishida while the Iran-Iraq war damaged the development of Japan-PG interdependence, peace in this region in Tokyo's point of view is an absolutely necessary precondition to achieve bilateral economic and cultural relations. Consequently as he states, "Japan has always refrained from providing the Gulf with weapons in exchange for oil: in other words, Japan has sought to implement its oil strategy in the Gulf without arms deals. Japan is confident that this policy will be very helpful in keeping the Gulf peaceful."[25]

Besides the concerns regarding Japan's military revival, the growing fear of the US military superiority in AP region has paved the way for China, India and Russia to enter in to wide military agreements with many Asian and ME/PG countries since the end of the Cold War.

Iran and Emerging Asian Great Powers Interdependency

Iran has turned away her traditional main energy interaction with the West mainly as a response to the US political and economic sanctions since the victory of the Islamic Revolution.

Iran, which contains the world's second largest natural gas reserves and around 10% of the world total oil resources perceives her geostrategic location as an entrance to the ME and Central Asian energy suppliers. Iran's great potentialities to satisfy political and economic needs of the emerging global powers, viz. China, India, Russia and the EU, and simultaneously her awareness of their strategic concerns has established relations of interdependency with them, rather than one sided trading. The US hostile policy of Iran's containment has multiply resulted in creating natural allies in the region against US superiority as well as providing the opportunity of forming a multi-polar system in the world.

The US attempt to dominate the world's energy sectors and the growing influence of Western powers in those regions, especially in the ME/PG (with two recent wars in the PG) and Central Asia during last decade, along with NATO's eastern expansions have caused larger developing countries such as China and India as well as Russia economic and political concerns. Consequently, the Asian key power countries have tried to establish strategic and long term ties with key energy producer countries in the region, especially Iran. Iran in return has succeeded in weakening the various US embargos and strengthening her regional position in the power balance. As Ehteshami remarks, "the spreading of American influence to this region [Central Asia], on the doorstep of so many of its competitors in Asia, could be a costly venture. Any real gains by the United States will more than likely accelerate the pace of security cooperation between China, Russia and Iran".[26]

In this respect **China** signed a significant energy agreement with Iran that was named the 'Agreement of the Century' in 2004, and was worth about $200 billion over twenty-five years, during which China will purchase Iranian oil and gas and help

develop Iran's Yadavaran oil field, in the western border of the country. According to *The Washington Post*, "Economic ties between two of Asia's oldest civilizations (...) have broad political implications. Holding a veto at the UN Security Council, China has become the key obstacle to putting international pressure on Iran."[27] From a political and economic perspective the two countries also share concerns over the growing presence of US and other Western troops in Central and South Asia; hence they have considered cooperation in Central Asia in the energy sector. As *The Washington Post* cites, "Politically, the two countries share a common interest in checking the inroads being made by NATO in Asia.(...) The presence of outsiders does not bode well for peace and security," Sabzevari wrote in the English-speaking *Kayhan International*."

India also by signing similar but smaller agreement with Iran in January 2005 joined the Iran-China 'Agreement of the Century'. According to this agreement which was worth $20 billion and will reach to $40 billion during 25 years, Iran will export 7.5 million metric tones of LNG annually, starting in 2009. India also will invest in the development of Iran's biggest onshore oil field, Yadavaran along with the Chinese company *Sinopec* as the operator of the field with a 50% share and the National Iranian Oil Company with a 30% share. Indian participation in Yadavaran, where estimates say there are up to three million barrels of crude oil, will be about 20% (or 60000-10000 barrel oil per day). Jufeir oilfield is the other area where India will invest in Iran's soil.

The Indian gas-imported supplies will go through a $4.5 billion pipeline from Iran via Pakistan. The agreement for starting technical estimates to establish the 2775 kilometres pipeline was achieved after 12 years of political tension between India and

Pakistan despite, according to some Western presses, the US efforts to isolate Iran regionally by pressuring Islamabad not to enter into an energy deal with Tehran at this juncture.

The Iran-India energy agreement is a part of Iran's successful policy to improve its relations with Pakistan and India with geostrategic importance for the region and for the US; hence it was expressed by former Iranian Foreign Minister Kamal Kharrazi as "the most significant outcome of the strategic agreements reached upon by the two countries so far." He affirmed the Iran-Pakistan-India pipeline as the best and most desirable step towards enhancing the cooperation between Tehran and New Delhi in the field of energy which "no doubt, would have positive impact on the regional convergence."[28]

Kharrazi also emphasised that the, "conclusion of an agreement amongst Russia, India and Iran regarding the construction of International North-South Transport Corridor is a major example of close regional cooperation (...) [and] creation of East Corridor connecting Uzbekistan, Iran, Afghanistan, is an indication of cooperation between New Delhi and Tehran." Furthermore India in her long-term energy scheme has made it clear that it views Iran and Russia as two significant partners for its importing energy.

Russia as an important Eurasian power that has strategic motives for a much wider relationship with Iran in the post-Cold War, and like Tehran, with regional geopolitical concerns and intention of a multi-polar international order to challenge the hegemonic influence of the US, appreciates Iran's position in Asia's security. Therefore, Russia has ignored the US policy of Iran's containment since 1980s, and along with China and India has strengthened its military cooperation with Tehran, a

country that is very keen to build up its defence potential with their help. Moreover as Kemp and Harkavy state, "Iran plays an important role vis-à-vis its neighbors in all directions. Its relations with Russia have political, military, and economic overtones and, indeed, Russian-Iranian decisions on the future of the Caspian Sea may be determinative for many of the oil agreements that will be worked out with Azerbaijan, Turkmenistan, and Kazakhstan in the future."[29] Russia despite the US objection is the only Iranian foreign partner assisting in construction of her nuclear power stations.

Iran's astute strategic policy in the region has even caused concern among some other regional countries, especially those with energy importing needs. According to a Turkish analyst, Ertan, Iran's significant agreements with China and India has increased Tehran's power and influence in Asia that should be a matter of concern to all countries, including Turkey. He also stresses that these agreements have enormous impact on shaping the energy policy of Beijing and New Delhi and "will definitely influence the global energy-politics as well, even before the details have been examined."[30]

Furthermore, Rogers in 2005, in an article affirming the successful policy of Iran in response to the US embargoes, looks at the US administration's current difficulties and thought process regarding the ME, especially the chance of military action against Iran or Syria. He asserts that the next two to three years are crucial for the neo-conservatives of the US administration, "who see an opportunity to implant their own worldview even further into US politics (...) to ensure that US security policy follows the vision of a New American Century in a manner which makes it difficult for a future administration to reverse." As he adds, "For this to happen, the success of current US policy in the middle east will be pivotal"; any plan for further military strikes in the ME faces serious problems, e.g. damage to energy infrastructures and a

further increase in antagonism to the US across the region, he explains. The huge range of difficulties facing any US military action against the regime in Tehran makes these judgment especially significant, he remarks and also adds:

> These difficulties are highlighted by the impressive way that Iran is rapidly forging links with other major global players. (...) These agreements [with China and India] supplement existing close cooperation between Iran and Russia. They demonstrate how Iran's political leadership is systematically developing long-term links with key states. The economic benefits are evident but the political implications, given Iran's current tense relationship with the US, may be even more important. These benefits make it well nigh impossible for the US to organise effective economic sanctions against Iran, should it try to do so.[31]

Japan as well has been increasing its investments in Iran under her policy of seeking overseas equity in oil projects. Japanese consortiums have signed different multi billion dollars agreements with Iran for oil and gas development projects, viz. in the huge onshore Azadegan oilfield, two heavily oil fields of Soroush/Nowrooz located offshore, about 50 miles west of Kharg Island, the operational refinery of Arak, and the onshore natural gas of South Pars.

Japan as the third largest oil consumer (after the US and China) apart from her interests in the PG also has been seeking equity stakes in the Caspian Sea region and the Russian Far East as alternatives to Japan's strategic goal of reducing its dependence on ME oil imports.[32] Despite the fact of the feasibility of accessing the other major reserve regions, including Siberia and western China, political difficulties and economic costs for developing these regions still reduce the possibilities of choices. In addition, the Caspian Sea region with its potentiality for becoming a major

oil and natural gas exporter over the next decade could save the importing energy states from total dependence on ME/PG energy. However, besides its reserves which are much smaller than the PG's energy resources, some obstacles threaten the Caspian Sea region's energy capability, e.g. shortage of suitable export infrastructure, disparity about new export routes, and sea bordering disagreements between its five littoral states. Consequently, the geopolitical importance of the PG stays unique and even in a scenario of Caspian states' success in solving their political and economic problems, Iran will remain a key regional player in further power relations in Asia.[33] Finally the geostrategic status of the PG and the state of Iran as a key player will increase under the circumstances of:

- the growing needs of the AP region for the PG oil and gas even without collective security cooperation agreements within member states
- increasing EU dependence on PG energy and its new rapid reaction force (RRF) for more an active role in the security of its structural interests in this region independently of NATO
- the US attempt to dominate the world's energy sectors and her desire for a permanent hegemony in the ME/PG and its military presence all over the Asian continent
- pursuing each sides' own policy to secure its energy supply from the PG, by developing ties with the littoral states or strengthening its military forces

Simultaneously, there would be the potential for some political and economic contradictions, which could lead to tension in both regions of the AP and the PG despite their global dimensions on energy prices and security supplies. To avoid such potential conflicts or even the occurrence of some kind of *Energy Cold War* between

the East and the West, some analysts suggest that all parties should concentrate more on geo-economic parameters rather than geostrategic values. Salameh a technical expert of the United Nations Industrial Development Organisation (UNIDO) in Vienna believes that "potential conflicts can be resolved not by force but through markets and investment and also through the diversification of energy sources and the promotion of alternative energy development and use across the region."[34] In addition, Luttwak, emphasising the inefficacious traditional role of military forces, affirms that, "with the disappearance of a bipolar world order it [military force] only performs a residual function while geo-economics has become the main, leading parameter of the world order."[35]

Conclusion

The strategic importance of the PG has increased mainly because of the development of strategic interdependency between the AP and the ME regions, which has influenced the international balance of power, and also the increasing dependence of the West, particularly the US, on the PG region for energy imports.

In this respect the PG states, especially Iran, are working with all parties according to their national interests. AP energy security cooperation could also reduce regional energy tensions and promote cooperative regional security. However the military attitude in the region will provoke conflicts as the littoral states of the PG have been forced to join the process under the current situation. Hence, as Kemp and Harkavy remark, "whatever happens, the many sources of conflict in the Persian Gulf region will mean that security concerns and military planning will continue to go hand in hand with economic development and efforts at conflict resolution."[36] Under current geopolitical evolutions via the interdependency of East and West Asia the formation

of a new regional and international balance of power, the PG states, by recognising their significant regional position, should emphasise their energy policies more consistency and be more active rather than objective.

However, energy security in the PG will be very heavily influenced by how the regional and ultra-regional powers understand each others' perceptions of threat as well as their national security issues, an important matter which will be studied in the next chapter.

Notes

[1] Over the last two decades, Asian energy demand has increased on average by 4.5% per annum compared to 1% per annum growth in North America and Europe and 1.5% as the world average. Statistical information are released from, Ray Dafter, 'Pricing paradox costs Asia', *Far Eastern Economic Review*, 26 April 2001; **also** Kim Hak-Su, 'Energizing Asia's growth', *Far Eastern economic Review*, 23 November 2000, cited Anoushiravan Ehteshami, Asian geostrategic realities and their impact on Middle East-Asia relations. In H. Carter and A. Ehteshami (eds.), *The Middle East's Relations with Asia and Russia*. (London, USA and Canada: Routledge Curzon, 2004), pp. 8, 19.

[2] Kent E. Calder (March-April 1996), 'Asia's empty gas tank', *Foreign Affairs*, vol. 75, no. 2, cited in Robert A. Manning (spring 2000), 'The Asian energy predicament', *Survival* vol. 42, no. 3, pp. 73-88. http://www.cfr.org/content/publications/attachments/Manning_Energy_Article.pdf#search='Robert%20A.%20Manning%20asian%20energy%20predicament' (29 September 2006)

[3] Manning, ibid.

[4] From *Energy Information Administration (EIA).* Country analysis Briefs, China. http://www.eia.doe.gov/emeu/cabs/china.html/ (4 February 2005)

[5] Manning, op. cit.

[6] The Asian financial crisis of 1997-99 had an impact on Asian countries' economic growth rates and on their energy demand.

[7] Cited in, Richard Giragosian (24 August 2004), 'East Asia tackles energy security', *Asia Times on line.* http://www.atimes.com/atimes/Asian_Economy/FH24Dk01.html (7 November 2004)

[8] Ibid.

[9] Details in, Ji, GX (winter 1998), 'China versus Asian Pacific energy security', *Korean Journal of Defense Analysis*, vol.10, issue 2, p. 109.

[10] See, Michael T. Klare (2003), 'The Bush/Cheney energy strategy: implications for U.S. foreign and military policy', *Information Clearing House.* http://www.informationclearinghouse.info/article4458.htm (2 October 2004)

[11] Geoffrey Kemp and Robert Harkavy, *Strategic Geography and the Changing Middle East*, (Washington, D. C.: Brookings Institution Press, 1997), p. 129.

[12] Ehteshami, op. cit., p. 14.

[13] Kemp and Harkavy, op. cit., p. 130.

[14] Barry Rubin, (March 1999), 'China's Middle East strategy', *Middle East Review of International Affairs (MERIA)*, vol. 3 no. 1. http://meria.idc.ac.il/journal/1999/issue1/jv3n1a4.html (20 April 2004)

[15] Ibid.

[16] Kemp and Harkavy, op. cit., p. 130.

[17] *TERI (The Energy and Resources Institute of India)* India's energy security, New Delhi, 2000, cited in *Asia Times Online*, http://www.atimes.com/atimes/China/FB07Ad05.html (7 February 2004)

[18] Keith Brasher, (February 18 2005) 2 Big appetites take seats at the oil table. *The New York Times*, [Newspaper online]. http://www.nytimes.com/2005/02/18/business/worldbusiness/18energy.html?pagewanted=1&adxnnl=0&adxnnlx=1108824803-E3sesbMYjrmP/x1qcNx82A (19 February 2005)

[19] For details see, Zhang Guihong, (2003), 'U.S-India Security Relations Implications for China', *Faultlines: writings on conflict and resolution* vol. 14, Article 2. http://www.satp.org/satporgtp/publication/faultlines/volume14/Article2.htm (February 2005)

[20] Ehteshami, op. cit., p. 5.

[21] Bradsher, op. cit.

[22] For more details see, Guihong, op. cit.

[23] Statistical information are drawn out from, Sekyu Renmei (The Petroleum Association of Japan), cited in Susumu Ishida, Japan's oil strategy in the Gulf without arms deals. In Charles E. Davies (ed.), *Global Interests in the Arab Gulf* (UK: University of Exeter Press, 1992), p. 194.

[24] Among many see, SW Simon, (winter 1999), 'Multilateralism and Japan's security policy', *Korean Journal of Defense Analysis* vol. 11, issue 2, pp. 79-96.

[25] Ishida, op. cit., pp. 189-190.

[26] Ehteshami, op. cit., pp. 17-18.

[27] Robin Wright (17 November 2004), 'Iran's New Alliance with China Could Cost US Leverage', *The Washington Post*, [Newspaper Online]. http://www.washingtonpost.com/wp-dyn/articles/A55414-2004Nov16.html (22 February 2005)

[28] *IRNA*, 21 February 2005 in New Delhi.

[29] Kemp and Harkavy, op. cit., p. 75.

[30] Among many see, Ertan, Fikret (2005, January 25), 'Iran-India Energy Agreement', Istanbul, *Freepublic*. http://www.freerepublic.com/focus/f-news/1331738/posts (21 February 2005)

[31] Paul Rogers (2005, 20th January), 'A Bush administration buoyed by electoral success is extending its military ambitions to Iran and Syria', *Opendemocracy*. http://www.opendemocracy.net/themes/article.jsp?id=2&articleId=2316# (21 January 2005)

[32] Japan consumed an estimated 5.57 million barrels per day (bbl/d) of oil in 2003, up from 5.30 million bbl/d in 2002. Most (75%-80%) of this oil came from OPEC, particularly PG countries like the United Arab Emirates, Saudi Arabia, Kuwait, Qatar, and Iran. See, *EIA*, http://www.eia.doe.gov/emeu/cabs/japan.html (24 February 2005)

[33] For details see, Ehteshami, op. cit., pp. 7-8.

[34] Mamdouh G. Salameh (2003, September), 'Quest for Middle East oil: the US versus the Asia-Pacific region', *Energy Policy*, vol. 31, issue 11, pp. 1085-1091. http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6V2W-482X5WJ-1&_coverDate=09%2F30%2F2003&_alid=252767344&_rdoc=1&_fmt=&_orig=search&_qd=1&_cdi=5713&_sort=d&view=c&_acct=C000050221&_version=1&_urlVersion=0&_userid=10&md5=0fcb9669654c01128e9b91dcd7797618 (3 March 2005)

[35] In Dorogin, V. F. (2003, May-June), 'Maritime activity and Russia's geo-economic revival', *Find Articles*. http://www.findarticles.com/p/articles/mi_m0JAP/is_3_12/ai_110620091/pg_1 (14 February 2005)

[36] Kemp and Harkavy, op. cit., p. 131.

Chapter 5

Threats to Persian Gulf Energy Security [i]

Introduction

Across the world, demand for oil and gas is growing. The PG alone is capable of meeting much of the growing demand for energy in the industrial world, and at the same time is able to guarantee the lifeline of the single-product economic system of oil-exporting states of this waterway.

Consequently, the stability of the PG, as a geopolitical region graced with unrivalled oil reserves, has been an important focus of the littoral states as well as major oil-importing powers and countries' strategies; so any threat to the long-term supply of oil is likely to have backlashes within the region and beyond it. However, there are different definitions and expressions of threats among the littoral states as energy producers, and the ultra regional powers as energy importers, which must be considered in order to achieve energy security in the PG.

Energy security

Energy security in general is defined by three factors viz. resource, traffic path and price. To achieve energy security countries importing energy make preparations for

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[i] This chapter which was presented under the title of "Threats to Persian Gulf Energy Security; the US Challenges", at the American Politics Group Annual Conference (4-6 January 2007), at University of Leicester, UK, is about to published under the title of "Threats to Persian Gulf Energy Security; impacts of the US and Iran relations" in Journal of *Geopolitics of the Middle East.*

more control over each one of these three factors for a longer time while simultaneously trying to reduce their vulnerability to threats of energy supply and dependable access with suitable prices. New security consideration for natural gas as the most favourable energy resource in the future on the one hand, and trends towards liberalisation of energy sectors and markets on the other, threaten the reliable market of energy importing countries and cause concerns about the ability to supply them with a resource deemed vital to national security.[1]

Although the regional oil producers have common concerns about energy security, they face different types of threats. On the one hand there are international economic sanctions on some littoral states and on the other there is the possibility of energy terrorism and attacks on the littoral states' energy infrastructures. Also from some state's point of view the presence of foreign forces in the region, as well as any domestic, regional or international crisis could threaten energy supplies. The collective impact these threats could have on regional and global economies may make a comparatively slight disruption to energy production on a global scale but could dramatically increase world energy prices.

Ultra Regional Perspective

For energy importing countries, especially the Asian-Pacific states, greater dependence on the turbulent ME for energy and consequently a greater reliance on open access to sea-lanes and secure new long-distance gas pipelines are sources of threat; while their shifting strategic relationships with PG energy producers could raise new confrontations with Washington which may have an impact on their energy securities.[2]

For the US, energy security is a priority with domestic and international components, as Larson, Under Secretary for Economic, Business, and Agricultural Affairs of the US House International Relations Committee expresses,

> On the international front, we seek to enhance cooperation with both consuming and producing governments to mitigate the impact of supply disruptions, to diversify sources and fuel mixes, to promote energy trade and investment, and to improve the functioning of the global energy market (...) [and our] energy security policy has two main goals. First, to ensure that our economy has access to energy on terms and conditions that support economic growth and prosperity. Second, to ensure that the United States and its foreign policy can never be held hostage by foreign oil suppliers.[3]

Hence, the stability of the PG as the most significant energy-supplying region remains certain and significant for the West's, and specifically the US', strategy. Besides its efforts to decrease dependency on the PG oil, the great strategic interest of the US is the heavily dependence of its allies, viz. EU and Japan, on energy imports from this region (as explained in previous chapter), and also the impact of huge amounts of energy export from PG and Saudi Arabia swing production on remaining world oil prices comparatively low. Washington by its military superiority and by applying a unipolar security system in the region could also impart the geopolitical consequences of growing demand for the abundant and low priced oil and natural gas of the PG as a critical prerequisite for Japan and EU growth, and increasingly for the industrial growth of Asia and much of the developing world. In Western analysis, threats to PG energy security are attributed to, e.g. as Kemp alleges, "the overt use of force by regional hegemons armed with weapons of mass destruction; domestic instability and

terrorism within the Gulf states themselves; and conflict over the Caspian Basin's promising energy reserves."[4]

Since 1980, following the Soviet invasion of Afghanistan and the overthrow of the Shah in Iran, any threat to the long-term supply of oil from the PG has been responded to with any means, including military force. This doctrine was initiated by President Jimmy Carter and has remained US policy since then. After the US military intervention in 1987-88 to protect Kuwaiti oil tankers during the Iran-Iraq war, Washington used its forces in 1990-91 to drive Iraqi forces out of Kuwait. This was to prevent Iraq expanding its possession of oil reserves in Kuwait and as a response to the Iraqi threat on the Eastern Province of Saudi Arabia, which holds one quarter of the world's known oil reserves. The necessity of using military force against Iraq was explained by Secretary of Defence Dick Cheney, who stressed, to the Senate Armed Services Committee on September 11th, 1990 the importance of PG oil for the stability and prosperity of the American economy. He also emphasised the need to prevent Saddam Hussein from dictating the future of worldwide energy policy.[5]

US security relationship with the GCC states was simultaneously developed, and as Moynihan in 1997 confirmed, it

> serves three important and interrelated interests: the uninterrupted access to the petroleum resources of the Gulf; a potential military base of operations should a regional opponent of the Middle East peace process initiate hostilities against a peace process partner; and, third, the prevention of either Iran or Iraq from attaining regional political-military dominance in a strategically important area of the world."[6]

As Klare affirms, in early 2001 George W. Bush's first priority in his foreign policy was not to prevent terrorism or to restrain the spread of weapons of mass destruction

or any other purpose he has mentioned since 9/11, but to increase the flow of petroleum from foreign suppliers to US markets.[7] To assure the continuance of oil imports to energy market from other parts of the world especially the PG, the Bush Administration's strategy was formed on the basis of increasing Washington's role by sending military power into areas of tumult, facing any risk of war or civil turbulence. Hence, despite the policy of 'containment' of Iraq, by increasing its military forces in the PG region Washington paved the way for further US attacks in order to assure US domination on this significant energy supplier region.

The US military invasion of Iraq in March 2003 relieved Washington of two main threats; first by undermining one of the main regional powers in the PG with 9% of the world's proven oil reserves (after Saudi Arabia with 20% and Iran with 10%) and attempting to establish a pro-West regime to assure the West's long-term energy security. Second, by opening the Iraq territories to foreign investment, privileging American and European investors.[8] In this respect, as Klare affirms, this invasion is also facilitating the US's interference "ever more assertively into the internal affairs of the oil-supplying nations and, in the process, exposing itself to an ever-increasing risk of involvement in local and regional conflict situations."[9]

The West Challenges for Energy Security in the PG

Since the 1980s, the West, specifically the US, has been facing different challenges for its long-term energy security in general, and in the PG in particular, with:

1- Concerns about the region falling under the domination of anti-Western regimes that could use their control over PG oil production to damage Western interests. For example, preventing revolutionary Iran emerging as a regional

power or concerns about the military attacks of Iraq during Saddam's regime which caused some border changes as well as disruption to oil operations.

2- Regard to the fact that US forces are perceived as a threat by some major energy producers in this region, viz. Iran and Iraq (until 2003). Their presence is seen as a significant threat to domestic security as well as to energy security in the whole region.

3- International sanctions against some oil producer states, viz. Iran and Iraq (until 2003) as an obstacle to develop and modernise their energy infrastructures, as a vital response to the growing global energy demand and economic growth, as well as their own economic plans.

4- Lack of sufficient investment in OPEC countries, especially in the PG. Looking at the IMF report in April 2005, the insufficient investment in OPEC countries especially in the PG impacts on the volatility of world oil prices and an inability to saturate growing global demand of energy by the next decade could be so impressed. According to this report, to respond the global market OPEC production should increase twofold in the next 25 years while the report concludes,

> Securing adequate oil supplies and spare capacity would be one possible way of reducing volatility. That said, there are many obstacles to investment in the oil sector. (...) Some countries limit, or even forbid, participation of foreign investors in oil sector projects. While this may be seen as desirable in part for strategic reasons, it could lead to slower development of fields and reduce access to the latest technological advances, know-how, and financing (...). Making policy frameworks more friendly toward investment would be an

important step toward creating conditions for further capacity expansion and ensuring orderly developments in the oil market.[10]

5- Lack of relations or even direct contact between Iran and the US as the two major regional and non-regional players in the PG.

6- Lack of effective confidence building measures between Iran and the GCC states and also Iraq until 2003; a matter of creating stable and good relations among the littoral states for a solid cooperation and stability in the PG.

7- Internal conflicts and domestic unrest, effect high oil prices, resulting in uncertainties in the international oil market, making fragile states even more fragile. This also has an impact on the rapidly industrialising states for example China, which could create unexpected security challenges for other states including the US, by looking for stable partners such as Russia, Iran and the Caspian littoral states for its long term energy needs.[11]

8- Concerns about terrorist attacks on the world's energy infrastructure, including regional states, which have potentially economic implications, especially post-9/11 and the turmoil after the 2003 invasion of Iraq. For instance, in one of the sessions of the 109th Hearing of Congress it was noted that the events in Iraq would pose a lingering risk to US energy security as well as the global economy. This was evidenced by pipeline sabotage, attacks on shipping and the expansion of terrorist attacks, which show that the insurgents have gained a measure of expertise which could be transferred elsewhere. It was also mentioned that until a stable Iraqi civilian government is secured the risk of instability throughout the PG will remain quite high.[12]

The West Alternative Solutions

With 97% of the transportation in the US fuelled by oil, the US oil system is vulnerable to attacks on key energy infrastructure both overseas and domestically as well as to any oil shock waves. Washington, as was recommended in the hearing of 109th Congress in July 2005, should focus on reducing its oil demands by finding alternatives to diversify its fuel sources; emphasis was placed on the "Strategic Petroleum Reserve," or the emergency supply of Federally-owned crude oil and to encourage other all energy-consuming nations, whether within their borders or elsewhere, to do the same. Strategic Petroleum Reserve was emphasised as a matter which could gain some protection against a major supply disruption in the US and provide the possibility to act in agreement to hold the price of oil at an appropriate level.[13]

About 90% of PG oil supplies make a passage from the Hormuz Strait combined with US concerns about terrorists' attacks and alternative solutions for the West being recommended should be enough to convince the GCC states to find other routes to supply the region's oil to the world markets. Also, by the same recommendation in the 109th Congress meeting, Saudi Arabia as, the largest producer, exporter, and also reserve in the world, must be treated carefully despite "funding jihadists". As it was pointed out, the US has to tread softly or at least feel it has to tread softly when criticising Saudis actions particularly when they are known to fund those ideologically committed to terrorism.[14]

What is usually missing from many analyses in the West, specifically in Washington, is that energy security in the PG will be very heavily influenced by how they understand the regional states' perceptions of threat as well as their national security

issues. Establishing good relations with all littoral states and not increasing hostility among them can assure energy security more effectively; since the current 'divide and rule' policy has not been successful and in fact resulted in three decades of conflict and unrest in this region. Economic interdependency, especially in relation to energy between the West and all PG states, and more specifically between the US and Iran, can assure a more stable region and thus the benefit of long-term energy security for all regional and non-regional states'.

Regional Perspective

As was mentioned earlier, regional oil producing states, besides their common concerns about energy security with ultra regional powers, each face different internal and external problems. The major common problems of the littoral states are:

Domestically: there is the danger of political instability and terrorist attacks on their energy infrastructures. This is added to the uncertain investment environments in major oil producers, which contribute to the socio-political turmoil, and for some states, the international sanctions which affect their income.

Regionally: concerns about their neighbours' threats and also the lack of assurance of the regions' energy security that may be caused mainly by the lack of any collective energy cooperation among the littoral states, which would create the assurance of a commitment to a common interest. This idea seems very much unwelcome to non-regional powers because their long-term interests would be in contrast with the existence of a single voice of a powerful regional energy organisation in the PG.

Externally: All the PG states are suffering from the intervention of non-regional powers in their affairs, though in different ways, directly or indirectly through

invasions, imposing sanctions and in some states the presence of foreign forces. Regional crisis, besides local rivalries and fears, is partly the result of such an intervention policy, which in turn threatens energy security for all.

The growing presence of foreign forces in the region since the 1980s was felt as a great threat by Iran and Iraq, causing political subversion within US political and military positions in the GCC countries as well as social and religious problems for the GCC governments. US policies, especially regarding the issue of Palestine — particularly after 11th of September 2001 (9/11) — and its long-term security relationship with the GCC states, have provoked residents' indignation on the Arabian Peninsula, especially in Saudi Arabia. Such anger along with the rise in US military presence has been increasing since the US invasion of Iraq in 2003. This has caused internal unrest particularly in these two countries and could lead to serious instability and thus disruption of oil supplies from the region.

From the viewpoint of the Iranian and Iraqi governments, threats to PG instability were mostly attributed to the presence of foreign troops. Although GCC governments changed their position in this regard after the 'Desert Storm', their people have shown more anti-American sentiments regarding the presence of foreign forces in their countries. In this regard it was stated in *The Washington Post-Kuwait* in October 2002 that despite the feelings of gratitude and welcome of Washington's protection against any external threats to the GCC countries, there are rising anti-American attitudes across these US allies. Such resentment presents complex new challenges for the regions leaders as well as the US.[15] Also regarding Washington's interests in the PG Sokolsky in 2002 remarked:

For the United States, there is no escaping the role of security guarantor of the Gulf for the foreseeable future. But trying to guarantee that security through a large-scale, visible, and permanent-looking U.S. presence will erode security, undermine security relationships with key Gulf States, impede needed political reforms, stir domestic opposition within Saudi Arabia and other Gulf States, and feed anti-American Islamic extremism.[16]

In such a situation, as Klare states, "finding a way to eradicate this opposition while at the same time persuading Riyadh to increase its oil deliveries to the United States will be one of the most difficult challenges facing American policymakers in the years ahead." On the one hand, according to him, expanding Saudi Arabia oil capacity will require hundreds of billions of dollars and cause significant technical challenges and hence, the Bush Administration prefers to achieve this increase by persuading Saudi Arabia to permit more significant US oil-company investment in its territory. On the other hand "any effort by Washington to apply pressure on Riyadh to allow greater American oil investment in the kingdom is likely to meet with significant resistance from the royal family, which nationalised U.S. oil holdings in the 1970s and is fearful of being seen as overly subservient to American bidding."[17]

War on Terror in the Persian Gulf Context

The vulnerability of Saudi Arabia, as the world's most important oil-producing country, to energy terrorism is a significant concern. Currently the possibility of attacks to the infrastructure of the Saudi energy industry and to Westerner expatriate workers, who are running the Saudi Aramco, has been high in order to pressurise them into changing Saudi's policy towards the US. These attacks have disrupted oil markets and driven up insurance premiums.

According to Zeihan Al Qaeda in its new tactic of assassinations instead of bombings, "is trying to gain control of oil wells in order to strangle Western economy. In order to achieve this goal, terrorists must de-legitimize the Saud family and gain the support of the population."[18] Under such circumstances the House of Saud could face serious social, political and economic crisis and Washington would face common disadvantages like more anti-America sentiments in the region, lack of Saudi swing production, and higher and more volatile oil prices, all of which threaten the global energy market.

However the US, as the Riyadh's main arms supplier and its major protector from external threats, sees the stability of Saudi Arabia in its own national interest and thus faces two major challenges. First it only has a limited ability to control its internal security problems. The second is the American public's view about the paradox of the Washington desire to become a long-term ally of an undemocratic and *status quo* regime, especially since 9/11. This has lead to some extreme outlooks about Saudi's future in the US. The Declaration of War on Wahhabism has been openly discussed in American society by many intellectuals such as Ray Pierce, who considers Wahhabism a threat to American's and other people's civilizations. He claims that, "by declaring war on Wahhabism, all of the world's peoples and religions currently under threat will benefit, and our war will become an honest fight against evil."[19]

These kind of extreme anti-Saudi views, according to a *Washington Post*'s article (6 August 2002), "appear especially popular on the staff of Vice President Cheney and in the Pentagon's civilian leadership — and among neoconservative writers and thinkers closely allied with [Bush] administration policymakers."[20] Before the US decision to invade Iraq, on July the 10th there was a briefing given by Laurent Murawiec to the

Defence Policy Board, a top Pentagon advisory board, which described "Saudi Arabia as an enemy of the United States, and recommended that US officials give it an ultimatum to stop backing terrorism or face invasion of the country, seizure of its oil fields (the old fields are defended by US forces, and located in a mostly Shiite area) and its financial assets invested in the United States."[21] The report concludes by linking regime change in Iraq to altering Saudi behaviour and emphasises that, "the road to the entire Middle East goes through Baghdad, (...) once you have a democratic regime in Iraq, like the ones we helped establish in Germany and Japan after World War II, there are a lot of possibilities."[22]

Iran's Role in the Persian Gulf Energy Security

> No matter who rules in Iran, the Iranian nation possesses vast economic stakes in the Persian Gulf and is inspired by an ancient memory of deeply felt aspirations to play a continuously leading role in the region.[23]
>
> *R. Ramazani (1972)*

The economy of Iran relies heavily on oil export revenues, therefore the oil factor as an element in its national security is very influential on the Iranian domestic and foreign policy. Also, since the early 1960s Iran has been trying to strengthen its presence in the PG as a strategic priority. From Iran's point of view, energy and security are inseparable, and the security system in the PG is the exclusive responsibility of littoral states, to be achieved through their cooperation; such a concept excludes non-littoral states from any PG security arrangements.[24]

Hence, after the announcement of Britain about its decision to withdraw its forces from the PG in 1971, according to Ramazani Iran's security policy in the PG was

apparent; opposing displacement of the power vacuum by either of the superpowers and believing in the littoral states responsibility for PG security, while "Iran must be prepared to rely on its own strength to maintain the security of the Gulf if no security arrangement can be worked out with the other Gulf states."[25]

The Nixon regional security system of the 'Twin Pillars' provided the opportunity for Iran's powerful presence in the PG on behalf of the US. However, after the occurrence of the Islamic Revolution in 1979, which ended the twin pillar's balance of power in the region, Washington barred Iran from having any part in the PG regional security arrangements. Since then, US administrations implemented a more aggressive policy towards the PG: increasing US military presence in the PG and providing a regional balance of power by supporting Saudi Arabia. At the same time, it continued to follow a dual containment policy aimed at Iran and Iraq as the two regional powers. These events show that oil was at the core of US strategy but against Iran's national and regional interests.

Iran, as a regional power, with its growing security and interests attempted to deter any foreign military presence in the region and continued to extend its influence in the PG. It perceived foreign navies in the PG as a major threat, calling for strong Iranian forces and stressing the necessity of having collective defence-security arrangements to enable PG nations to defend themselves without relying on foreign forces. This was Iran's policy towards the establishment of lasting security in the region[26], which was in sharp contrast with the GCC's perceptions of security.

Despite GCC members feeling a threat from each other, sometimes more than from their other neighbours in the PG, the GCC saw Iran, and its revolutionary regime, along with Iraq as potential threats. The littoral states were too weak to displace

external powers or shoulder the responsibility of PG security themselves. More importantly though, the conservative Arab states believed American involvement was vital to any scheme for PG security. The US was a trustworthy friend and had untaken to protect the GCC states from all internal and external threats to their security. After the Iran-Iraq war, the need to revive the economy forced Iran to bring its foreign policy in line with its economic needs. Tehran realised it was essential to restore relations with the GCC and specifically with Saudi Arabia. This was so they could influence the limiting of output in the OPEC so as to raise oil prices. Although Iranian foreign policy has become more pragmatic since the end of the Iran-Iraq war, there are still no signs of significant shift in the GCC's stance towards a regional security arrangement.[27]

In Western analysis the IRI was introduced like Saddam Hussein's regime in Iraq as the source of threat to the PG states on the Arabian Peninsula and so a source of danger to energy security. Despite the revolutionary anti-*status quo* rhetoric of Iranian leaders in the first decade of the revolution, which presented an ideological threat to its neighbouring conservative governments and so a perception of a threat to their national security, IRI has not pursued any territorial ambitions against its neighbours. In addition, Iraq's invasion of Kuwait, which developed throughout the 1980s, was the consequence of the eight year war of Iraq against Iran and achieved by the massive political and financial support of the Arab Sheikhdoms of the PG.[28] This collective support was implemented regardless of Iraq's old and long exhausted inter-Arab geopolitical ambitions.

Moynihan in1997, in referring to the goals of US security relationships with the GCC states mentions the prevention of both Iran and Iraq from attaining regional political-

military dominance. He also remarks on some factors about the US and Iran remaining adversaries for the foreseeable future. He further notes Iran's continuing economic crisis as an obstacle for any possible military adventurism. Thus, he concludes that, "there are many reasons to believe that a major regional crisis is not the most likely form of conflict either the USA or the GCC can expect from Iran in the years ahead." He goes on to say that, "In seeking to prevent such a crisis, therefore, both the USA and the GCC states should ensure that the US military presence in the Gulf maintains as low a profile as possible while at the same time being aware of the cultural sensitivities and national pride of the local populations."[29]

Of course Moynihan's perspective could still be considered persuasive. Besides the impact of the Iranian nuclear crisis, this situation has resulted in increasing oil prices and also the possibility of US/international sanctions on Tehran, which all pose a threat to energy security in the PG, Moynihan's ideas still stand. Decrease foreign troops in the PG, respecting Iranian national pride and concentrating on direct negotiations between Tehran and Washington are still considered the most effective elements in preventing regional conflicts from Iran. Washington's humiliating behaviour towards Iran combined with efforts to prevent the natural development of a regional power has lead to regional insecurity and instability. This has created a situation where the re-emergence of Iran has become a necessity, despite US sanctions. The impact of the economic instability of the PG states could cause political instability. Under this circumstance energy security is sufficiently threatened to encourage the US to rebuild normal relations with Iran.

Another reason for advising Washington to normalise its relations with Iran is that the US containment policy that massively targeted Iran's energy industry to prevent the

economic development of post-revolutionary state has failed. As Estelami in his statistical study in 1999 demonstrates, "The resulting economic sanctions have historically encouraged Iran to develop strategies for diversifying trade routes, finding new economic partners (see table 5-1), and reducing dependence on oil export revenues. (See Table 5-2)"

Table 5-1

Share of Iranian Imports by Source Traditional Suppliers				
Time Period	United States	Western Europe	Japan	Other
Pre-revolution (1975-1978)	18.5	48.7	15.8	17.0
Revolution and Iraq War (1979-1988)	1.8	47.8	13.0	37.4
Postwar Reconstruction (1989-1992)	2.1	52.1	11.4	34.4
Dual Containment (1993-1996)	3.3	45.8	8.3	42.6
Iran-Libya Sanctions (1996-1999)	0.0	44.9	6.4	48.6

Source of Tables: Country Report-Iran, Economist Intelligence Unit, London; years 1980-1997

Table 5-2

Iran's Export Product Array Product			
	1979-88	**1989-92**	**1993-94**
Oil and Gas	94.9%	89.2%	82.3%
Carpets	1.8	3.9	6.6
Fresh & Dry Fruits	1.0	2.3	3.3
Leather	0.4	0.4	0.5
Copper & Metals	0.2	0.3	0.7
Caviar	0.2	0.2	0.2
Textiles	0.1	0.1	0.2
Chemicals	0.1	0.2	0.1

As he explains, "In 1974, seven countries accounted for 70% of Iran's imports and exports. Twenty years later — by 1994 — a total of 14 countries accounted for 70% of Iran's international trade, and Iran's top seven trading partners accounted for only half of its total imports."[30]

As Amuzegar, an international economic consultant reveals, "Extensive reports from the International [entities] (...) and others emanating from Iranian official sources, indicate that, despite the prevailing sanctions, the economy has been only marginally affected."[31] Certainly the impact of US sanctions is not small in terms of Iran's access to Western foreign credit, technology, and markets, also its contribution to economic hardships of descending per capita income, high inflation and unemployment rates as well as a rapid devaluation of Iranian currency. However, as Estelami affirms,

> what is perhaps most noticeable about the current state of the sanctions is that despite their extreme nature, they have in practice been unable to achieve their primary objective of halting international involvement in Iran's oil industry. (...) The intensification of trade and investment sanctions since the early 1990s has significantly affected the nature of international competition for Iranian business. The effects of the trade and investment sanctions have, however, been felt more by American companies than non-American firms.[32]

However, the unstable economies of the PG countries, especially Iran, Iraq and Saudi Arabia as three regional political powers, could have a serious impact on their political and social processes as well as pose a major threat to oil supplies as a cause of domestic or regional instability. Such a situation, which could particularly develop as a result of low oil prices and a lack of investments for modernising their energy refineries and exploring new fields, would affect US economy too.

The US and Iran have many shared interests in the region, therefore Washington has been advised to develop its relations with Iran to be "more nuanced and sophisticated."[33] As Riedel special assistant to the president and senior director for Near East and South Asian Affairs, *National Security Council in the Baker Institute* emphasises, "The US administration should formulate its policy toward Iran in a coherent regional framework that takes into consideration US interests in the Middle East, Central Asia, China and Russia. Iran's national security interests in its regional setting must be acknowledged as part of this process to promote a meaningful and constructive exchange and eventual resolution of differences."[34] "Unrestricted flow of energy from the Persian Gulf, peace in Afghanistan, the containment of Saddam Hussein of Iraq, and the promotion and maintenance of political stability in Central Asia and the Caucasus" are some major interests in common that he notes.

Another reason for Iran and the US to solve their problems and normalise their relations, to the benefit of PG energy security, is the energy supplies from the Caspian region. Despite some warnings, e.g. Ehteshami, about the danger of the direct competition of the new Trans Caspian energy exporters joining the international markets with OPEC and its implications for OPEC members' future economic security, Iran is helping the Trans Caspian states to develop their energy supplies and their access to Western markets.[35] From Iran's perspective, as Ramazani remarks,

Iran is interested in the economic and political development of its northern neighbors, not only because of its interests in the stability of these neighbors, but also because it is conceivable that the region could provide a large market in the future for Iran's non-oil exports.[36]

From the US perspective, stable and assured energy supplies from the Caspian region will increase and diversify world energy reserves and reduce its vulnerability to disruptions of oil exports through the Strait of Hormuz. Of course, Washington's goal is to build multiple pipelines from the Caspian region, but not through Iran. However Kemp and Harkavy emphasise that all "countries and companies, both regional and international, are hoping to control the access routes that will allow for the export of Caspian oil and natural gas."[37] Washington, however, is going to have to take into account Iran's great role and interests in both regions of the PG and Caspian Sea. The US will also have to take into consideration the geopolitical competition in the Caspian Basin that has significant implications for the security of the PG, as Kemp and Harkavy explain:

> If some way can be found to solve the access problems amicably and give all the regional countries a stake in Caspian stability, a new era of cooperation would begin, which could help to diffuse some of the more intense regional conflicts. This is not going to be easy. As long as the United States and Iran are bitter enemies, no progress can be made in developing southern routes for oil and gas. (...) [But] it is very much in the interests of all the parties to work out cooperative arrangements to develop these resources, otherwise Caspian Basin oil and gas simply will not reach market and there will be greater pressures than ever on the Persian Gulf and the entire oil market.[38]

Conclusion

Along with the growing global energy demand, and the importance of the PG as the most significant energy-supplying region in the world, energy security in the PG will be very heavily influenced by how the regional and ultra-regional powers understand each others' perceptions of threat, as well as their national security issues. It is very

much in the interest of all the parties to find a cooperative arrangement to assure energy security in this region.

The PG energy security is composed of multi variable components requiring regional and international community responsibility and cooperation. However, it is the policies of Iran and the US towards each other which will remain the most important factors in the security system of the PG.

On the one hand, since the end of the twin-pillar policy it has been necessary for the West that its interests be acknowledged by the regional states to establish any successful security arrangements. Iranian leaders have formally acknowledged these interests but they have been unable to reconcile their differences and assure the West of its vital interests in the PG.

On the other hand, the growing presence of American troops in the region has increased the militarism process, e.g. the attempts of the European Union and the countries in the Asian and Pacific region to create their own military forces to protect energy security from the ME/PG, and also Iran's expansion of its military capabilities, particularly in the PG. Such a process along with Washington's great efforts to limit Iran's energy production via sanctions, or preventing Tehran from expanding its control over oil and gas routes,[39] could encourage Tehran to develop its military abilities and also put Washington under pressure by its ME effective playing cards, e.g. in Iraq and Afghanistan.

The dispute has been expanded to nuclear technology. For the era after oil, control of the most likely energy source would be a significant element in the US energy security policy. Since nuclear energy seems to be the best replacement for oil in the

next century[40] and economic development and power will belong to energy producers, the West prefers to have its exclusivity. The US opposition to the obtaining of nuclear technology, including mastering the fuel cycle, by especially hostile countries and those who are antipathetic to US unilateralism (e.g. Iran), relies on this matter too.

The ME and North Africa, especially the PG region, will have oil and gas for the next 100 years, with other regions having a maximum of 30 years supplies remaining.[41] Despite this, the geo-strategic situation of the PG will remain, and so focus will still be on improving the relationship between the two major regional and non-regional powers, Iran and the US, and the need for a regional security arrangement even after the depletion of oil and gas.

Energy security can be assured more effectively by establishing good relations, particularly through economic interdependency. Emphasis should be placed on relations between the West and all PG states, and more specifically between the US and Iran.

It can start with regional cooperation in the fields of energy investment and trade, which is aimed at supporting the mutual interests of energy producers and consumers. Together these will promote energy production and supply within the region and enhance energy security in the PG. In this respect, financial assistance of international institutions, e.g. World Bank and other international development banks,[42] is vital, as is the possibility of free access of foreign companies to put capital investment to develop and modernise the existing resources and explore and exploit the new oil resources with modern technology, especially in Iraq and Iran, with old facilities. This will provide a greater opportunity for stabilising global oil markets too.

Therefore, regional and international investment and trade in the short-term combined with the acknowledgement of the interests of ultra-regional powers' could pave the way for a long-term strategy of a regional collective defence-security arrangements, which includes all littoral states. This could be a way of safeguarding the long- term security of oil demand and supply from the PG.

Energy security in the PG also will be very heavily influenced by various sources of internal and external insecurity, which threaten the stability of the area. Learning these sources of insecurity will allow discussion about the future shape of security arrangements in the PG. Hence, the next part is dedicated to studying these sources of insecurity from regional and non-regional countries' point of views.

Notes

[1] Details in, Buchan, David (Fall 2002), 'The threat within: deregulation and energy security', *Survival*, vol. 44, issue 3, p. 105; **also** *Asia- Pacific Center for security Studies*, Honolulu, Hawaii (15 January 1999) Energy security in the Asia-Pacific: competition or cooperation? http://www.apcss.org/Publications/Report_Energy_Security_99.html (2 April 2005)

[2] For more information see, Energy security in the Asia-Pacific: competition or cooperation?, ibid.

[3] Alan P. Larson (20 June 2002), 'The international aspects of US energy security', *US Department of State.* http://216.109.117.135/search/cache?p=energy+security+oil+producing+countries&toggle=1&ei=UTF-8&u=www.state.gov/e/rls/rm/2002/11311.htm&w=energy+security+oil+producing+countries&d=9259DCD386&icp=1&.intl=us (10 April 2005)

[4] Geoffrey Kemp (2000, April), 'The new (and old) geopolitics of the Persian Gulf', *Footnotes (The Newsletter of FPRI's Marvin Wachman Fund for International Education)*, vol. 6, no. 1.

[5] Michael T. Klare (2003), 'The Bush/Cheney energy strategy: implications for US foreign and military policy', *Information Clearing House.* http://www.informationclearinghouse.info/article4458.htm (2 October 2004), with citing from US Congress, Senate, Committee on Armed Services, Crisis in the Persian Gulf Region: US Policy Options and Implications, Hearings, 101st Congress, 2nd Session (Washington, D.C.: US Government Printing Office, 1990), pp. 10-13.

[6] Joseph Moynihan, The Gulf Cooperation Council and the United States: common and uncommon security interests. In David E. Long and Christian Koch (eds.), *Gulf Security in the Twenty-First Century*, (Abu Dhabi: The Emirates Center for Strategic Studies and Research, 1997), p. 72.

[7] Klare, op. cit.

[8] Among many see Avram Noam Chomsky, 'Brazen imperialism in the Middle East', in interview with Press TV. http://www.presstv.ir/detail.aspx?id=60005&sectionid=3510302 (14 Jun 2008)

[9] For more details see Klare, op. cit.

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[11] Martha Brill Olcott, 'Global energy Security issues', (8 April 2003). Testimony before the US Senate, Committee on Foreign Relations, Subcommittee on International Economic Policy, Export and Trade Promotion. http://www.senate.gov/~foreign/testimony/2003/OlcottTestimony030408.pdf#search='global%20energy%20security%20issues' (12 October 2006)

[12] Hearings before the Subcommittee on International Terrorism and Non-proliferation of the Committee on International relations on 'Terrorist Threats to Energy Security', (27 July 2005), 109th Congress, 1st session. http://commdocs.house.gov/committees/intlrel/hfa22655.000/hfa22655_0.htm#80#80 (12 October 2006)

[13] Ibid.

[14] Ibid.

[15] Among many see, Rajiv Chandrasekaran (11 October 2002), 'Anti-American sentiment expands in Persian Gulf, two marines shot', *The Washington Post-Kuwait.* http://www-tech.mit.edu/V122/N47/Long_4_47.47w.html (15 October 2006)

[16] Richard D. Sokolsky (2002, September) Beyond Containment: Defending US Interests in the Persian Gulf. *INSS (Institute for National Strategic Studies- National Defense University) Special Report.* http://www.ndu.edu/inss/strforum/SR_03/SR_03.htm (20 October 2006)

[17] Klare, op. cit.

[18] Peter Zeihan, (an energy analyst and a Russian and Central Asian affairs analyst) 'Al Qaeda adopts new tactics: assassinations will replace bombings', *Asianews.it,* 18 June 2004. http://www.asianews.it/view.php?l=en&art=1000 (25 April 2005)

[19] Ray Pierce, (5 December 2002), 'Declare War on Wahhabism'. http://www.newsmax.com/archives/articles/2002/12/4/210025.shtml (15 June 2004)

[20] Thomas E. Ricks, (2002), 'Briefing depicted Saudis as enemies', *Washington Post.* http://www.washingtonpost.com/ac2/wp-dyn/A47913-2002Aug5?language=printer (16 June 2004)

[21] Files released to the British national archives under the 30-year rule for classified documents show following the 1973 Arab-Israeli war British spy chiefs secretly warned that the United States would be prepared to invade Saudi Arabia and Kuwait to seize their oilfields to prevent further disruption to oil supplies. See, London (*AFP*), January 1 2004.

[22] Ibid.

[23] Rouhollah K. Ramazani, *The Persian Gulf, Iran's Role* (Virginia: The University Press Of Virginia, 1972), p.88.

[24] Among many, see, Tehran- 12 March 2006, *MNA (Mehr News Agency),* Manuchehr Mottaki, Iran's Foreign Minister, addressing the international conference 'Energy and Security: Asian Vision'.

[25] Ramazani, op. cit., pp. 90-91.

[26] Among many speeches of President Rafsanjani and President Khatami, e.g. see, *IRNA*-Tehran (18 April 2005).

[27] Among many see, Kamran Taremi, (September 2003), 'Iranian perspectives on security in the Persian Gulf', *Iranian Studies*, vol. 36, no. 3.

[28] Suroosh Irfani, 'The Persian Gulf crisis: regional context and the UN response', *Strategic Studies*, vol. XIV, no. 1 & 2, Autumn & Winter 1990-91, pp.31-32.

[29] Joseph Moynihan, op. cit., pp. 72-74.

[30] Among many see, Hooman Estelami (1999, September), 'A study of Iran's responses to US economic sanctions', *MERIA (Middle East Review of International Affairs)* [Journal] vol. 45, no. 3.

[31] Jahangir Amuzegar (spring 1997), 'Iran's economy and the US sanctions', *The Middle East Journal* vol. 51, issue, 2, pp. 185-199. http://web.nps.navy.mil/~relooney/Sanct_46.htm (30 April 2005)

[32] Among many see, Estelami, op. cit.

[33] *Baker Institute Study* (1998, June) No. 7. http://www.bakerinstitute.org/Pubs/study_7.pdf#search='iran%20only%20power%20security%20persian%20gulf%20%20khatami (29 April 2005)

[34] Ibid.

[35] Anoushiravan Ehteshami, Iran and central Asia: responding to regional change. In Mehdi Mozaffari, *Security Politics in the Commonwealth of Independent States: The Southern Belt,* (UK: Macmillan Press LTD, 1997), pp. 99-100.

[36] *Baker Institute Study*, op. cit. **Also** more details in, *Energy Information Administration (EIA),* 'Country analysis Briefs, Iran', http://www.eia.doe.gov/emeu/cabs/iran.html (30 April 2005).

[37] Geoffrey Kemp and Robert Harkavy, *Strategic Geography and the Changing Middle East,* (Washington, D. C.: Brookings Institution Press, 1997), P. 131.

[38] Ibid, p. 334, **also** see, Kemp, op. cit.

[39] As the latest case, the Bush administration severe objection to the pipeline of natural gas from Iran through Pakistan to India which beyond the obvious economic benefits would reduce the risk of conflict between India and Pakistan.

[40] Among many see, Fred E. Foldvary (2004), 'Energy problem: solved!', *The Progress Report,* http://www.progress.org/2004/fold373.htm (28 October 2004)

[41] As was emphasised by Malcolm Wicks MP, Minister for Energy, Department of Trade and Industry of Britain in Chatham house conference of 'Investment in Middle East Oil: What is at Stake?' in London on 6-7 November 2006. *BBC Persian.com.*

[42] Details in Energy security in the Asia-Pacific: competition or cooperation?, op. cit.

Part II

Security in the Persian Gulf; Types and Natures of Insecurity Factors

Since the fifteenth century, and particularly after Britain's entrance to the PG, security arrangements in this geopolitical region have been imposed by external powers with their own national interests. The role of the littoral states, especially the three regional powers (Iran, Iraq and Saudi Arabia), is also relevant in this respect; although they have themselves been victims of great powers' interests due to the huge natural wealth of hydrocarbons in their territories.

The purpose of Part II is to examine the sources of internal and external insecurity which threaten the stability of the area. Also, a conceptual and analytical framework will allow for discussion about the future shape of security arrangements in the PG sub-region. Thereafter recommendations will be made for reducing threats to long-term security according to the security and national interests of the littoral states, as well as other global actors.

In this regard, the priorities which will be studied are: the major insecurity factors, viz. territorial, boundary and maritime disputes; the heterogeneity of the political systems within the eight littoral states, specifically Iran, Iraq and Saudi Arabia, and addressing their domestic instabilities as well as their different security perspectives; and, finally, theoretical discussions of security and models of security.

Chapter 6

Territorial, Boundary and Maritime Disputes in the Persian Gulf

Introduction

Territorial and boundary disputes between the littoral states have been a major source of instability in the PG, threatening regional security for centuries. Such disputes along with the expansionist policies of some of these states, have violated peace and security in the region, specifically since 1980, and have played a significant role in forming political and economic relations among them.

In order to understand these elements of insecurity, the source and reason of disputes, founded in disagreements about the exact location of territories and boundaries in this region, should be studied. Consequently, showing the reasons and outcomes of these kinds of disputes with their local, regional and international impacts, the significance of urgent action of littoral states to solve their territorial and boundary conflicts before they change into a serious crisis will be affirmed.

Border Disputes in the PG

Some events in the 1960s encouraged regional states to seek cooperation and solve their borders disputes quickly. The most important of these were: the discovery and development of offshore hydrocarbons in the 1960s and the need for fixed boundaries; the British Government's announcement in January 1968 of the end of Pax-Britannica in the PG; and the oil companies' reluctance to spend substantial amounts on the exploration and development of unsettled and controversial borders. Therefore, during

this period many bilateral delimitation agreements were signed by the PG states.[1] This process accelerated because there was a sense of necessity among the littoral states to settle their territorial and boundary differences before the departure of the main creator and arbiter of Arabian boundaries. However, Britain seemed reluctant to do this. On the one hand, as Julian Walker, a prominent British boundary-maker in the southern region of the PG, affirms:

> One problem faced over frontier settlement was that posed by the British official who believed that if a frontier was causing no problem it should be left well alone (...) The last thing to be done was to create work and friction, and sleeping dogs should be left to lie.[2]

On the other hand, according to other scholars' views, like Amirahmadi and Mojtahed-Zadeh, Britain's reluctance to settle the territorial and boundary differences before its departure was related to the British divide-and-conquer policy. In this regard, by maintaining disputes between neighbours, Britain's influence in the region was guaranteed. It was further influenced by high military expenditures on Western arms of the littoral states funded by their massive oil revenues. Any military presence and Great Power geopolitical considerations in the PG were also justified.[3] Regardless of whether such speculations seem consistent, as Wilkinson explains:

> When Britain withdrew from its formal protecting role in the region during the 10-year period from 1961 to 1971, it left a heritage of *de facto* boundaries. To some extent the countries concerned have tried to resolve this frontier heritage in recent years, but even when they appeared to have reached understanding they are reluctant to finalize their agreements according to those international rules which that entitle them to consider that their arrangements constituted an inviolable and permanent feature of the political map.[4]

The major territorial disputes among littoral states of the PG in the recent years have been:

- Territorial disputes between Iraq and Kuwait; which, by demarcation of their boundary by the United Nations, seems to be solved.
- Disputes between Kuwait and Saudi Arabia over Qaruh and Umm al-Maradim islands.
- Saudi Arabia and Qatar conflicting over their border areas.
- Qatar and Bahrain in conflict over the Hawar islands; which was ended by judgment of the International Court of Justice (ICJ) in The Hague in 2005.
- Saudi Arabia and the UAE (Abu Dhabi) struggling over Buraimi and the Liwa regions.
- The UAE's unsolved territorial issue with Oman about areas in the Diba region.
- Iran-Iraq border disputes over Arvand Roud (Shatt al-Arab).
- The UAE's claims to the Iranian islands of Abu Musa (under the 1971 Memorandum of Understanding of – MOU – with Sharjah) and the Greater and Lesser Tunb.

In general, as Prescott classifies them, there are four kinds of border dispute, all of which can be recognised in the MENA today, viz.: positional disputes, territorial disputes, functional disputes and trans-boundary resource disputes. Among them the most common models of boundary disputes in this region take place when offshore oil and gas fields straddle an international boundary. Although there are onshore cases

such as the oil field below the Iraq-Kuwait boundary, more offshore than onshore problems are confronting the countries in the PG.[5]

Oil and Border Disputes

Besides geopolitical importance, hydrocarbon resources have given the PG territories extra value. Hence, contest for ownership of oil and gas sources has affected not just economic considerations but also the littoral states' mutual relations and boundary arrangements.

Like most of the Arabian Peninsula disputes, tribal rivalry has been overlaid with the struggle over geographical and legal conflicts, as well as the prospect of oil and in the case of Iranian-Arabs, legal and historical rights.

Drysdale and Blake emphasise the importance of oil as the reason for some ME countries' existence, together with its permanent impact on the delimitation of political borders on land and offshore. This is because oil has had a great role not just in determining the geographic distribution of wealth but has deeply affected the balance of power within the region. It has also been an element both for provoking disputes between neighbours as well as for encouraging regional cooperation.[6]

Border disputes are also assumed to be an essential part of inter-state politics in the PG, especially regarding the geopolitical importance of oil. Tribal competition and dynastic rivalry have traditionally been the major reasons for territorial disputes, particularly regarding neighbouring states. Moreover, these disputes, in addition to oil-related boundary and hydrocarbon exploitation issues, the ownership of oilfields and also the control of oil transit routes, will remain a decisive factor influencing the politics of the region.[7]

Cross-border hydrocarbon reserves is a global issue, however, in the rich hydrocarbon region of the PG with many small states and numerous boundary disputes, cross-border resources are much more likely to occur.[8] Stevens further underlines the connection between territorial disputes and hydrocarbon exploration and development activities as a "circular relationship", which requires urgent delimitations between neighbour states.[9] According to his explanation, what encourages such disputes are the existence of subsurface hydrocarbon deposits, which could convert a barren region into a precious one. Also, the physical characteristic of oil and gas as fluids has no respect for international boundaries, thereby creating problems.[10] Therefore, since oil and gas discoveries in the shared borders lead inevitably to lead to maximum output, if one side doesn't exploit them they will be produced by its neighbour.[11] In this case the presence of oil or gas deposits suddenly makes border delimitation an urgent matter of national importance.[12]

Cross-border oil and gas field exploration and development can have various impacts on inter-state relationships, from provoking disagreement to military conflict; however, it is not believed to be the exclusive cause of any regional border dispute. Some scholars like Pike assume that these kinds of borders have a major role but go along with some political differences or other sources of resentments while in other cases, hydrocarbon resources are used basically as a weapon in political disputes.[13] In this regard, Iraq excused the invasion of Kuwait by claiming that Kuwait was over-pumping oil from Rumailah, (the most controversial cross-border oilfield in the PG during recent times). The border dispute between Saudi Arabia and Yemen in 1992, as Pike mentions, was more clearly about oil exploration along two neighbours' unsettled border, although political issues were also pertinent:

> Notably pretensions to tribal loyalties in frontier regions, Saudi opposition to the unification of Yemen and its plans for elections, Riyadh's distrust of San'a since it supported Iraq in the Gulf crisis, and political posturing in advance of negotiations on the renewal of a border accord.[14]

Moreover, cross-border gas fields on the continental shelf of the PG, such as that between Iran and Qatar, which despite their 1969 agreement that specified clear maritime borders was unclear about reserve sharing policies, became established by political means. At the beginning of 1990, Qatar ignored Iran's right of gas reserves in this area (the South Pars field in Iran and the North Dome field in Qatar) in order to decrease some of its difficulties with its neighbours and partners in the GCC, i.e. Bahrain and Saudi Arabia. Qatar chose closer alignment with Iran as a political lever.[15] Forced to deal with the thorny Qatar-Bahrain maritime territorial dispute over the sovereignty of the Hawar islands and the nearby shoals on the one hand, and Saudi Arabia unilateral action in building a road to detour territory of Qatar peninsula on its south-eastern rim border with the Saudi on the other, Doha decided to look for new alignment outside the GCC. In addition, from Qatar's economic point of view, solving a border dispute with Iran and also ensuring the foreigner investors of the benefits of long-term investment in a field without an international boundary dispute was a priority. Maritime territorial disputes, as McLachlan remarks,

> often affecting ownership of oil resources, continue to encompass both land areas, in the form of islands, and also parts of the shallow continental shelf of the Gulf. The impetus to finalize land boundary delimitations, especially where they terminate on a sea coast, has often been the discovery of substantial hydrocarbon deposits in the offshore area.[16]

In this respect, ownership of oil reserves has been disputed, for example the Iraq-Kuwait land boundary. Even the liberation of Kuwait and the United Nations' action making controversial decisions in this regard in 1992 has not put an end to the issue. Exploration of Rumailah-Ratgah continues to bear the seeds of disputes, whilst Iraq's geopolitical disadvantages over its narrow coastal border in the PG will continue to exist.

In other cases, disputes are silent antagonism, for instance the Qatar-Saudi crisis following the Khafus border post incident in September 1992. This had a political rather than territorial cause, but with a connection to economic imperatives and oil production which made the two neighbours finalise land boundary delimitations. In spite of the two countries' agreeing to demarcate their boundary at the end of 1992, (after a short suspension of diplomatic relations), the border remained un-demarcated; this is a sign of the stubborn character of Saudi-Qatar relations.[17]

Other disputes can find a political and more stable solution such as Iran-Qatar 'political accommodation' for 'joint exploration', according to Iranian authorities, from their cross-border gas field; or peacefully shared oil reserves in border regions of Saudi Arabia with Bahrain (Bu Saafah offshore field) and Kuwait (in the Divided Zone), because of their warm political ties.

The Qatar-Bahrain dispute was restrained rather than solved by the failure of Saudi Arabia to mediate the issue. Their case was finally ended in 2005 by the judgment of the ICJ, based on strict agreements defining precise territorial borders.[18]

Except for the Qatar-Bahrain dispute, there are some few cases of successful long-term cooperation in developing cross-border reserves which took place as a reason for

continued good bilateral relations. In these cases the agreements were not based on complicated pacts explaining the exact details of each side's exploration and production rights, but on a split of ownership or revenues.[19] The most significant example is in the Divided (formerly Neutral) Zone of 5,790 square kilometres between Saudi Arabia and Kuwait. Two countries reached an agreement in 1965 that divided the zone, which contained recoverable reserves estimated at 5 billion barrels, geographically into two equal parts. Equal rights were also agreed on for the exploitation of hydrocarbon resources, and the rights were assured of the citizens of both countries to work in either part of the partitioned zone. In 1969, the final Saudi-Kuwait boundary was delimited in great detail on the basis of the July 1965 Partition Agreement of the two countries.[20]

In addition, cross-border reserves not only convert borders into valued assets and make border-compromise much harder, but also compel neighbours to solve their boundary dispute as quickly as possible. This is a significant element for the improvement of political relations, besides its support for economic development or compensation for maturation of older hydrocarbons fields. Therefore, as Schofield observes, the process of finalising the political map, especially in the Arabian Peninsula, accelerated during the 1990s when the total cases of minor disputes over the limits of state territory in 1997 was greatly decreased compared to the previous decade. That decade is a period that looks to Schofield to be the busiest time of the modern ME states with their territorial definitions and the defence of their national territories.[21]

These processes are a clear indication of the importance of interaction between political relations and border conflict management. The examples of successful long-

term cooperation in developing cross-border reserves because of political ties, versus those accompanied with military activities, suggest that besides the hostile states' benefits in solving their dispute by political means, security of oil supplies and the stability of the region will be more assured. Alongside the global process of decreasing hydrocarbons reserves, including in the PG, joint cooperation of states will also pave the way for exploring and developing new reserves in dispute borders.

Borders' Political, Geographical and Legal Disputes

There are also some legal concerns for the states regarding the roots of territorial disputes which cause inter-state conflicts or instability in their relations. As mentioned, the sovereignty definitions from the littoral states' point of view and, together with the vague legal entity of the PG as a result of being involved in the colonial powers' rivalries and struggles over the centuries, have caused different legal problems. This means that neighbouring states have been unable to prove their sovereignty and solve their territorial and maritime disputes. With regard to the many border disputes and potential border disputes in the PG, Schofield also underlines that:

> This is partly explained by the origins of the region's boundaries themselves, which are surprisingly diverse, essentially the product of Britain's deliberations over the past century with the major regional powers in these parts — Persia, the Ottoman Empire and Saudi Arabia. Their unresolved legacy was certainly responsible to a large degree for the re-emergence of the classic, cyclical Irano-Arab dispute over the sovereignty of Abu Musa and Tunb islands in 1992 and the outbreak of a violent incident at Khafus on the undemarcated Saudi/Qatar border later the same year.[22]

While sovereignty dominion in the south coast of the PG was determined by *'Frontieres de Convenance'*, boundary delimitations in the northern part, as Kazemi explains, were more advanced. Iran's sovereignty, territorial and maritime boundaries were controlled by the ruling Western legal-political regulations. Kazemi suggests that this was possibly because of the significant strategic situation of Iran in the ME and the long and continued competition and wars between Iran and the Ottoman Empires. Therefore there was a need for peace contracts and demarcation in order to end the antagonism of two neighbours.[23]

In general, in order to delimit areas in the PG the primary necessity is to find a solution for the fundamental questions of sovereignty. Thus, in spite of the PG states' enthusiasm to come to an agreement on principles of delimitation to finalise their borders, the problem is that sovereignty over territory that could affect the delimitation is disputed. This represents a critical obstacle to a final agreement.[24] In this respect the disputed areas in the PG can be listed as: the northwest between Iran and Iraq (over the Arvand Roud waterway); between Iraq and Kuwait (the resolution of the Iraq boundary in the light of United Nations' ultimate demarcation efforts) and the resolution of the offshore boundary between Saudi Arabia and Kuwait; the central section between Qatar and Bahrain about sovereignty over the Hawar islands and nearby shoals; and the east around Abu Musa and the Tunb Islands. Such problem has been mainly due to, as was mentioned earlier, the reluctance of the states to finalise their agreements according to those international rules which oblige them to accept their approved arrangements. For instance, regarding maritime boundaries, the Law of the Sea of the United Nations Convention states that maritime nations have a right to a 200 nautical mile incompatible economic zone and not less than a 200 nautical mile continental shell. However, as Bundy mentions:

not only are the mainland coasts of Iran and the Arab littoral states separated by much less than 400 nautical miles, but the presence of islands further complicates the picture and prevents any state from enjoying its full complement of continental shelf or exclusive economic zone. Every state abutting the Gulf, in fact, faces a dual delimitation situation: first with its adjacent neighbours and, second, with states lying apposite.[25]

Also, all of the states of the Arabian Peninsula would have difficulty presenting a watertight case at the ICJ to retain the territory they practically occupy. Despite some bilateral boundary agreements between neighbours there is a possibility that such agreements could be challenged by a third party in this waterway.[26] Nevertheless, with the exception of the North Sea and some parts of the Caribbean, there are many more maritime delimited areas in the PG than in any other similar area of the world. Despite the complicated problem of sovereignty and delimitation, some scholars, such as Bundy, suggest that the existing precedents may be a practical guide for solving these problems.[27] (See figures 6-1 to 6-3 for detailed evolution of delimited state territories in the Arabian Peninsula since 1903) [28]

When considering the political map of the PG, Blake mentions some of its remarkable geopolitical features, viz. the existence of some of the world's smallest states; the state of Iraq with its geographical disadvantages; the UAE's most complex territorial divisions within its seven component sheikhdoms as a federal state; those temporary attempts to resolve problems of maritime and territorial competition in the framework of state sovereignty modification rather than absolute sovereignty; and the establishment of different types of non-state sovereignty, most of which remain in operation today.[29] Hence, as Blake believes, to reduce the likelihood of conflict between neighbouring states in the region requires proper recognition of international

Figure 6-1

Evolution of territorial limits and claims in southern and south-eastern Arabia, 1903-1955

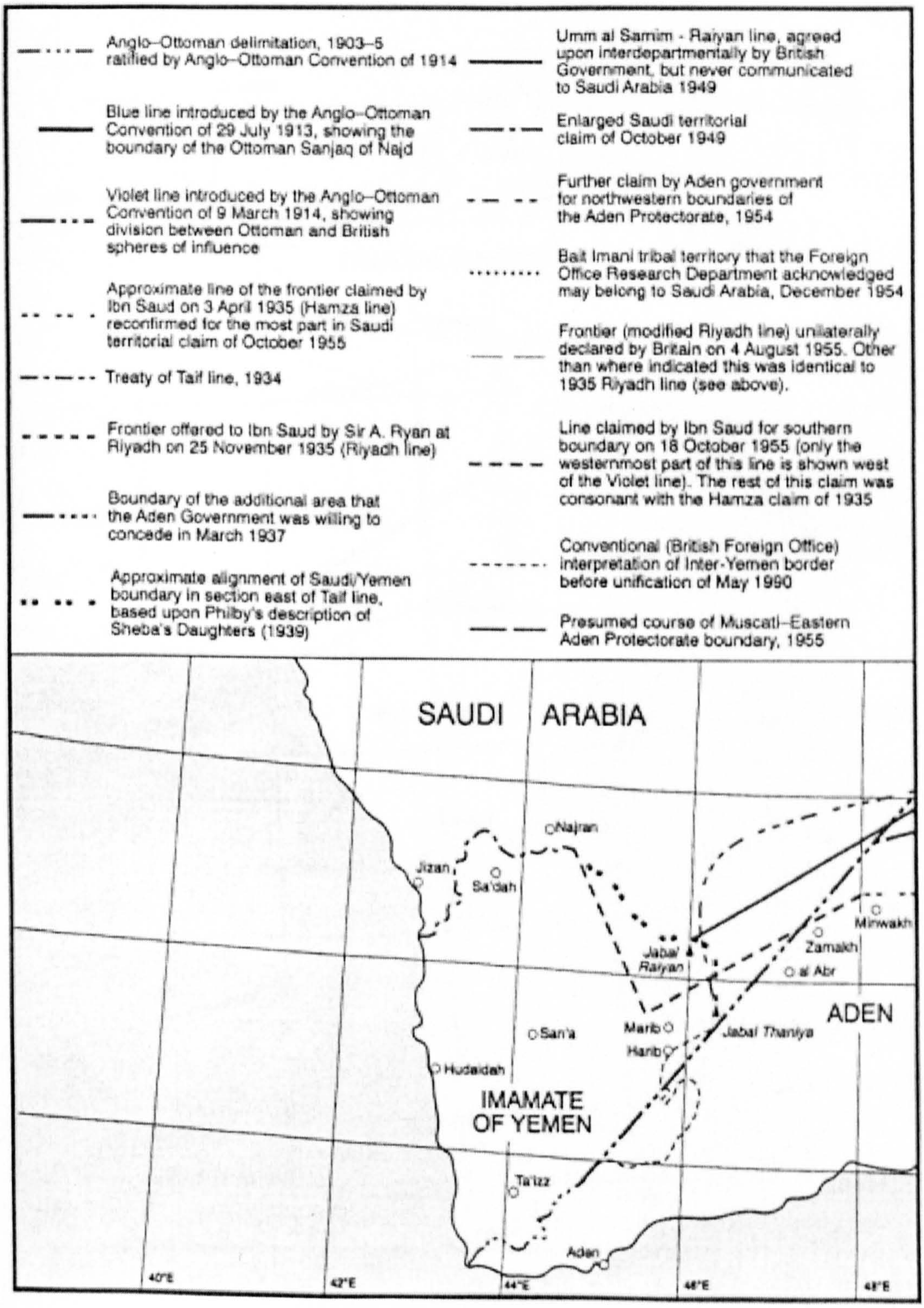


Figure 6-1 (cont.)

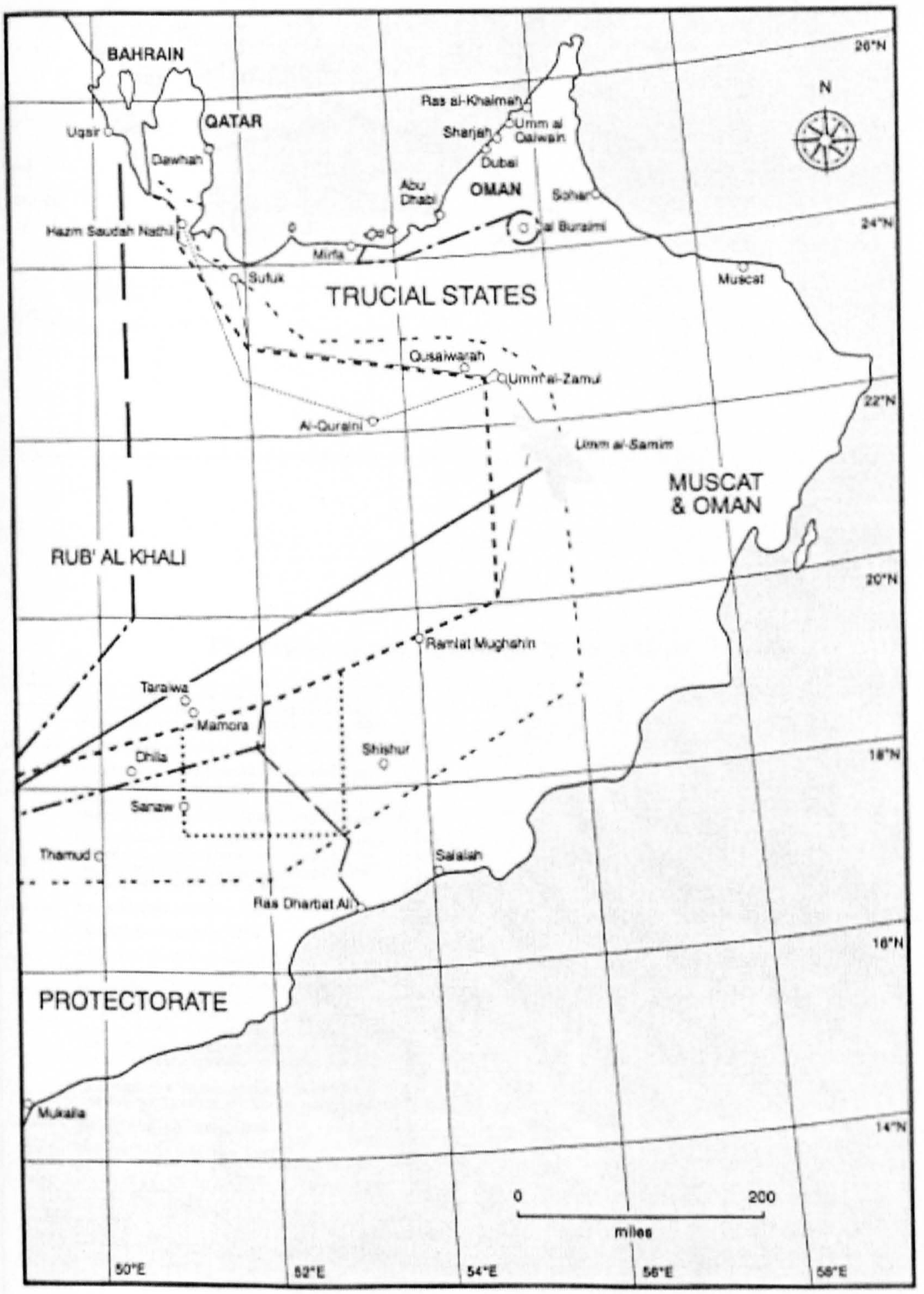


Figure 6-2

Evolution of delimited state territory in northern Arabia, 1913 to the present day

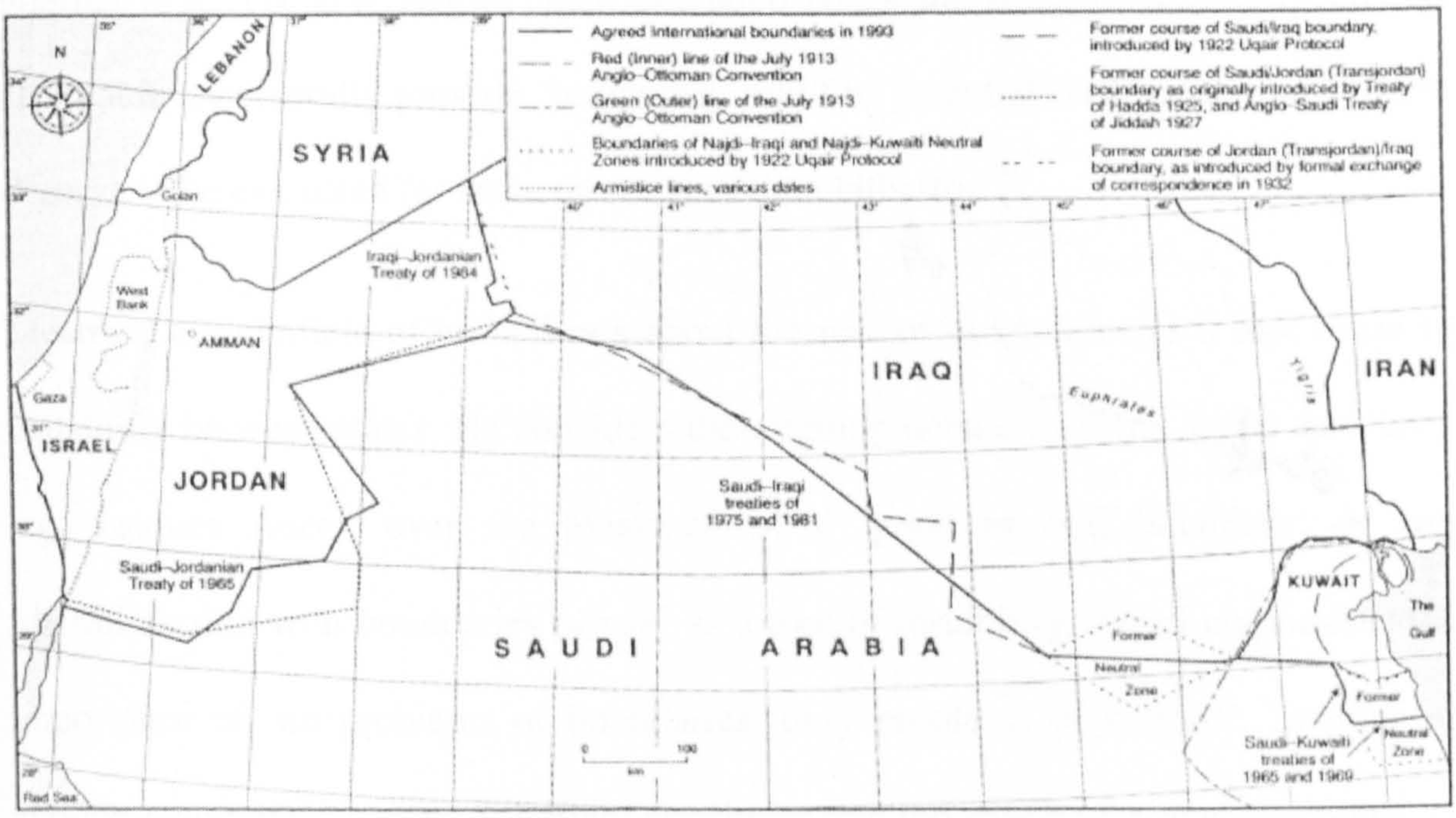
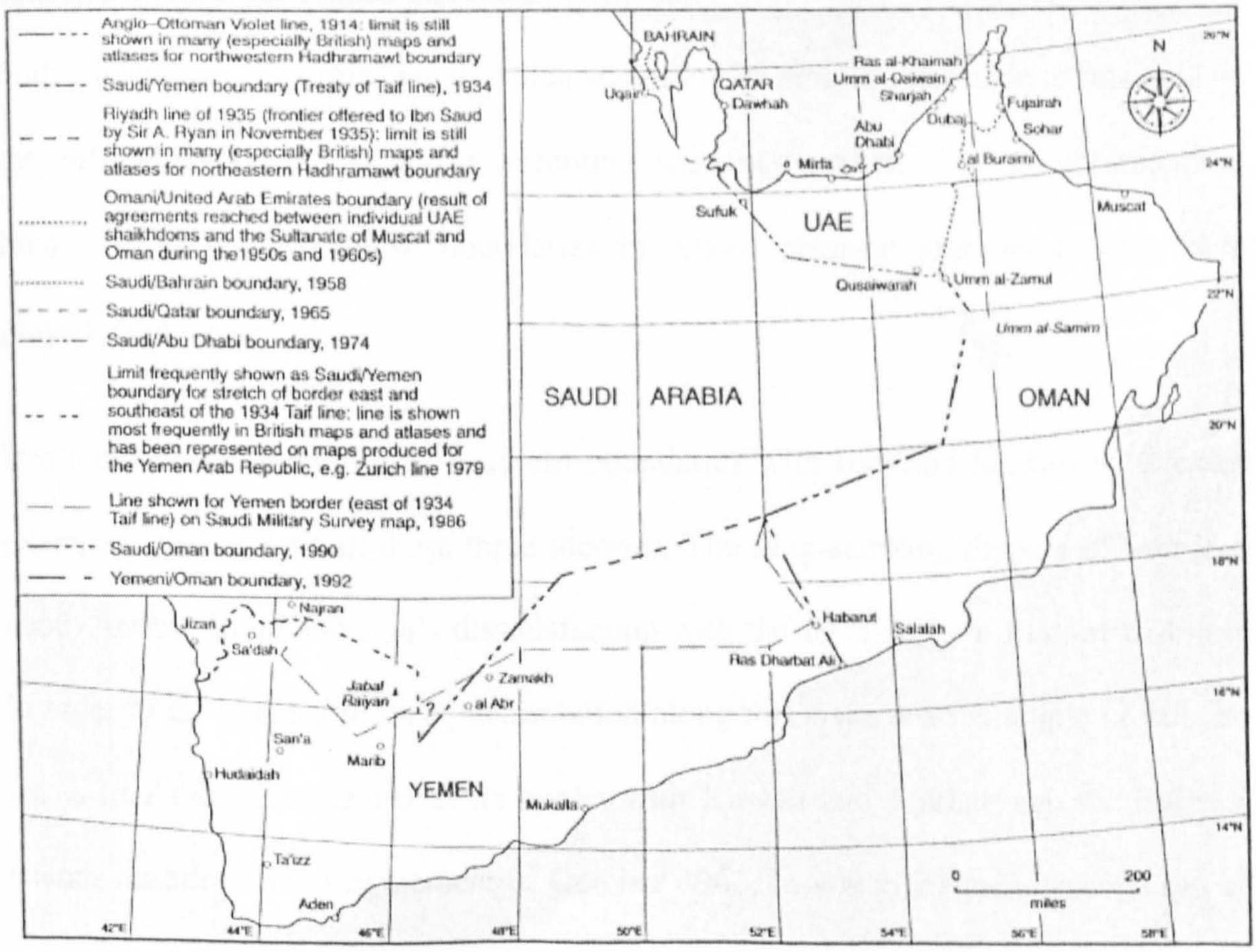


Figure 6-3

The contemporary framework in southern Arabia



boundaries and clear delimitations. The present shared territorial arrangements and alternative territorial strategies (such as shared zones and zones of restricted activity) still could successfully provide "temporary relief to potential flashpoints and perhaps deserve to be evaluated far more thoroughly than hitherto."[30]

Meanwhile, Schofield offers a thesis about the role of boundaries as a root cause of instability between states. He considers the ongoing debate of some social scientists, e.g. Jacques Ancel, over the existence of a 'good or bad boundary' or any 'dissatisfaction with boundaries *per se*' as a root of instability. Ancel emphasises the importance of 'no problems of boundaries, only problems of nations'. Looking at another geographical view, Schofield concludes that the extent of a state, including its shape and size restrained by its international boundaries, can cause original geopolitical and strategic problems, particularly problems of access and communications. He argues that the recent history of the northern PG region supports both contentions.[31] A third view, which according to him, is applicable to this area, is the difficulties of the states in accepting the very presence of an international boundary, particularly those boundaries in whose creation external powers have played a great role.[32]

Iraq's behaviour regarding its southern boundaries with Iran and Kuwait is an exact example applicable to all these three theories. The long-standing dispute of Iran-Iraq about Arvand Roud and Iraq's dissatisfaction with the 1975 Algeria Accord with Iran in order to recognise a *thalweg* delimitation along this river is an example of this. So too is Iraq's disagreement over its border with Kuwait and Warbah and the Bubiyan islands despite of their agreement of October 1963, in which Baghdad recognised an independent Kuwait and its boundaries. The geographic location of Iraq with only a

19 km coastline of the Faw peninsula on the PG has given it a geographical disadvantage. It therefore perceives itself as 'squeezed out' of the PG.[33] Schofield concludes that:

> Traditionally, over the last half century or so, Iraq has pressed Kuwait on the islands question when its relationship with Iran has seriously deteriorated over the status of the Shatt al-Arab. Successive Baghdad regimes have continually expected Kuwait to compensate Iraq for its geographic and strategic misfortune.[34]

This geographical disadvantage of Iraq was one of Saddam Hussein's reasons for its aggression against Iran in 1980 and Kuwait in 1991. Iraq's attempt to solve its geopolitical and strategic problems in this manner is perceived by some analysts as a backlash against Lord Curzon and the Government of India nine decades ago, when he supported the Ruler of Kuwait's claim to Bubiyan and encouraged him to claim Warbah. This was mainly motivated by a desire to restrict the Ottoman Empire's role in the PG.[35]

The Khafus incident on the Saudi-Qatar border in 1992 and the border agreement between Oman and Yemen in 1982 clearly clarify Ancel's theory that there are no problems of boundaries, only problems of nations. In other words, by focusing on the importance of poor political relations, boundary disputes become serious.

The Oman-Yemen border agreement, which was settled with the help of the Kuwaitis, gave Yemen more territory and ended a controversial phase of relations between two neighbouring states. It was observed that the major reasons for achieving this agreement were the internal political changes in Aden's previous dogmatic politics and also regional developments preferring greater cooperation rather than confrontational inter-state relations.[36] While the Qatar-Saudi border dispute, which

had political rather than territorial causes, ended the Khafus incident and remained unsolved.

From the GCC's point of view, some of their territorial disputes have prevented them from real and effective cooperation. The GCC's mechanism meant a failure to solve its own member's border disputes. For example, the Qatar-Saudi Arabian border clashes of 1992 and disputes between Bahrain and Qatar which eventually ended at the ICJ. These have proved the GCC's inability to face even internal problems effectually.

Consequently, it can be assumed that boundaries are principally political subjects that are greatly influenced by the prevailing political conditions in inter-state relations, and even sometimes, by regional and international considerations. In this regard, issues like modern nationalism would be a serious obstacle to the rational solution of disputes (like between Arabs and Persians); signed but not respected present border agreements (e.g. the 1975 Algeria agreement between Iraq and Iran; the 1971 MOU over Abu Musa); and one party's continuous feeling of unjustness regarding an earlier agreement (feeling of the UAE about the 1974 agreement with Riyadh), as factors contributing to the remaining tension in the region.[37]

Hence, an improvement in political conditions is essential to solve many of the border issues. In this respect, according to the successful precedents that already exist, it can be concluded that bilateral negotiations (even detailed and protracted) with the assistance of a third party and certain criteria are very necessary and useful. However, an appropriate political situation and warm relations between parties are an important and essential element for obtaining an agreement. Scholars like Gargash believe that negotiations should take place at the same time as an improvement in the political

conditions, because on many occasions stalled border disputes work seriously against the improvement of political ties.[38]

Ultra Regional Powers' Interest in Border Disputes

Border and territorial claims and disputes in the PG, whether apparent or concealed, are a major source of the inter-state conflicts, which on some occasions have led to war. Also, on one hand, such situations have caused the general arms build up of the region, with the highest rate of military expenditure — an example of an arms race — and on the other, have opened the region for the direct presence of external powers and even intervention, which of course in both cases are themselves major sources of insecurity and concern for the region.

Boundary disputes have a significant role in the regional geopolitics of the PG. The growing dependency of Asia-Pacific economies upon PG energy supplies along with the West has caused changes in the geopolitics of oil. Consequently, these inter-state conflicts take on a greater significance. Hence, the ultra regional powers' concerns about controlling the region's politics and long-term security of oil supplies from the PG have increased. Moreover, the relationships and tough competition between Iran, Iraq and Saudi Arabia who all seek to enforce their own order in the region will continue their significant role in shaping the politics of this region. Any changes in the status of any of these three regional powers, other than those arising from events affecting the whole region will have important consequences for the other two.[39]

In this respect, for instance as Gargash notes, Saudi Arabia enjoyed greater regional influence after the Iran-Iraq war, and similarly, Tehran benefited the most from Iraq's defeat in the 'Desert Storm' operation. The defeat of Iraq's enormous ground forces

by the US-led Coalition, in addition to the immediate effect of securing Iran's long and mountainous border, significantly changed the geostrategic balance in the region in Iran's favour.[40] Furthermore, the regional geopolitics of the PG has been greatly changed in Iran's favour as a result of the Coalition Forces' invasion of Iraq in 2003; a significant factor in the more recent pressure by the West towards Tehran, in the name of Iran's nuclear activity.

Boundary disputes, as a great divergent element for regional stability and security, have contributed other divergent factors to prevent the littoral states from creating a collective regional security arrangement. Therefore, the security arrangements of the region have been imposed by the ultra regional powers with their own national interests. Also, some collective security structures which were defective and unpractical — like the GCC and the Damascus Declaration of the 6 March 1991 (6+2) — were unable to guarantee the regional and even the members' security, and yet caused greater direct presence by the foreign troops.

With the Kuwait crisis of 1990-1991, the idea of a security system in the PG to be able to avert another threat to the GCC territories was quickened in Washington. Introducing the two major regional powers, Iran and Iraq as the sources of the region's insecurity by excluding them from the system, instead of asking for the participation of two non-regional countries, Syria and Egypt, with different political purposes rather than PG security, made this system deficient and unsuccessful.

In general, territorial and boundary disputes have played a significant role in disordering the regional balance of power in favour of the major external powers, viz. Britain and the US. In this regard, Iran as the main victim of this policy will be considered in the following.

Iran and Ultra Regional Powers' Interest in Border Disputes

Britain

Over the centuries control of the PG was taken away from Iran by Arabs, Turks, and Western Europeans. According to Arab and Islamic historians and geographers of the early Islamic centuries, like Mas'sudi, Tabari, Yaqubi and Maqdasi, also various European documents of later periods and different maps, "all areas of the PG belonged to Iran". [41] Theses sources indicate that except for an interrupted period of Arab conquest after the advent of Islam, Iran had the sovereignty of the lower Gulf (viz. Oman, Bahrain, and different islands including Abu Musa, Greater and Lesser Tunbs) until the arrival of the Portuguese in the region and was revived by the Safavids from 1501 to 1720, and later by Shah Nadir the Great until 1747.[42] (See figures 6-4- a, b, c, d, e & f)[43] Iranian evidence of ownership of some parts of the lower Gulf which relies strongly on historical assertion has been challenged by the British government, and the Arabs in the PG, since the nineteenth century. This claim is dismissed on the basis of the historical precedent of the protectorate-style treaties signed between the Arabs and Britain during 1870 and 1880, and the lengthy uninterrupted possession of the areas by the current ruling families.[44] Regardless of each sides' assertions, the peaceful life and trade of people within the two sides of the PG before the encroachment of European powers since end of the fifteenth century indicate that because no threats to Iran, as the only nation state in this Gulf, emerged from the PG until the arrival of Europeans, the different governments of Iran did not need to extend their control over this waterway. After the European entrance to the region countries like Britain, prevented Iran from necessary action in the PG.[45]

One of the elements of Britain's policy to dominate the region was to weaken Iran, the regional power, and reduce its influence in the PG via disconnecting Iran's traditional ties in the region and separating as many islands and coastal districts as possible from this country. To support this argument some documents, especially regarding islands of Abu Musa and the Greater and Lesser Tunb, in Imperial Iran's Foreign Ministry, dated 1968-1971 have been provided in Appendix-2-B. However, other arguments regarding Britain's occupation of the three islands in the 1820s, and the UAE and Iran's continuous dispute over the ownership of these islands are still sensitive debates in regional as well as international relations.[46]

In addition, the British introduced modern European concepts of territoriality and boundary to the PG region, where none of the littoral states were familiar with the legal impact of delimiting such boundaries. Iran's weak and imprecise relations with rulers and governors in her outermost territory and its general infirmity and defectiveness during last centuries caused the shrinking of Iran's borders and territories. (See figure 6-5) Moreover, besides protecting its long-term influence in the region, Britain's reluctance to settle the territorial and boundary differences before its departure contributed to deepen the gap and disputes between Iran and its Arab neighbours in the PG too. (Details in Appendix-2-A)

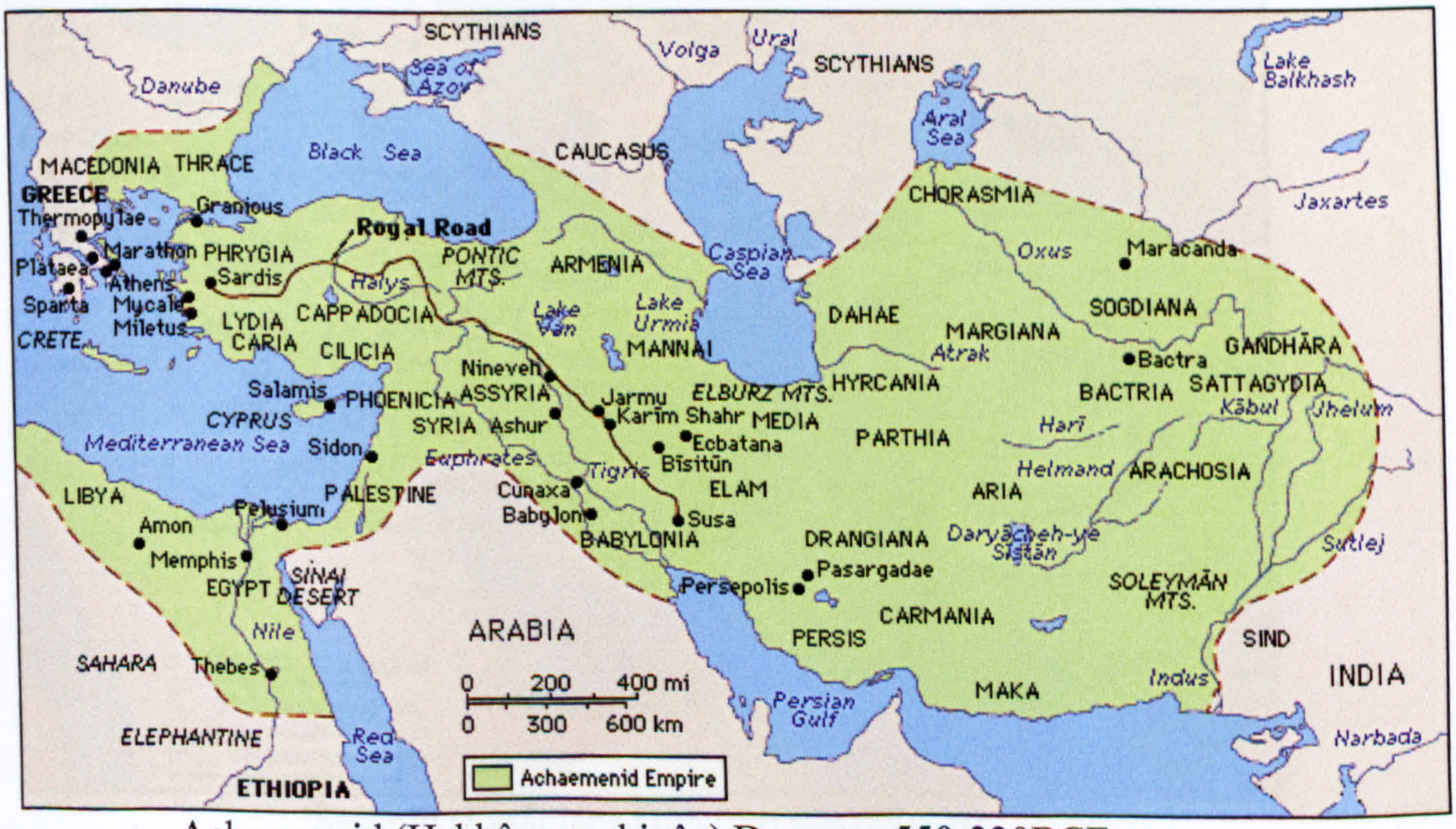
Figure 6-4-a

MAPS:
Ancient Iran through Ages (728BCE to CE640)



Medes (Mâdhâ) Dynasty; 728-550BCE

Figure 6-4-b



Achaemenid (Hakhâmaneshiyân) Dynasty; 550-330BCE

Figures 6-4-c (cont.)



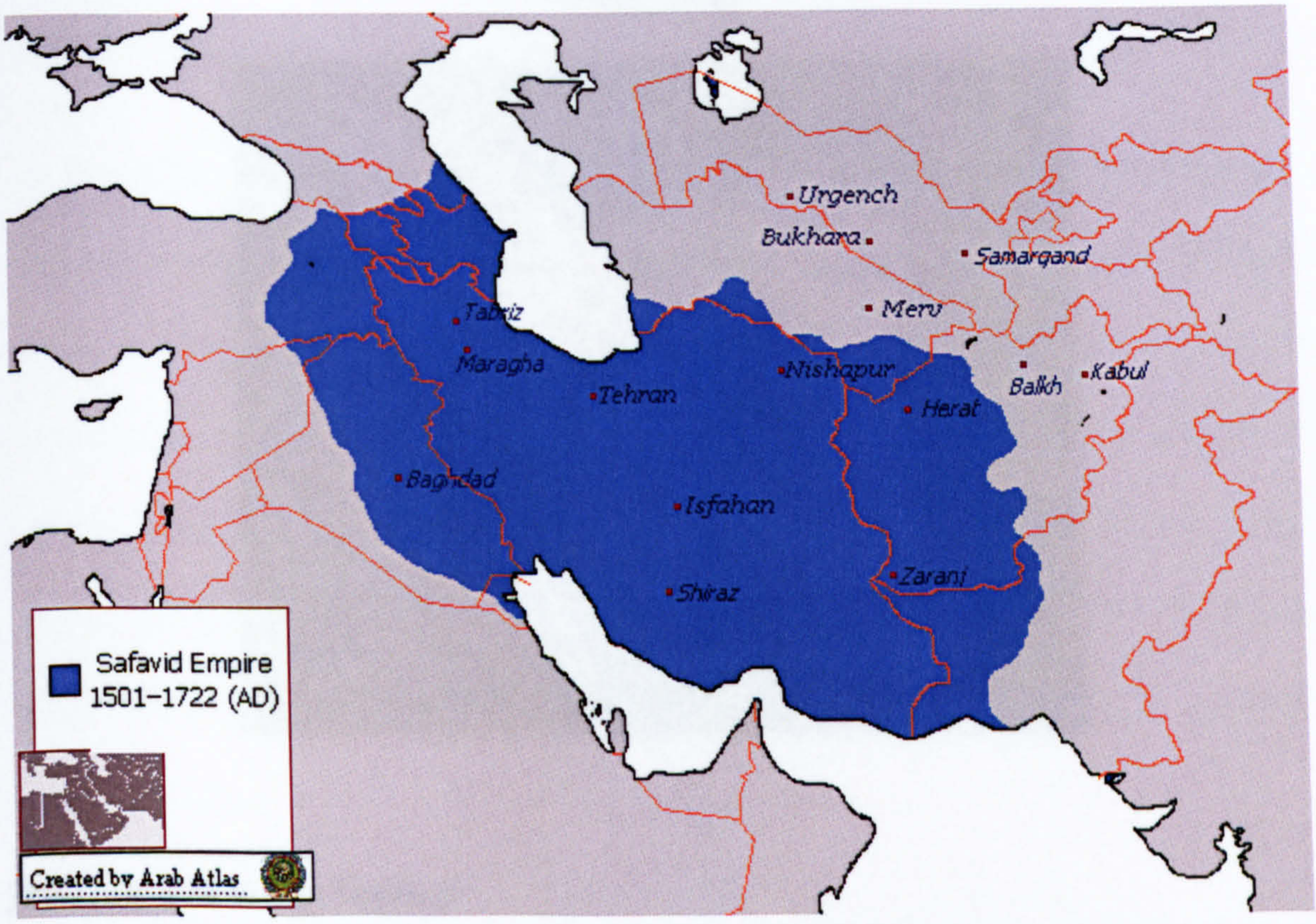
Parthian (Ashkânian) Dynasty; 247BCE-CE224

Figure 6-4-d



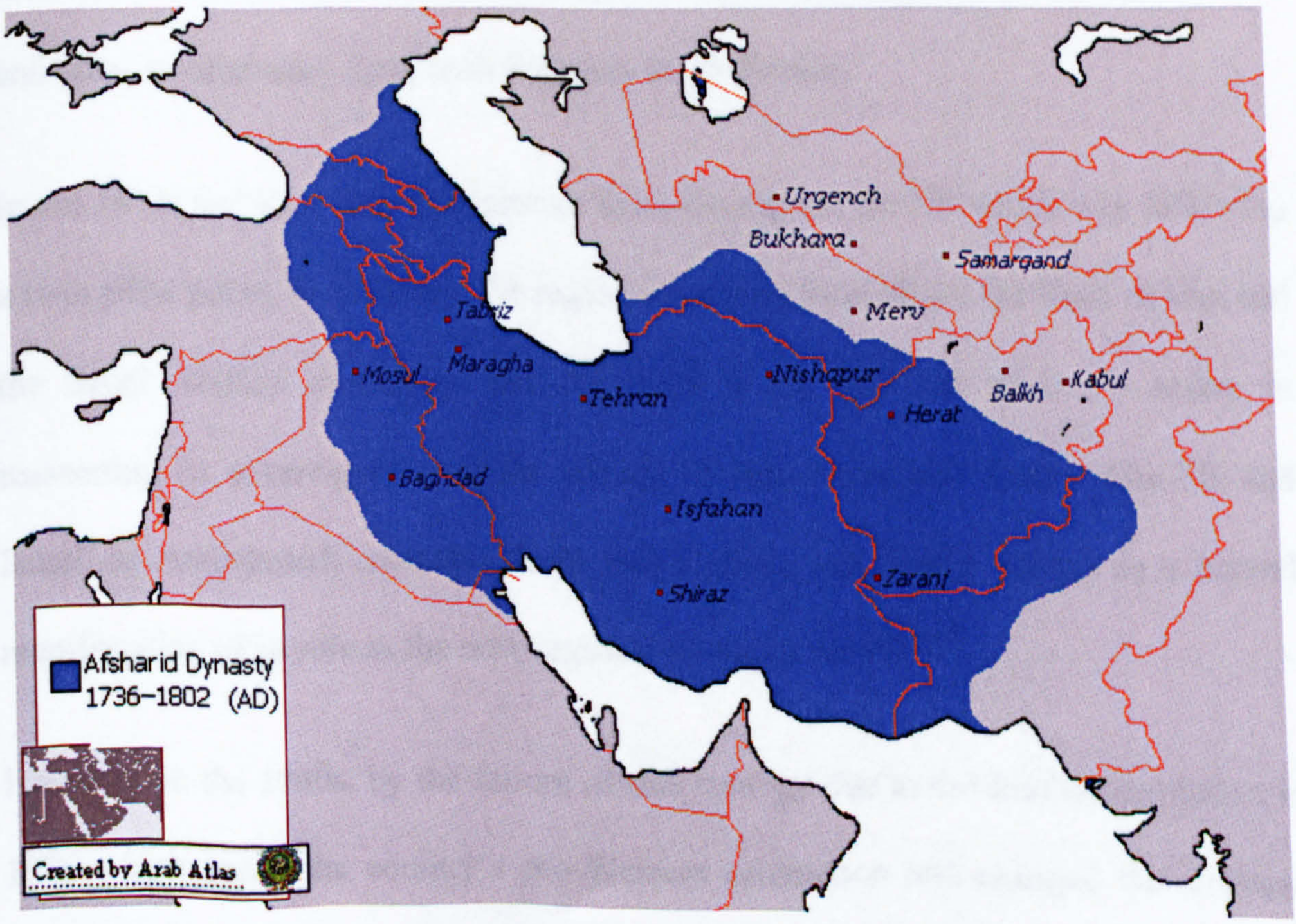
Sasanid (Sâsâniân) Dynasty; CE224-640

Figure 6-4-e



Safavid Empire 1501-1722 (AD)

Figure 6-4-f



Afsharid Dynasty 1736-1802 (AD)

Figure 6-5
Today Iran



The United States of America

The US has taken advantage of Iran-Arab territorial and boundary disputes in the PG as a tool to access its interests in this region.[47] By considering the US policy with pre and post- revolutionary Iran, such facts can be confirmed.

In the 1970s and after British departure from the region, the US which was following a twin pillar policy to dominate the region via strong local allies, the Shah of Iran and the Saudi Arabian monarchy, did not make a big deal out of Iran's action in reasserting its sovereignty over the islands of Abu Musa and Tunbs. The US and Israel, as Amirahmadi remarks, "both Iran's allies, saw Iran's actions as a natural manifestation of its role as the new regional power in the PG."[48]

However, in the 1980s, by the failure of this strategy due to the Iranian revolution in 1979 which ended the country's pro-Western orientation and changed the strategic balance in the PG via overthrowing the Shah from power, Washington examined

another security framework in the PG by taking advantage of border claims of Iraq against Iran.

In September 1980, Iraq invaded Iran hoping to reverse the 1975 border settlement of Arvand Roud and to seize the rich, oil-producing Iranian province of Khuzestan. However, by mid-1982, Iraqi troops were cleared from most of Iran and the Iraqi army suffered serious failure, also the general situation in the PG generated huge global concerns over the security of oil supplies. Therefore, the US tried to form its proper security framework of a weak balance of power between the two major local actors through intelligence and financial aid to Iraq, and thereby an immediate security was arranged to neighbouring Arab regimes.

Moreover, since the 1990s, the advantage of Washington for the UAE's claims over the islands of Abu Musa and Tunbs, has contributed to the US dual containment policy against Iran. As Amirahmadi states,

> Indeed, isolating Iran from other Persian Gulf states is the cornerstone of the US administration's dual containment policy. Thus, the island dispute is about much more than the islands; it is the most recent manifestation of the continuing ideological and political rivalry between post-revolutionary Iran and its Arab neighbors and their Western-power supporters.[49]

However, the anti-Western rhetoric of revolutionary Iran was seen by the West and also pro-Western conservative governments of the PG Arab monarchs as a source of instability, and not the cornerstone of the region's *status quo* anymore; also Iran's unstable foreign and regional policy enforced much scepticism from its Arab neighbours. In addition, the GCC has weaknesses in providing security for its own

members and its deep dependency on the West, especially the US in this regard. This has an impact on GCC security concerns and also its political positions about Iran.

Hence, the 1992 crisis between Iran and Sharjah which started with Iran's opposition to the entrance of some foreigners working for the UAE government to Abu Muss, and also the residence of other groups of them in this island (for the reason of not having Iranian visas), became a broader issue in the PG region and the Arab world. Although Iran's then Foreign Minister, Alii Akbar Velayat, played down the incidents as isolated actions of junior Iranian officials and emphasised non-interference with the affairs of the Arab residents and visitors in Abu Musa, the dispute spread to become one between Iran and the UAE. It eventually led to a resuscitation of claims by the Ras al-Khaimah to the two islands of the Greater and Lesser Tunbs.

In addition, concurrent with Iran's claims that some unknown and suspicious traffic of individuals and ships around Abu Musa caused the 1992 crisis, some reports were spread of new Iranian military measures on the island, an increase in the garrison, and even the deployment of surface-to-air missiles to Abu Musa and, by some other reports, the presence of anti-shipping missiles on the island. These reports, although never acknowledged by Iran, paved the way for politicising and internationalising the question of UAE claims over the islands, and meant that the US gave more attention to this issue. Without openly supporting the UAE claim, Washington, with its concern over the strategic location of Abu Musa, near Hormuz Strait, located between the main tanker channels and close to US naval elements in the Arabian Peninsula, has supported a peaceful resolution of the dispute. Meanwhile, any strengthening of Iranian military presence in Abu Musa was perceived by Washington as an element that increased Iran's influence in the region, especially in the PG, as well as a

potential threat to the US naval forces in this region. Iran, whilst emphasising its responsibility for the security of the whole island, according to the 1971 MOU, persists on her positions which could be briefly summarised as:

1) Abu Musa has always been Iranian owned and a part of Iran's territory, and Iran has never relinquished its claim to full sovereignty; consequently, it sees no prohibition for any deployment of defensive armament to this part of its territory.

2) Iran emphasising its commitment to the 1971 MOU, renounces any annulment or disruption of this agreement.

3) Iran has continued to respect the rights of Sharjah citizens according to the 1971 MOU, but has insisted on its right to ask others to apply for Iranian permission to reside on the island.

Besides Iran and Sharjah's different explanations about the 1992 crisis, the impact of political situations in the PG after the Desert Storm operation was significant in the formation of such a problem. The GCC's action in signing the 'Damascus Declaration' with Syria and Egypt in March 1991 for defending the Arabian peninsula, although it was never really implemented and thereinafter the GCC's preferable security option in signing bilateral agreements of its members with the US, resulted in enhancing the US military position in the PG.

Under such circumstances, in the summer of 1992, Iran performed some amphibious manoeuvres in the PG which were perceived as Tehran's disagreement with the new security arrangement under the US hegemony, and also an opportunity to build up its defences on Abu Musa Island.

Furthermore, the Sheikhdoms' territorial disputes with Iran have been a functional voucher for requesting the support of Western powers in their regional manoeuvring.[50] The advantage of Washington to welcome such requests, as Ezzati also remarks, was motivated by its desire to fuel the Iran-Arab enmity. As he explains, under such circumstances while the Iranian islands of Abu Musa and Tunbs have lost their strategic value in the post-Cold War era for Iran, Arabs and the US, intimidating Arabs with the threat of Islamic fundamentalism on one hand, and Iran's efforts to extend its influential domain in the region on the other, caused the US arms market amongst Arabs to flourish.[51] In this regard Amirahmadi, also mentioning the leading role of the West, especially the US and Israel, in orchestrating the Iran-Arab disputes affirms that,

> With the Cold War over, America needs a regional menace like Iran to legitimize the selling of billions of dollars worth of weapons to the Persian Gulf monarchies every year. (...) [The US] problem with Iran today cannot be reduced to money and profit alone. Protect Israel security, preserving the Persian Gulf monarchies and other pro-American states, and assuring the flow of oil at a reasonable price continue to top American foreign policy concerns in the Middle East.[52]

To access such interests, only security arrangements in agreement with Washington's policy in the region will be acceptable to the security strategy of the US hegemony. As Khorram, Iranian senior analyst in international relations notes, the US security strategy with its heavy dependence on a forward US military presence is based on achieving Washington's goals in this region, including superiority for Israel, changing regimes and borders of some countries, and changing the security arrangements in this region to be compatible with its policy. He sees the US strategy as a threat to the whole ME and concludes that there cannot be any security arrangements in this region

without the axis of the US and then Israel. Therefore, as long as the US sees Tehran as an obstacle against the new regional security arrangements, as Khorram notes, "it tends to attract the allies' support and diffuse this potential through naming repeatedly Iran as a danger for international peace and security".[53]

However there are various views that believe, as a result of two previous failed US policies of power balance during the 1980s and the dual containment in the 1990s to change the brittle security structure of the PG, that the necessity for a regional security system which includes all littoral states has become even more significant.[54] Also, as the results of *Brookings*' study group about 'cooperation and security in the 21st century' affirms, in the post-Cold War era, the main strategic problem for a cooperative security regime is not deterrence anymore, but reassurance. Hence, in the current international security relations, to examine an alternative form of security, there should be an emphasis on collaborative, rather than confrontational relationships among the national military establishment.[55]

As Schofield also argues, given Iraq's situation after the Kuwait crisis, Iran's reluctance to harbour any territorial plans on its Arab neighbours, and the role of the GCC in regulating the Arabian territorial structure on a region-wide basis, further absence of Tehran and Baghdad from any regional grouping would not be wise. The reason, as he notes, is that such regional grouping can provide an opportunity to effectively air all issues, especially territorial grievances; otherwise the most serious and historically entrenched disputes in the region will become harder to settle.[56] Moreover, he deduces that the absence of such an inclusive gathering has resulted in the regional isolation of Iran as well as missing the opportunity for Iran and its Arab

neighbours' to finalise their agreements about two main territorial disputes over Arvand Roud and Abu Musa/Tunbs.[57]

Iran's Alternatives in the Future Persian Gulf Peace and Security

Iran as the greatest local power faces different alternatives to support peace and security in this region. All above mentioned insecurity elements in the region underline the significance of urgent action of the littoral states, especially Iran more than others, to solve territorial and boundary disputes before they become a serious crisis, and also as a matter of goodwill and a step towards confidence-building to achieve regional cooperation and collective security. Under the current political situation of the PG,

- Every crisis since the last three decades caused by territorial disputes has ended with more presence of the foreign forces in the region — seen an insecurity element from Iran's perspective.
- Any future PG security solution will depend very much on US actions, regarding Washington's bilateral security agreements with the GCC members which are based on preparation for massive military confrontation.
- Washington's reluctance regarding the formation of any independent and multilateral local cooperation, not only between Iran and its Arab neighbours, but also within the GCC members which could result in more economic and political powers for this regional organisation.
- The regional arms race, particularly within the GCC states, with the aim of balancing and deterring each other, even to the same degree as to the external enemies, or its usage as a negotiating tool within the organisation.[58]

The littoral states must find alternative strategies to ensure regional peace and security, one that emphasises collaborative rather than confrontational relationships among the PG states. A factor that strongly emphasises the importance of improving relations between Iran and the Arab world, which depends on, as Amirahmadi also confirms, "improving relations between Iran and the United States, which is largely influenced by Iranian-Israeli antagonism."[59]

Meanwhile, Iran, by applying a more stable foreign and regional policy and avoiding positions which could raise its neighbours' mistrust and suspicion, should try to achieve some agreements about their boundary and territorial claims. For instance, regarding UAE claims over Abu Musa and Tunbs, Salari, Iran's former ambassador to the UAE (2000-2004), believes that with a more flexible and centralised policy of Iran this issue could be solved and many cooperative opportunities in favour of Iran and other PG states would be granted.[60] Salari said in an interview with the author that "besides all political reasons to impasse the territorial dispute between Iran and the UAE, the current dilemma of Iran and the UAE is mostly because of the lack of an individual decision making system in Iran, unlike the sheikhdom democracy in the UAE." He remarked that "in Iran all decisions should be taken by a consensus of different authorities and no one has the courage to decide individually." According to him, "the islands dispute should be solved within three dimensions: 1) the Abu Musa island by Iran-Sharjah; 2) the Tunbs islands dispute by Iran-Ras al-Kamiah; 3) the general foreign relations by Iran-Abu Dhabi; while there is no solution for these steps in Iran regarding its present political system." Salari, who assumes the islands have lost their geo-strategic and geopolitical value as a cause of developed technology of missiles and navies to destabilise or stabilise the PG waterway, urges Iran more than UAE to achieve a quicker peaceful or even a temporary solution for the islands

disputes, in order to prevent any further possible political leverage misused by the US against Iran under the current regional and global situation.[61]

Some other scholars, such as Amirahmadi, estimate the strategic value of the islands as entrances to the Strait of Hormuz only to be significant for security purposes during wartime, otherwise they are not of much benefit to either country. In this respect, it is assumed that even if the islands were in the control of the UAE, it would not have the capability to defend them in a possible attack from Iran. Hence, as Amirahmadi suggests, the greatest possibility of a lasting solution over the islands' dispute, particularly with respect to UAE's interests, is supporting the *status quo* and achieving a cooperative regional approach. By achieving a collective security arrangement which ensures all littoral states' territorial integrity, domestic stability, and national interest, is believed that these three islands will lose their strategic value.[62]

Subsidiary to this view is the observation of Salari that the major problem of the UAE is not Iran, but Oman and Saudi Arabia. As he explained, the UAE, which had territorial disputes with Oman, Saudi Arabia, Qatar and Iran, lost its entire boundary with Qatar after the 1982 confidential agreement with Riyadh. Under this circumstance Saudi Arabia has been able to exploit 500,000 barrels of oil per day from Sheibeh reserve with a capacity of 14 billion barrels; it's a serious threat to UAE stability. He mentioned that, although the UAE did not pass its final approval on this agreement's content which caused it to lose its entire border with Qatar, as seen in the current maps Qatar got completely surrounded by Saudi Arabia.[63]

However, Abu Musa has large oil reserves, which fuel the economies of both Iran and the UAE. According to the agreement between Iran and the UAE the two countries

share the income from the oil field equally. Furthermore, the strategic position of the island which lies at the entrance of the narrow Strait of Hormuz could allow the security of the shipping lane to be influenced. As Sharjah's economy depends heavily on its oil income it is very interested in the island. Presently, the only oil that Sharjah has any claim to is the Mubarak field, which is located six miles off Abu Musa, and has been producing oil and associated natural gas shared with Iran since 1974.

In addition, all of Iran's oil tanker traffic must cross this area making the security of this territory very important. Therefore the recent Iranian military deployments in Abu Musa have raised concerns of PG energy producers and consumers, especially in the West, as a potential threat to shipping by blocking the strategic Strait of Hormuz. However, some scholars, such as Harold Hough note that "the military build-up [is] part of a greater move by Iran to spread its influence in the Persian Gulf rather than an attempt to solidify its hold on the Strait." According to him Abu Musa provides Iran with a base for projecting its power and influence towards the GCC, and also produces extra protection for Bandar Abbas, an Iranian port important for its oil industry and military base. Hough goes on to explain that, "If Iran wanted to deny the waterway to the US Navy, missile sites near Bandar Abbas would be more valuable since they are on the Iranian mainland and the US would be less willing to attack them for both political and military reasons."[64]

Conclusion

Boundary disputes, as a great divergent element for the regional stability and security, have contributed the other divergent factors to prevent the littoral states from creating a collective regional security arrangement. As it was learned from this chapter, diplomatic means and regional solutions are the most lasting and practical answer to

the different territorial and boundary disputes in this region. The necessity of such solutions is the improvement of the political conditions — with all regional actors including the US, in the case of Iran, esteeming previous agreements and avoiding any expansionist ideas, respecting the sovereign existence and independence of all actors, together with states' comprehension of the significance of collaborative relationships in favour of all littoral members, efforts for extending confidence-building measurements, and finally achieving a collective security arrangement, which its components will be studied in the last chapter.

Cooperation within the region would result in greater economic power, like the EU in Europe, and energy reserves which have been the major element of the continuing struggle for hegemony in this region, could transform the PG into the most powerful energy group in the world. Greater economic interaction and cooperation would also result in a basis for stronger security interactions among littoral states of the PG. Therefore, there would be no reason for US military presence or a flourishing US arms market in the region; a very dangerous and concerning fact in the US foreign policy concerns. However, to be able to study the future shape of collective security arrangements in the region the next four chapters will investigate other insecurity components which are the littoral states' incongruity of political systems and their different internal and external security concerns.

Notes

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[1] Rodman R. Bundy, 'Maritime delimitation in the Gulf', in Richard Schofield (ed.), *Territorial foundation of the Gulf states* (London: UCL Press, 1994), p. 176.

[2] Julian Walker, Practical problems of boundary delimitation in Arabia: the case of the United Arab Emirates. In Schofield (ed.), op. cit., pp. 112-113.

[3] See, Hooshang Amirahmadi, The colonial-political dimension of the Iran-UAE dispute. In Hooshang Amirahmadi (ed.), *Small Islands, Big Politics: The Tonbs and Abu Musa in the Persian Gulf* (New York: St. Martin's Press, 1996), pp. 5-6; **also** Pirouz Mojtahed-Zadeh, *Security and territoriality in the Persian Gulf* (Richmond Surrey: Curzon Press. 1999), pp. 55-56.

[4] John C. Wilkinson, Britain's role in boundary drawing in Arabia: a synopsis. In Schofield (ed.), op. cit., p. 96.

[5] Details regarding the four kinds of border dispute in, J. R. V. Prescott, *The Geography of Frontiers and Boundaries* (London: Hutchinson, 1965), pp. 34-40, cited in Alasdair Drysdale, Gerald H. Blake, *The Middle East and North Africa, A political geography* (New York, Oxford: Oxford University Press, 1985), p. 85.

[6] Drysdale, Blake, op. cit., P. 313.

[7] Among many see, Anwar M. Gargash, Prospects for conflict and cooperation: the Gulf toward the year 2000. In Gary G. Sick and Lawrence G. Potter (eds.), *The Persian Gulf at the Millennium: Essay in Politics, Economy, Security, and Religion,* (New York: St. Martin's Press, 1997), p. 327. As an example he mentions that, 'issues such as the Hawar dispute between Qatar and Bahrain and the Iraq-Kuwait border issue are as much a part of present-day politics as they were a feature of the politics of the 1930s'. See **also** Keith McLachlan, Hydrocarbons & Iranian policies towards the Gulf States. In Schofield (ed.), op. cit., p. 236.

[8] David Pike, Cross-border hydrocarbon reserves. In Schofield (ed.), op. cit., p. 187.

[9] Paul Stevens, Contemporary oil exploration and development policies in the Gulf region. In Schofield (ed.), op. cit., pp. 211.

[10] Examples of such linkages include the dispute between Iraq and Kuwait over the Rumaila/Ratga fields and the dispute between Iran and Qatar over the North Gas field [Southern Pars field]. **See,** Paul J. Stevens, Oil and the Gulf: alternative futures. In Gary Sick and Lawrence Potter (eds.), op. cit., p. 87.

[11] Stevens, Contemporary oil exploration and development policies in the Gulf region. In Schofield (ed.), op. cit., pp. 211.

[12] Recent examples include the border dispute between Saudi Arabia and Yemen and between Bahrain and Qatar. **See,** Stevens, Oil and the Gulf: alternative futures, op. cit., p. 87.

[13] Pike, 'Cross-border hydrocarbon reserves', op. cit., pp. 187, 191.

[14] Ibid., p. 193.

[15] See, McLachlan, op. cit., pp. 234-236.

[16] For example this was according to McLachlan, "the case with the Oman — Ras al Khaimah dispute of 1977 over Bakhah-Rims on the western flank of the Musandam peninsula. This discussion will examine the Iranian position on the exploitation of hydrocarbons and difficulties over international boundaries *vis-à-vis* that of the Arab states of the northeastern shore of the Arabian peninsula." **See** ibid., p.223.

[17] See, Richard Schofield, Border disputes in the Gulf: past, present, and future. In Gary Sick and Lawrence Potter (eds.), *The Persian Gulf at the Millennium*, op. cit., pp. 132-3; **also** Richard Schofield, Borders and territoriality in the Gulf and the Arabian peninsula during the twentieth century. In Schofield (ed.), *Territorial foundation of the Gulf states*, op. cit., p. 18.

[18] For details see, McLachlan, op. cit, pp. 235-236; **also** Pike, op. cit., pp. 188-198; also http://www.theestimate.com/public/032301.html & http://www.theestimate.com/public/040601.html (10 January 2008)

[19] Pike, op. cit., p. 189.

[20] For details see, ibid, pp. 189, 198; **also** Gerald Blake, Shared Zones as a solution to problems of territorial sovereignty in the Gulf states. In Schofield (ed.), *Territorial foundation of the Gulf states,* op. cit, pp. 204; **also** Schofield, Borders and territoriality in the Gulf and the Arabian peninsula, op. cit., p. 45.

[21] Schofield, Border disputes in the Gulf: past, present, and future, op. cit., pp. 156-157.

[22] Schofield, Borders and territoriality in the Gulf and the Arabian peninsula, op. cit., p. 2.

[23] Ali Asghar Kazemi, *Aba`de hoghoghie- hakemiate- Iran dar Khalije- Fars [Legal dimensions of Iran authority in the Persian Gulf]* (Tehran: Institute for Political and International Studies (IPIS), 1368 Solar Calendar [1989]), p. 3.

[24] Details in Bundy, op. cit., p. 184.

[25] Ibid, p. 176.

[26] Wilkinson, op. cit., p. 94.

[27] Bundy, op. cit., p. 185.

[28] Source: Schofield, 'Boundaries, territorial disputes and the GCC states', in David E. Long and Christian Koch, *Gulf Security in the Twenty-First Century* (Abu Dhabi: The Emirates Center for Strategic Studies and Research, 1997), pp. 140-143.

[29] Blake, Shared Zones as a solution to problems of territorial sovereignty in the Gulf states, op. cit., pp. 200-201.

[30] Ibid, p. 209.

[31] Schofield, Borders and territoriality in the Gulf and the Arabian peninsula, op. cit., p. 3.

[32] Schofield, 'Border disputes in the Gulf: past, present, and future', op. cit., p. 132.

[33] For more details see: ibid, pp. 132-138; **also** Schofield, Borders and territoriality in the Gulf and the Arabian peninsula, op. cit., pp. 4, 5, 14.

[34] Ibid., p. 5.

[35] Ibid, p. 14.

[36] Gargash, op. cit., p. 329.

[37] Ibid, pp. 328-329.

[38] Ibid, pp. 328, 330.

[39] Ibid, p. 321.

[40] Ibid.

[41] Mojtahed-Zadeh, op. cit., p. 64.

[42] Among many see, Graham Fuller, *The "Center of the Universe" the geopolitics of Iran* (Boulder, San Francisco, Oxford: Westview Press, 1991), pp. 60-62.

[43] Source of the maps: *The Circle of Ancient Iranian Studies (CAIS).* http://www.cais-soas.com/CAIS/Iran/territorial_challenges.htm (December 2007)

[44] Schofield, Borders and territoriality in the Gulf and the Arabian peninsula, op. cit., pp. 35-36.

[45] Among many see, Fuller, op. cit., p.62.

[46] For details and debates about each sides' claims see, Schofield, Borders and territoriality in the Gulf and the Arabian peninsula, op. cit., pp. 34-41.

[47] Details in Amirahmadi, op. cit., p. 11.

[48] Ibid., p. 14.

[49] Ibid.

[50] For more details see, ibid, p. 10.

[51] See, Ezzatollah Ezzati, *Tahlili bar Geopolitic-e Iran va Eragh [An Analysis on Geopolitics of Iran and Iraq]* (Tehran: Foreign Ministry Press Centre, Institute for Political and International Studies (IPIS), 1381 Solar Calendar [2002]), pp. 11-12.

[52] Amirahmadi, op. cit., pp. 19-20.

[53] Ali Khorram, The US threats and the necessity of changes in the security arrangements in the region. In *Abstract of the 15th International Conference on the Persian Gulf* (Tehran: Institute for Political and International Studies (IPIS), March 2005), P.55.

[54] Among many see, Denis Engelleder a researcher of Fredrich-Schiller-University Jena, Germany, US Persian Gulf policy and the need for a regional security system in the Persian Gulf: historic lessons and future implications. In *Abstract of the 15th International Conference on the Persian Gulf,* op. cit., p. 12.

[55] Janne Nolan, *Global Engagement; Cooperation and Security in the 21st Century*, (Washington DC: Brookings Institution Press, 1994).

[56] Schofield, Boundaries, territorial disputes and the GCC states, op. cit., pp. 167-168.

[57] Schofield, Border disputes in the Gulf: past, present, and future, op. cit., p. 158.

[58] For details regarding security issues and US strategies see, Michael Kraig, 'Assessing Alternative Security Frameworks for the Persian Gulf', *Middle East Policy*, Washington: Fall 2004, vol.11, issue 3, cited in the site of *Gulf2000* of Columbia University, NY, USA.

[59] Amirahmadi, op. cit., p. 24.

[60] Alireza Salari, Ambassador of Iran to UAE during 2000-2004, in my exclusive interview in Abu Dhabi on 3 August, 2004.

[61] Ibid.

[62] Amirahmadi, op. cit., pp. 24, 13.

[63] Salari, op. cit.

[64] Harold Hough, 'Iranian Intentions-The Strait of Hormuz or Beyond?' *Jane's Intelligence Review*, (October 1, 1995), vol. 7 no. 10, p.454. Cited from http://www.american.edu/ted/abumusa.htm (2 July 2008)

Chapter 7

The Arabian Peninsula States of the Persian Gulf; The GCC

Introduction

The different political position of the PG states (e.g. political structure, political history, interaction with the world's powers, national interests, etc.) has significantly affected regional security. Security, as the most important issue of the PG region, has been influenced by the condition of the interaction between the eight littoral states.

Certainly, PG regional security has been the direct consequence of the intense superpowers' rivalry and, since the 1990s, the US hegemony policy along with other external powers' interests in this region, all of which have affected the littoral states' domestic and foreign policies. However, the domestic, regional and international politics of each of the PG states have been influenced by their perception of national interests along with their various capabilities like the rate of their political, economic and military power. In addition, by the end of the Cold War era and also due to critical changes in international politics, the littoral states' definition of security and national interests had changed dramatically. The regional actors lost their roles and political maneuvering ability in the bipolar international system and while some became even more dependent than before, some others have faced embargos and sanctions from the dominant actor of the unipolar system.

Consequently, for the future shape of collective security arrangements in the region, besides the geopolitical importance of the PG which has been studied, the greatest

factor to consider is the national security of each nation-state. In this regard, the domestic dimension of stability and social peace and wealth as the major indicators of legitimacy and authority of the states will be considered. Hence, besides the incongruity of political systems of the littoral states, the internal socio-economic and political developments in each country should be studied as a major element influencing regional security. In addition, from the perspective of the littoral states' different security concerns, their external challenges and threats facing them, especially from the other regional actors, will be examined.

The purpose of this section is, by considering the insecurity components in the region, to identify convergence elements among littoral states so as to turn threats into opportunities for regional cooperation and sustainability. To be able to analyse the determinant factors of a security system, the following chapters regarding Saudi Arabia (the GCC), Iraq and Iran have drawn upon the level of analysis framework in international relations. Taking advantage of arguments of scholars such as Steven Spiegel, Theodore Couloumbis and James Wolfe on the significance of finding links between the insights derived at the various levels and from different actors and units of analysis to be able to identify what Couloumbis and Wolfe note as, "different pieces of a multidimensional puzzle" which at the end could be able to "put these pieces together into a general theory of interaction, a theory that has both descriptive and predictive powers",[1] this study also has discussed all three levels of the PG states' foreign policies and the forces that affected them, including the systemic level (the interaction between states) and the debate that occurs at the domestic and individual levels in chapters seven to ten. These chapters also draw upon social analysis, to provide an analysis of the situation in PG states with regard to their social backgrounds and belief systems. They also draw upon elite theory to provide an

analysis of power relationships or policy-planning networks in the PG states' societies, as well as their different definitions of security and national interests. Applying these components in a suitable security theory can help to construct a regional security arrangement, which will be studied in the last chapter.

Political Institution; the Leadership Tradition in the GCC

In spite of the changes in economic and social features of the Arab states in the PG from oil revenues, their traditional political systems have remained fundamentally intact. Since bedouin times a single ruler or sheikh and his ruling family, likewise the elite classes of other clan or tribes have determined the entire social, economic and political policies of the nation-states and the mass public destiny. Family members or elites close to them dominate all important positions regarding budget, internal security, foreign policy and military issues.

It is not only the decision-making in the GCC states that is dominated by this small group, who according to Byman and Green, are "privileged by birth, not by merit"[2], but they also "own the countries."[3] The ruler, as a chosen person by a tribal council or self-appointed family member following an internal struggle, is usually the wealthiest, most powerful and influential head of a clan.

So as Chubin mentions, "money and other forms of fortune also play an important part in achieving and maintaining rule. The classical tribal sheikh has to be rich enough to offer lavish hospitality to his followers and to outside dignitaries."[4] Also as Byman and Green affirm, "All [Arab] Gulf governments are remarkably skilled at using economic control to ensure their hold on power.", as they remark, they are "experts at using largesse to silence critical voices [and] oil wealth allows the state to

dominate the economy."[5] The traditional autocracy tribal family government system has stayed unchanged, while in the case of the ruler's failure in his obligations, not just the head of state but his ruling family would lose the leadership; an opportunity for his rivals from another family or even other tribes to replace him.[6]

The flexibility and adaptability of the traditional system of tribal rule in this regard has ensured that the ruling families hold on power for decades. According to this rule if the ruler was unable to adapt to whatever new situation which could appear as an essential crisis to the entire system, he could be discharged by other family members or elites, by violence or in a suave and respectful manner. For instance, the Amir of Qatar was replaced in 1972 by a more 'modern' relative, and in 1995 Sheikh Hamad bin Khalifa Al Thani deposed his father in a bloodless *coup*. Such replacements take place by consultation with other leading Qatari families when they decide that the old Amir no longer meets the needs of the day. Therefore, such 'ideological flexibility' as Byman and Green explain, can serve to offset outside meddling as well as opposition groups' demands, which potentially pose a great threats to the Arab regime. In this respect, they also mention some of the practical measures by the GCC regimes:

> During the 1950s and 1960s, they often claimed to champion Arab nationalism, sending token support in the fight against Israel and funding revolutionary Palestinian groups. After the 1979 Iranian Revolution, Gulf leaders portrayed themselves as pious Muslims, fervent in their support for traditional religion. In the 1990s, the Gulf states have played the civil society game, pretending to increase popular input into decision-making.[7]

This flexibility, according to some cases of the rulers' depositions in the interest of foreign powers, demonstrates the heavy dependency of the political power pyramid,

legitimacy and sovereignty of the southern peninsula states on the outside powers. In this regard, some analysts go further, suggesting that any power displacement and changes in conditions and policies in these countries occur as a function of the international powers' interests.[8] In this respect, as Sariolghalam states,

> The wide international dominance upon the PG region has a direct relation to internal weakness of the member states and collapse of political thought among their elites. (...) Among the Third World regions, the Middle East, including the PG is the only region in the world that besides its internal potential capabilities has remained under the international policy and economic control. The problem is that these regimes have no internal institutions to be able to interact reasonably, functionally and independently with the outside world and at the same time having national consensus for making interdependent decisions. Security and legitimacy of the PG authorities, where their regime security is the most important matter to them, is very much dependent to the world outside their borders. Therefore any power displacement and changes of essences and policies in these countries occur as a function of international interests. (...) Their internal security is also very much dependent on the international coalitions.[9]

However, regardless of whether these speculations seem consistent, regarding the geopolitical significance of the PG in recent years, the major powers have brought increased pressure to bear upon traditional rulers to carry out reforms; these might be executed, either through voluntary replacement by their modern younger successors, or the actual adoption and implementation of the modern reforms themselves.

Reform Dilemmas of the GCC

Implementing modern reform, from the point of view of the GCC and the West, especially the US, is the only choice of the Arabian Peninsula's traditional political

systems in a modern world to endure. However, while the GCC states are aware of the need for domestic reform to make their regimes more stable and their economies more vibrant, the dilemma for them is that, due to the very traditional and conservative political systems of their regimes, especially in Saudi Arabia, serious structural and political internal reform remains off the agenda. This issue adds to the impact of the whole political situation in the region upon internal issues, which, when compounded with their domestic socioeconomic and political problems, confront the GCC states with rigorous restrictions in their attempts to carry out reforms. Among various challenges to their security and stability, internal problems are the major factor. This is due to that fact that the possibility of foreign military attacks is low, especially after the reduction of the two PG major powers', Iran and Iraq, military capabilities during the last three wars in the PG, while the GCC regimes also enjoy the US military protection. But as Turki Al-Hamad remarks, despite the lack of major external threats against them, they confront significant internal problems.[10]

Whilst history and tradition are recognised as the main legitimate sources of ruling families of the GCC, they resist against major political and economic reforms which can affect their political power, wealth and fortune. In addition, their legitimacy, which also derives from rentier or cradle-to-grave welfare system, may also decline as a result of economic reforms, the GCC populations' growth, and government revenue sources could shrink in the future.

However, according to the principle of 'flexibility and adaptability', also the importance of regime security more than state security,[11] there are not many choices for ruling families who wish to keep the *status quo*, except by adopting significant reforms; even with a limited recognition of the need for political and economic

reforms, with a wide and undetermined range of timing, method and degree of changes. Domestic and structural factors along with the regional and international political evolutions are the main internal and external factors persuading the GCC regimes to adopt or offer some reform measures.

Threats and External Factors Relating to the GCC

In a tumultuous region of the ME, with *coups*, changing regimes, wars and revolutions that could affect the regimes of the Arabian Peninsula occurring since the 1950s, they have survived with unchanged traditional political systems. Their security strategies have been able to solve not just foreign interferences or threats but the considerable domestic problems in maintaining social peace.

Regarding the external threat, there are very different visions among the GCC states. Although, the US military initially came to the PG to protect southern littoral monarchies from Iran and Iraq, many of these countries were mainly afraid of each other. To face the external threats, they traditionally prefer diplomatic methods and political influence, whether via adaptable diplomacy or generous aid.[12]

However, the fear of expansion of the Iran-Iraq war to the region and its insecurity consequences for the GCC, made them invite external powers to support them, by declaring that the responsibility for freedom of navigation in the PG was an international duty, during the "Tanker War" of 1987.

In general, the GCC states do not face any serious or urgent foreign invasion. Besides their benefits from the US commitment for military support, Iran and Iraq as the two major regional powers since the last three decades have become weak, certainly in terms of their conventional military power. At the present time, Iran is the only

regional military power that, by developing its military capabilities, is perceived as a potential threat to the GCC, although it is a far less modern military power in comparative terms than it was before the eight-year war with Iraq.

Since its defeat in 1990-1991 Kuwait crisis and the later collapse of Saddam's regime in 2003, Iraq also needs a long-term recovery period to become a regional power once more. However, some other dangers — mainly terrorist attacks from groups based in Iraq — may threaten the GCC security in the case of Iraq and the US failure to establish a stable and secure new government in Iraq and improve the society's security. Moreover, Yemen which has been recently involved in its own civil war and subject to attack by Islamist extremist elements can not be assumed to be a serious military threat to its neighbours.

So, since the mid-1990s, as Sick, Gause and others observe, according to the conventional definition of security, which is shelter from foreign military invasion, the small states of the GCC seem more secure and stable than at any time in their independent history, and even more secure than the two large states of Iran and Iraq.[13]

Furthermore, the GCC states, like all other countries, have faced outside meddling as well as domestic opposition groups' demands, which can pose a great threat to the security of the regimes. During the 1950s and 1960s, the Arab regimes of the PG faced the efforts of opposition groups using the idea of Arab nationalism introduced by Egyptian President Jamal Nasser, to achieve Arab unity. A message which was accompanied by the condemnation of Arab regimes of the PG, specifically Saudi Arabia, and which supported Saudi opposition groups in their attempts to bring about the downfall of the monarchies, like in Iraq, Syria and Libya.

The peak point of such problems was in the 1980s during the Iran-Iraq war. Iran in various ways, including inviting the GCC people to overthrow their governments, tried to, as Byman and Green note, dissuade the GCC governments from supporting Baghdad in its imposed war against Iran.[14]

Nevertheless, by improving the relationship between Iran and the GCC and the establishment of a new regime in Iraq, these kinds of threats have decreased. Albeit, a continuation of the US military presence on the Arabian Peninsula can always be a motive for destabilising relations between Iran and the GCC states and may even contribute to the dynamics of threat escalation. This might be especially true in the light of recent American plans for a possible attack on Iran's nuclear sites, which can only take place through the US bases in the Arabian Peninsula. A situation whose its necessary military tools have been provided through the most recent Washington's ME strategy of containment against Iran, via the arming of US Arab allies.[15]

However, despite the GCC leaders' concerns regarding Iran's growing influence in the ME and its military potential, which could be seen by the GCC a long-term threat, both sides do not welcome any threat escalation; rather they seek to build a CBM and improve relations. In this regard for example, Al-jazeera broadcasting, citing from a senior Saudi diplomatic source about a possible US attack on Iran's nuclear sites, suggested that, "A lot of Saudis fear that the US will come and make mischief then go away, but we have to live here afterwards."[16]

Most likely, unrest and internal instability which are seen as very real potential threats, may increase in the GCC as governments' resources decrease in the future, alongside the rapid growth of their population rate. Preventing external threats, also preserving security of the regimes, require the solving of internal problems.

Domestic and Structural Factors in the GCC

The GCC governments face serious domestic and structural security threats which mainly are:

1) ***The problem of governments' political legitimacy***; mainly because of: political exclusion resulting in the lack of people's political participation and the absence of the governments' accountability and transparency; the impact of the fall of oil revenues per capita as a threat to cradle-to-grave welfare or the rentier system (to provide free services to all citizens since the early 1970s of the oil bloom) which highlights the fact that the government cannot fulfil its expected role; and a firm criticism of the government's excessive dependency upon the US, which is the major reason for their internal security problems, in turn leading to religious militancy, particularly in Saudi Arabia.

2) ***Social structure;*** very rapid population growth with a large and restless youthful population and high expectations, social system's vulnerability to fluctuations in oil prices, wide gap between rich and poor, growing unemployment, the problem of population proportion of foreigners to locals because of manpower shortages, and the impact of rapid modernisation and Westernisation on social stability, especially the crises of citizens' identity.

3) ***Economic structure;*** high dependency on oil revenue and the international oil market as the main source of governments' income, economic stagnation, financial crisis and high budget deficits due to low oil prices, corruption, mismanagement and high defence spending.

Byman and Green observe the GCC domestic problems in respect to the lack of democratic regimes and explain the potential sources of conflict, any one of which could bring unrest i.e. as,[17]

1) Lack of accountability of GCC governments, and widespread political alienation and corruption.
2) Mixed and uneven economic development, contrary to general stereotypes of wealthy Sheikhdoms.
3) Huge demographic pressures.
4) Declining traditional ways of life, as nomadic, largely illiterate societies have become rapidly sedentary, urbanised, and educated.
5) The prevailing atmosphere of violence in the region where guerrillas are praised and peacemakers ridiculed.
6) Rampant discrimination against Shiite Muslims, who form a large segment of several littoral states' populations.
7) Widespread religious militancy, which threatens to undermine the GCC regimes' legitimacy.

According to Turki Al-Hamad the GCC social problems are due to the combination of serious economic difficulties (as a result of the any decline in oil prices such as the mid-1980s, costly and irrational governmental spending — especially on defence and security — weak and unhealthy economic arrangements and growing indebtedness) with the high rate of foreign employment. Under such circumstances, he observes the rise of social problems such as, "growing unemployment, escalating crime, and emerging terrorism" which may have political consequences, e.g. "more claims for political participation; and growing pressure for drastic reforms."[18]

In addition, as Byman and Green note, the dominant belief of the GCC's citizens is that their political systems are exclusive, and that peaceful political activities are not capable of influencing their country's leadership. Consequently, they observe "this opposition could have dangerous repercussions: throughout the world, rather moderate political groups have often become violent after years of repeated failures in proposing compromise."[19] They also perceive the alienation of social and economic elites as being very dangerous, especially as oil wealth has allowed the ruling families to control state finances and politics, whilst traditional tribal and family elites have lost influence.

The unconditional social agreement of loyalty in return for free social services between the rulers and the ruled in the GCC states has been shaken. This condition is the consequence of very high corruption and uncountable government spending levels, especially the unreported annual billion-dollars revenue from petroleum exports in budgets of the GCC governments,[20] along with the economic slump — as a result of high levels of social spending, supporting Iraq's eight-year war against Iran in the 1980s, and paying for the Desert Storm operation in the 1990s. Moreover, the wider involvement of the royal families, particularly Saudi Arabia and Bahrain, in business and even private sectors, while traders are dissatisfied about the circulation of money, the rapid increase in population along with a rise in expectations for a higher standard of life, adding to the shrinking revenues and growing unemployment, all have reduced the citizen's loyalty that was reinforced by money. Economic stagnation has resulted in a widespread feeling of indignation about corruption and wealth disparity, widening the gap between the rich and the poor and thus rendering it more critical.[21]

In addition, the sudden transformation of the GCC traditional societies with moral and religious values, also changing from a poor economy to being completely different wealthy oil-producer states, with new norms and social organisation derived from modernisation and Westernisation, has enlarged their social crisis. More importantly, the prevailing notion that 'modernisation brings secularity', or that 'modernisation is a fundamental break from spirituality', has caused the rise of militant religious, social and ethnic movements in these countries.[22] In this regard, two other major threats have confronted the GCC regimes. They are the traditionally discriminated and oppressed Shiites who form a large segment of several GCC states' populations, especially in Saudi Arabia and Bahrain, and the growing anti-government religious militancy, specifically Sunni radical Muslims in several GCC states.

Discrimination against Shiite citizens including political exclusion, limitations of their religious practice and literature, employment and financial discrimination,[23] restriction in joining the army,[24] using some laws against Shiites,[25] introducing them as heretic and being "stigmatized socially; both the government and much of the Sunni majority sees them as tantamount to apostates"[26], as well as suffering routine harassment and imprisonment by the security services etc. has in turn been a source of turmoil.

Also, analysts consider religious militancy as perhaps the most dangerous threat to stability in some of the GCC states, especially Saudi Arabia, which originates mainly from Sunni radicals. Sunni religious radicals, who were encouraged and supported by the GCC regimes, afterwards started challenging them. These radicals were reinforced during the 1960s to the 1980s, regarding two basic policies of the GCC regimes, viz. divide-and-rule, and decreasing the influence of Arab nationalism as an anti-

monarchist political thought as well as creating a rival to the Shiite thought of Iran's Islamic revolution. As Byman and Green have remarked about the policy of divide-and-rule, GCC governments are not just skilful in making divisions within communities and fragmenting any political opposition, but also are very masterful of using Sunni distrust of the Shiites and even creating division within the Shiite communities themselves.[27] Regarding Islamic Revolution of Iran, according to Esposito,

> Iran captured the headlines and imaginations of many throughout the Muslim world and the West, (...). For a secular-oriented West the specter of the spread of revolutionary Islam seemed both retrogressive and a threat to Western allies and interests (oil and trade). The reality was in fact far more complex. Iran proved far more effective as a source of inspiration rather than emulation. For rulers in the Gulf, response to the strength and threat of Islamic political activism was complicated by the fact that many of them were Sunni rulers with significant Shiite populations.[28]

Consequently, common resentment of oppositions, due to the regimes' domestic policy of repression as the preferred response to all political opposition in the majority of GCC countries, and political exclusion systems, together with the radical's objection to their governments' over dependency upon the US, drove the oppositions underground and raised the probability that frustrated elements would resort to secret methods and acts of violence. Opposition to Al-Saud intensified from the time of the Iraqi invasion of Kuwait in 1990 as a result of the presence of hundreds of thousands of Western troops in the kingdom. The most violent disorderly behaviour of the early 1990s happened in Saudi Arabia and Bahrain, the two states least tolerant of political criticism; both did not have any practical representative institutions.[29]

However, by using a combination of several strategies the GCC states have been successful in promoting social order and remaining stable. As Byman and Green remark,

> Ruling families have proven skilled at anticipating, and preventing political violence before it explodes. The regimes employ mixtures of carrots and sticks, using aggressive security services to monitor, and at times suppress, opposition, while co-opting potential opposition leaders with wealth, jobs, and high-status positions. In addition, regime leaders are cunning political chameleons, changing their outside appearance to match the issues of the day, while maintaining their hold on power.[30]

In this regard, I will examine Saudi Arabia's role as the main GCC member and the likelihood of success of Riyadh's traditional strategies to control the social order in the future. For a better understanding about socio-political issues in Saudi Arabia, its geography and political ideology (a tribal monarchy whose constitutional organisation is established on Salafi or Wahhabi Islamic law) and the political process for its decision-making have been explained in details in Appendix-6-A.

Internal Threats to Stability of Saudi Regime

The oil wealth, besides its significant impact on the whole process of development and modernisation, economic and social features in Saudi Arabia, has given the kingdom great legitimacy over the years.

Oil revenue has enabled the regime to make the opposition noiseless, by controlling the economy to ensure its domestic socio-political stability via not just the rentier system but also by using bounty.[31] It has also contributed to conciliate and repel potential foreign threats with the government's offers of generous aid.[32]

The oil wealth has also enabled the royal family to ensure the regime's survival via empowering the bedouin or White Army, an old tribal elements from Najd loyal to the Saudi Family, to be known as the Saudi Arabia National Guard (SANG). The SANG exists on the bounty of the rulers and operates as independent units under direct command of King Abdullah since 1963. Its mission is to safeguard sensitive domains like oil installations and the royal family from internal rebellion and it is a counterbalance within the royal family who control the regular armed forces.[33]

The regular Saudi Army, under the command of the Defence Minister, Prince Sultan, is small in number and comprised of unskilled local military personnel that must rely on imported technology and foreign employees to be able to operate complex and sophisticated weaponries. Under this situation there is also a lack of any possible political antagonism incentives towards the regime.[34] The Saudi ranks are filled out by foreign nationals, especially from Muslim countries — including Pakistanis, Jordanians, Syrians, Palestinians, and Egyptians. Also, large numbers of American, British and French expatriate military technicians and trainers are running the Saudi military modernisation programs.[35]

The qualitative superiority of Saudi arms sale policy, which influenced the kingdom towards progressive diversification of arms suppliers, has made the Saudis personnel training and also the issue of weaponries maintenance harder; the regime will remain even more dependent on Western suppliers in the future.

As Murden remarks, the aim of Riyadh's cautious military strategy, besides keeping Saudi armies inefficient in order to maintain the regime's security, also serves to postpone the reformation process in the country. This is related, as Cordesman remarks, to "the commercial motives of foreign suppliers, and certainly the presence

of so much foreign support".[36] Gause adds to this analysis the financial interests of those in the GCC states (including Saudi Arabia) who benefit from these large-scale arms deals.[37] (See figures 7-1 and 7-2)

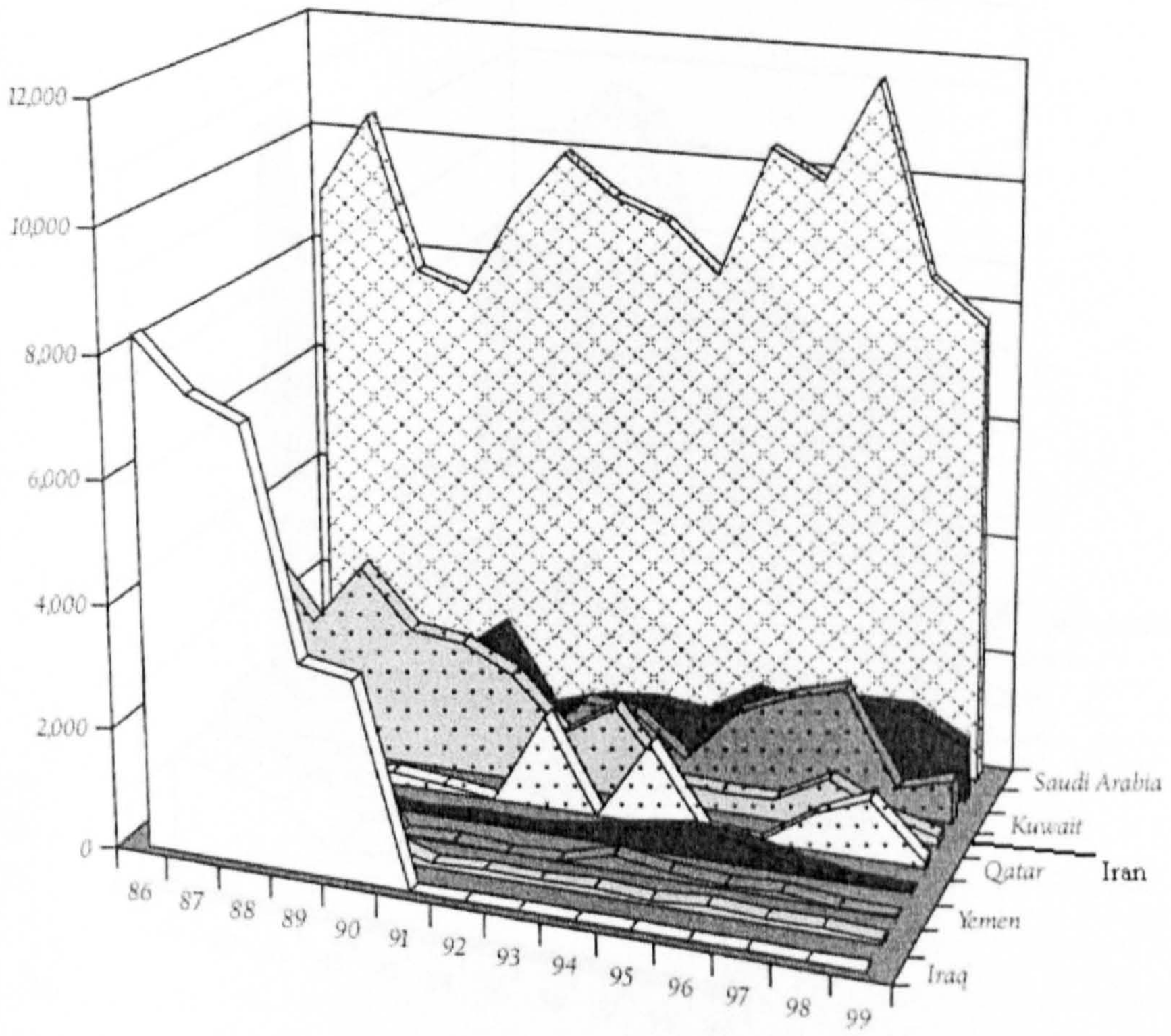
In general, oil revenue has enabled Riyadh to spend extravagantly on its defence system.[38] Regarding national defence and repelling external threats, after Iraq's invasion of Kuwait the military use of these kinds of arms purchases was doubted by the Saudi people, and the inability of the imported military technology to provide the kingdom with the security needs was proven. However, from an internal security point of view, it has improved the power and coercive capabilities of the regime to a degree sufficient to stay in power and, in general, to preserve social peace.

Social peace in Saudi Arabia, besides the use of a variety of government strategies to promote social order, is provided by the security forces, that according to Byman and Green are "often staffed by foreigners, [and] do not hesitate to suppress dissent."[39] This is particularly evident in the response to the seizure of the Grand Mosque in Mecca by Sunni radicals during the Hajj in 1979, and the anti-American attacks in the kingdom during the 1980s and 1990s which lead to dozens of deaths and hundreds of arrests in both cases.

Figure 7-1

Cumulative Saudi Arabia Arms Imports Relative to Those of the Other Persian Gulf States: 1986-1999

(Value of Deliveries in Constant $US Millions)

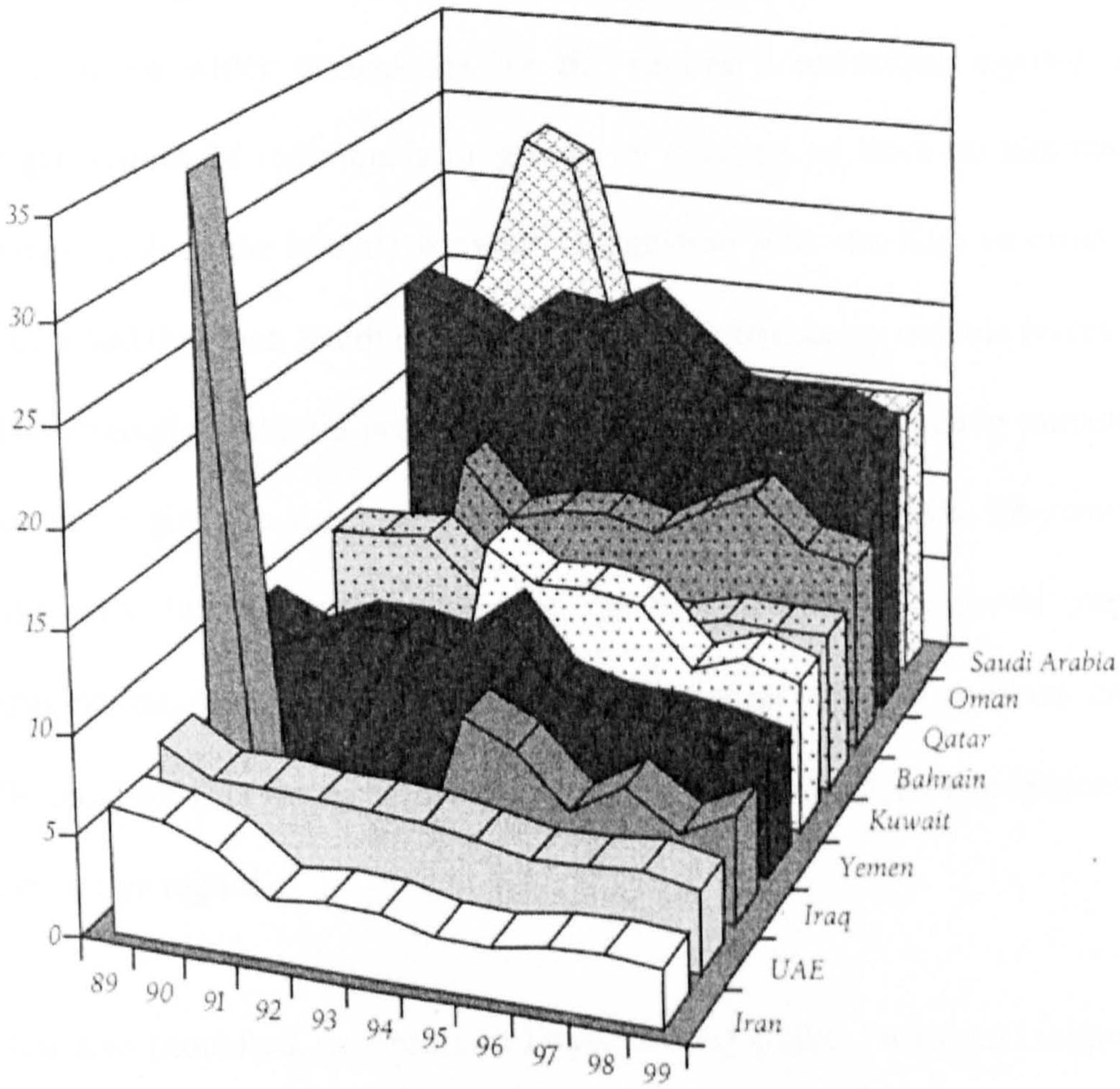


	86	87	88	89	90	91	92	93	94	95	96	97	98	99
Iraq	8,288	7,448	7,078	3,407	3,279	0	0	0	0	0	0	0	0	5
Bahrain	91	418	126	97	328	79	122	86	106	72	132	90	101	70
Yemen	564	1,045	1,523	1,554	35	41	6	22	275	145	81	110	30	30
Oman	178	157	38	73	12	57	11	140	307	445	376	160	30	30
Qatar	7	12	38	219	117	23	1,552	11	1,375	52	5	625	1,015	120
Iran	3,305	2,221	3,286	2,312	2,225	1,812	942	1,512	412	342	356	850	376	150
Kuwait	271	248	152	316	316	374	1,109	1,080	412	1,346	1,728	2,000	457	725
UAE	247	261	404	1,187	1,874	532	804	891	793	1,346	1,118	1,400	1,421	950
Saudi Arabia	8,978	10,320	7,710	7,423	8,900	9,968	9,312	8,962	8,143	10,350	9,862	11,600	8,424	7,700

Source: Adapted by Anthony H. Cordesman from State Department, *World Military Expenditures and Arms Transfers* (Washington DC: GPO), various editions.

Figure 7-2

Comparative Military Expenditures of the Persian Gulf Powers as a Percentage of GNP: 1989-1999



	89	90	91	92	93	94	95	96	97	98	99
Iran	6.4	6	5	3	3.4	3.3	2.6	2.5	3	3.1	2.9
UAE	7.3	5.8	5.8	5.6	5.5	5.3	4.8	4.3	4.4	4.7	4.1
Iraq	34.3	-	-	-	-	8.3	7.1	4.3	6	4.1	5.5
Yemen	9.9	8.6	9.8	9.8	9.2	11.4	8	7.2	7.1	6.7	6.1
Kuwait	6.1	(53.1)	(101.9)	(77.0)	12.8	11	11.1	10.7	7.6	8.6	7.7
Bahrain	10.5	10.5	10.8	8.2	7.9	7.5	7.7	7.5	8.2	8.1	8.1
Qatar	-	-	13.2	10.2	10.9	11.1	10.4	11.9	13.3	10.6	10
Oman	21.1	20.1	18.4	20.5	20	21.5	19.1	16.8	16.6	16.7	15.3
Saudi Arabia	15.9	20.6	28.5	27.2	16.4	14.1	13.2	14.9	14.9	14.9	14.9

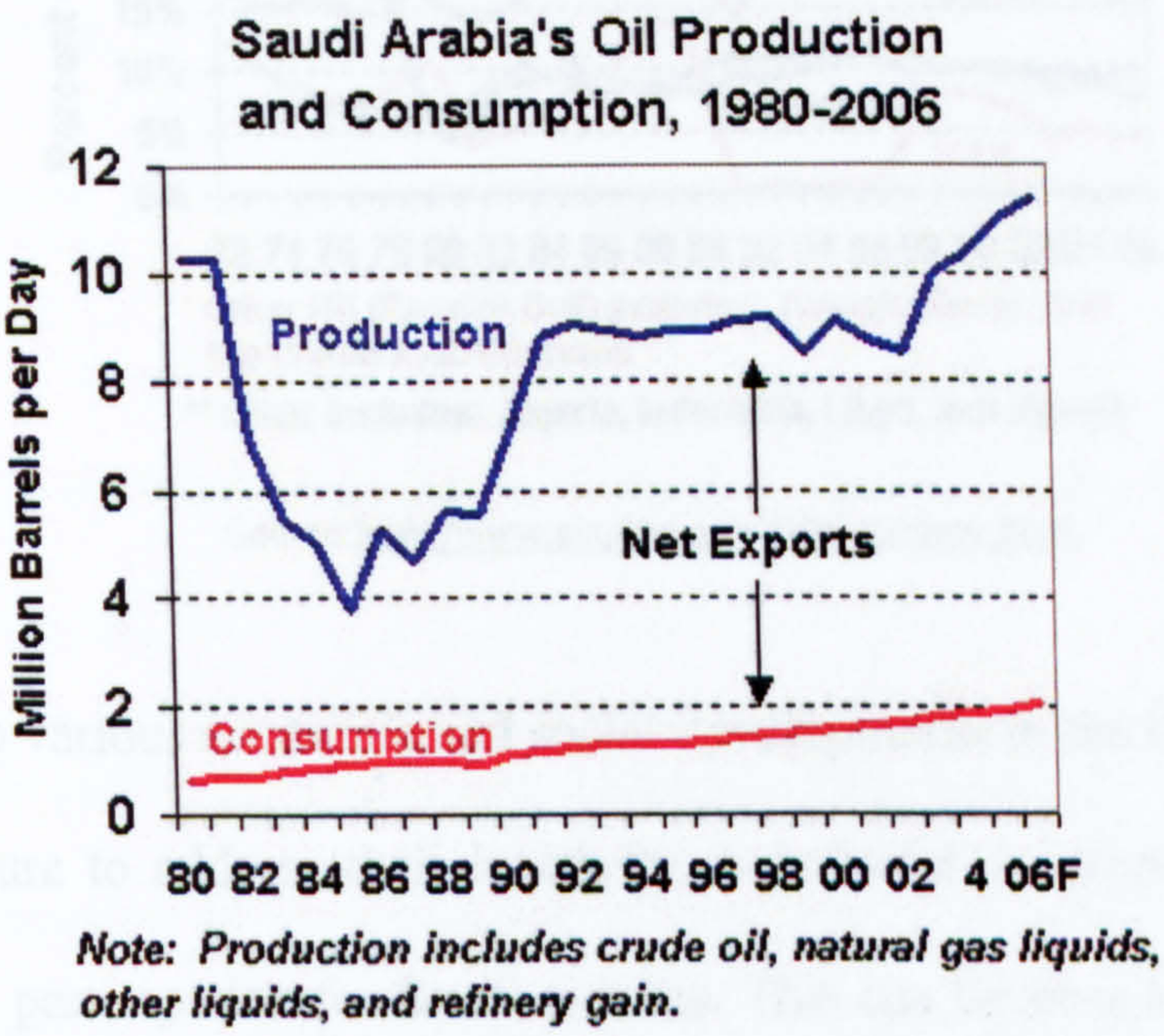
Source: Adapted by Anthony H. Cordesman from ACDA, *World Military Expenditures and Arms Transfers*, 1995 (Washington DC: ACDA/GPO, 1996) and US State Department, *World Military Expenditures and Arms Transfers*, 1999-2000 (Washington DC: Bureau of Arms Control, 2001).

Although calling in the US to protect the state against direct foreign threats is reasonable according to Saudi's who — like other GCC states'— lack the military means to defend themselves, it has increased regimes' challenges and has enhanced a legitimacy crisis among the GCC citizens, including Saudi people. Such a crisis for Riyadh has acquired wider dimensions by the regime's resistance against any mobilised organisations of individuals or groups of citizens to form an alternative defence strategy, such as the Islamic activists' suggestion after the Kuwait crisis for the creation of a 500,000-man Saudi army to prevent dependence on outside forces for defence.[40] The strategic umbrella provided by the US, along with causing numerous problems for the regime in the case of dependency on Saudi forces for national security (especially intensifying the present raising request for citizens greater political participation, and also preventing the experience of Arab military *coups* during 1950s and 1960s) is firm evidence of Saudi Arabia's continued dependency on foreign forces in this regard.

Oil wealth has also promoted, according to Drysdale and Blake, "national integration by greatly strengthening the central government and by making possible ambitious development projects", especially by building comprehensive air and road transportation network all around the kingdom. In return, this could also satisfy the Saudi rulers' geopolitical superiority over the whole Arabian Peninsula. Moreover, as they remark, oil revenue has improved the unity among the kingdom via the great spread of public education as an element of promoting feelings of citizenship, and also is a way of strengthening national loyalty instead of tribal devotion by different plans of sedentary nomads.[41]

However, as the Saudi economy has remained heavily dependent on the oil sector — oil as the main source of foreign exchange still accounts for approximately 90-95 percent of export earnings, 70-80 percent of budget revenues and about 40 percent of the country's gross domestic product (GDP)[42] — the inherent vulnerability of such a reliance could be the greatest threat to the kingdom's integration and its long-term stability, which has been ensured by oil wealth. (See figure 7-3)

Figure 7-3

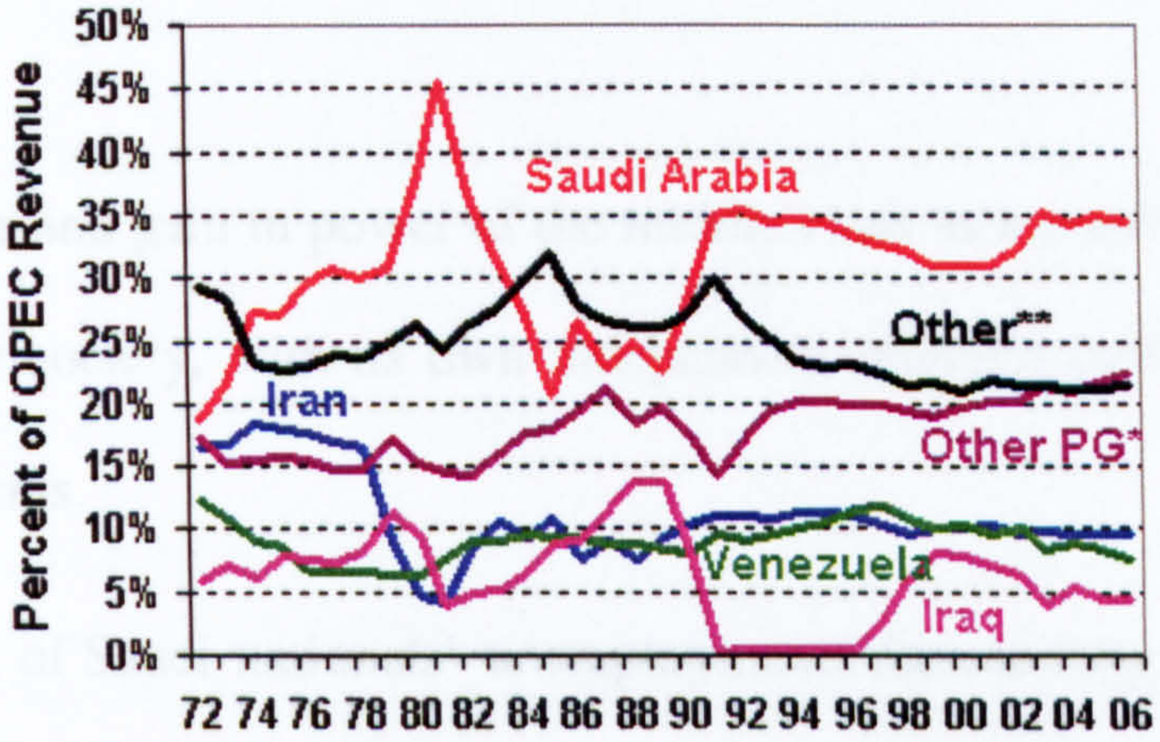


Source :http://www.eia.doe.gov/emeu/cabs/saudi.html

Such threats are rooted not just in a drop of the oil revenues, (see figure 7-4) but also in the lack of the native technological base and the skilled and unskilled labour force, specifically in oil sections, with its cultural consequences. In this respect, Drysdale and Blake's 1985 prophecy regarding the impact of the presence of numerous foreigners and their capacity to alter the character and cultural features of the country has proven to be accurate. They suggested that the major challenge facing Riyadh in

the future might be how to survive in its present form when an increasing percentage of the population believes neither in Wahhabism nor in loyalty to the Saudi family.[43]

Figure 7-4



Source:http://www.eia.doe.gov/cabs/opecrev.html

However, due to various economic and social developments in the kingdom, the rulers are under pressure to address their inactivity in political development by accepting greater political participation for Saudi citizens. This has become a serious matter not just because of the influence of Western culture in Saudi Arabia — specifically by a new generation of educated and unemployed citizens who had travelled and studied in the West — but also, besides high expectations, rapid population growth, high unemployment and falling oil revenues per capita, as Byman and Green observe, the profligate royal spending leading to economic stagnation has exacerbated the resentment over the corruption and wealth disparities. When newly-educated technocrats and also the religious scholars, observe poorly-educated family members indulging in rampant corruption and inefficiency in the government, this causes anger

and resentment.[44] Such social crisis will inevitably develop instability and increase reasons for resentment. The major long-term socio-economic challenges confronting the regime in spite of the recent increase in its oil income will be:

- Rapid population growth; estimated to average around 4.3 percent annually for the period 1980-97 [45] with around 60 percent of Saudis under 21 years of age.[46]

- Emergence and gain in power of the middle class as a result of distribution of rent in the society, with its own independent interests including demand for some reforms.

- High rates of Saudi nationals' unemployment; figures ranging from 10 to 25 percent. [47]

- High rate of expatriates in the kingdom as a demographic, cultural and political threat. [48]

- Economic problems, almost two decades of heavy budget and trade deficits — the expenses on two wars of Iraq against Iran and Kuwait in 1980-1988 and 1990-1991 — total public debt of around $175 billion and also a decline in real per capita oil export revenues since 1980 (from $22,589 per person to $4,564 in 2004).[49]

- Wider gap between poor and rich, more corruption of the ruling family and the development of double standards.

- The strategic and economic relationship with the West, particularly the US, is a permanent controversy and may be the most disturbing problem for the Saudi monarchy. The relationship has become a liability for internal legitimacy of Al-Saud especially during continued crises over Iraq until its

occupation and Saudi government's strict association with Washington in that regards. The economic relationship of the US-Saudi entails further internal security for Saudi Arabia. Riyadh, since the end of the twentieth century, has taken steps towards economic diversification to support its infrastructure against downturns in the oil markets as well as decreasing its reliance on oil revenues. However, Saudi Arabia with a shortage of the managerial and technical potentiality and ability to operate different manufacturing industries will remain a mere consumer of Western products. The major economic activities are concerned with trade and investment and their prerequisites, so at a time of declining oil revenue the regime will be dependent on the West even more than before. As it is also mentioned in the report of August 2005 of the *Energy Information Agency (EIA)*, "Saudi Arabia is eager to maintain and even expand its market share in the United States for a variety of economic and strategic reasons."[50] Consequently, Washington's major technique to control the flow of oil from the PG via preserving promising political and economic ties with Riyadh has been built through increasing bilateral investment and trade. Therefore "the Saudi state, unlike the contemporary Iranian and Iraqi states, (...) [is] wrapped up with the interests of Western states and business to a far greater extent."[51]

Under such a situation, alongside the regional socio-political changes, unrest may increase as government resources diminish in the future; it will probably contribute towards further socio-political instability. Any decline in socio-economic opportunities may motivate requests for political reforms and deliver greater political participation to citizens. Despite the considerable stability of Saudi, the regime has recognised the need for political and economic reforms, although limited in kind, to

prevent any possible confrontation with its citizens, especially the large and restless younger generation who are unemployed and have high expectations.

Therefore, in order to deal with the new financial realities Saudi Arabia has moved cautiously and slowly towards extending the reform process and taking some unwanted economic choices, e.g. privatisation, subsidy cuts, tax increases, or financial sector reforms. These reforms can have political consequences but not necessarily a real change in its content. In this regard, big state-owned corporations which control the Saudi economy have not been under any transaction of state shares and wealth to private sections.[52] Since a principal motive of Saudi privatisation has been its wish to join the World Trade Organisation (WTO), the approval of its membership in 2005 may postpone even its very slow attempts to perform privatisation in the country.

In fact, besides domestic and structural factors of Saudi society, globalisation, as Nonneman noted, is the main external factor of the apparent paradox of the GCC having taken a lead over most of the Arab world with regards to political liberalisation.[53] Therefore, privatisations like all other features of economic globalisation, including the WTO membership, free economy and liberal market operations and, in other words, opening the kingdom's economy to free trade and foreign investments and capital flows are such great advantages that Riyadh can not ignore them.[54] Hence, its membership in WTO was approved on 11 November 2005 after a 12-year negotiating process slowed by the country's participation in the Arab League's boycott of Israel. While the Saudi regime also looks at this accession as an element to help bolster energy security,[55] the liberal Saudi citizens hope it accelerates the economic reforms as a prerequisite and leverage to 'open up' the political atmosphere.[56] In addition, despite the economic benefits of accession to WTO, the

government may face specifically radicals' threats regarding the Saudi market opening towards Israel in the future.

With the new trend towards globalisation, the Al-Saud, who seem to be quite interested in finding solutions to Saudi Arabia's economic problems, are not yet ready to discuss other aspects of such economic reform, which include greater transparency, corruption, good governance, and social and political reform, in accordance with the priorities of the world economic organisations such as IMF, WTO, OECD and World Bank. Therefore, the Saudi's policy was observed by Champion as "trying to pick and choose what aspects of globalisation they accept and reject in order to enjoy economic benefits without having to implement any major reforms."[57]

Since any economic reform is accompanied by belt-tightening and declining in the rentier system, the kingdom, in order to confront the political consequences, has been unenthusiastic to remove the financial cushion and increase prices closer to market levels by decreasing subsidy. The political consequences of the Kuwait crisis in 1990 and fiscal crisis of Saudi both of which were accompanied the government decision to make indirect taxation and a reduction in some subsidies, paved the way for Saudis to ask about the absence of political participation and public consultation in the state's affairs. So, as Gause remarks,

> the belt-tightening has been accompanied by efforts by the regimes [of the GCC] to give at least the appearance of more institutionalized consultative mechanisms for eliciting the populations' views of politics (...) Saudi Arabia appointed new *majlis al-shura* (consultative councils) since 1990 (...) in 1995 also made sweeping changes in cabinet (though not in the "political" ministries that are the reserves of the ruling families), bringing in new faces to deal with their economic problems. It is clear that

> the rulers feel the need to make some gestures toward their populations as they enforce, or contemplate enforcing, economic hardship.[58]

Therefore, Riyadh has chosen a limited reform, as a strategic solution, which its details can be found in Appendix-6-B. In sum, it has realised that the slow opening up and the reform process which displaying a move away from authoritarian rule and transition towards democracy could not be harmful but would also extend the rulers' legitimacy. However, as Nonneman remarked, those countries which have merely selectively appropriated democratic features without further democratisation, will end up in a 'grey zone'. The argument of Daniel Bromberg that was referenced by Nonneman that, "liberalisation may not bring democratisation but rather a state of liberalised autocracy." [59]

Nevertheless, as Malik and Niblock note, the reforms undertaken by Saudi regime so far suffer from two problems:

> First, they have mostly been implemented slowly and partially. There is the danger, already apparent in the country, that economic reform may become more difficult the longer it is left. Rising unemployment and deteriorating social conditions, fed by one of the highest rates of population growth in the world (...), will intensify political unrest and social disruption. Second, the reforms are still inadequate. The wider reforms that are needed are in many ways the most difficult, and will require a greater social and political transformation than has so far been envisaged. Greater transparency and accountability will be needed, and the educational and social facilities offered to Saudis must enable Saudi labour to be as productive as migrant/expatriate labour. While the problem of unemployment may gain temporary redress through the imposition of Saudi labour on unwilling employers, this will not create a productive economy for the long term. Saudi labour must be able to compete

> with expatriate/migrant manpower. The balance needs to be re-adjusted on both sides: making Saudi labour more productive and less expensive to employers; and improving the working conditions of migrant labour, thereby making it more expensive.[60]

Therefore they emphasis on the need of a "new social contract between the state and the population" to build a significant level of trust based on governmental transparency and a stronger commitment to socio-economic equity and greater popular accountability.[61]

Nonetheless, under new regional circumstances, especially in Iraq since the overthrow of Saddam's regime, also the global trends for democracy, and even political reform plans in not just several GCC countries, e.g. Qatar, Bahrain, Oman and Kuwait, but also in revolutionary Islamic Iran, it is impossible for Al-Saud to rely much on its traditional strategies to keep social peace in an area of turbulence. As it was explained about the GCC, parallel to modernisation and development process two major threats have confronted the kingdom; the traditionally discriminated and oppressed Shiites who form about 10 percent of the population (who mostly concentrated in the oil-rich Eastern Province, formerly al-Hasa) and the growing anti-government religious militancy, specifically Sunni radical Muslims, in Saudi Arabia.

In general, the goal of Shiite opposition movements in Saudi Arabia has not been to overthrow the Al-Saud and the system of government, but the removal of all different kinds of discrimination against them. Hence, since 1988 the Saudi Shiites have chosen democratic ways to achieve their socio-political demands. The Shiite community does not seem to pose the internal security threat that was a concern in the early 1980s, although, by new developments in Iraq after Saddam and greater sectarian tensions in

the region, the Saudi regime is under more pressure for greater tolerance. However, in the case of a great succession of Shiites power in Iraq, and also Al-Saud delaying in producing a proper reaction to the Shiites demands for reforms, they might become a serious threat to the regime.

However, since the opposition in Saudi Arabia has always been fragmented and there is serious doubt about any changes in the foreseeable future,[62] analysts mainly consider religious militancy the most dangerous threat to stability in Saudi Arabia. In order to understand the impact of Saudi Arabia's political development on the region's security, Riyadh's security concerns, especially those directed towards the other two major regional actors, and its foreign policy should be analysed.

External Threats

Saudi Arabia's foreign policy has traditionally followed three fundamental objectives: security, Islamic solidarity and pan-Arabism. Its most fundamental goal is the preservation of the Al-Saud monarchy and maintaining and enhancing the security of its territory from external aggression.

The most important factors for the Saudi's very existence and prosperity are peace and stability in the PG region. Therefore, Saudi Arabia's most essential interest has been the preservation of the *status quo* with the management of relations with Iran and Iraq to prevent any superiority or expansion of them as its two major questions of security. To face the external threats, achieve peace and security and maintain the *status quo* Riyadh found a regional military balance of power the most favourable solution. Nevertheless, being a relatively weak military power in comparison to Iran and Iraq, diplomatic and economic means tended to be the preferred options by which

the Saudis chose to affect, in their limited capacity, the regional military balance of power. They traditionally prefer diplomatic methods and political influence, whether via adaptable diplomacy or generous aid.[63]

Oil revenues have provided the means through which these goals have been pursued. However, vast economic wealth is not sufficient compensation for military weakness. To bolster its security and compensate for its military inadequacies, Saudi Arabia's foreign policy has traditionally preferred the West, specifically the US and its Arab neighbours. Hence, Riyadh's two major security resources are its influence, which originates from Saudi Arabia's prominent role within the region, and an informal alliance with Washington.[64]

In this regard, Saudi Arabia's desire to be seen as a leader in the PG through its attempts to unify the other PG states in opposition to Riyadh's two major obstacles to security, Iran and Iraq, was realised by the occurrence of the Iraq-Iran war. Saudi Arabia established the GCC, a *de facto* military alliance, with five other PG states, each of which had either formal or informal military alliance with the US. Also, Riyadh improved its already very close and cooperative connection with the US since the 1980's, specifically in the oil production and marketing. This improvement, which was primarily based on the Saudis dependence and need for more technically modern arms, continued on account of Riyadh's reliance on the US for vital technical assistance. The US, which relies on Saudi Arabia for oil and the geopolitical aspects of oil, could thus alter the balance of power during 1980s and 1990s by interfering in the region on behalf of the GCC by deploying US forces against Iran and Iraq, respectively. Because of the interdependency between Riyadh and Washington, in contrast with Iran and Iraq, the Saudi Arabia acknowledgment of Western interests in

this region resulted in the ascendancy of its regional influence. As Alaolmolki notes, "Saudi Arabia was in many respects the weakest but it was also the most influential of the Gulf Powers."[65]

Since Saudi-Yemeni War in 1934 Riyadh, unlike Iraq and Iran, has not been confronted with any direct and serious foreign or even domestic conflict, such as foreign invasion, coup or revolution. Despite Saudi Arabia's three independent military and security entities (the Ministry of Defence and Aviation; the National Guard; and the Minister of the Interior) to provide the kingdom's internal and external security, it has been proven that in case of crisis and war they are incapable of repelling potential attacks. Such military deficiencies were observed in different internal and regional cases such as: in the Grand Mosque takeover in 1979 during the Iraq-Iran war and also its condition during and after the Kuwait crisis in the 1990s.[66]

Riyadh required the help of the US to deter the potential external threats posed by Iran and Iraq. Since the occurrence of the Islamic revolution in Iran, Riyadh was very conscious that its very existence was threatened by the new theocratic and revolutionary regime in Tehran. Besides many different disagreements between Saudi Arabia and Iran, the conflict became particularly concentrated on Al-Saud control of the Holy Cities of Mecca and Medina and the Hajj celebration. This issue, even in the early 1990s, and the need for a balance of power against the Iraq's threat was a significant limitation on Saudi policy options. To restrain Iran, the Saudis thought the best way was to increase deterrence via strengthening their military forces, by acquiring large amounts of the most advanced military equipment from the US, and also providing military assistance to the other small and weak PG monarchies.[67]

After Iraq's invasion of Kuwait to deter further Iraq aggression against Saudi Arabia territories with huge oil reserves, and as a serious threat to its very existence, the insufficient Saudi military force had no choice but to be supplemented with a large foreign military force. However, the Saudis were well aware that a large US military presence in Saudi Arabia would have an anti-American backlash both within Saudi Arabia and the rest of the world, in addition to the possibility that they could appear as a lackey of the US, so they asked other countries as well as the Arab League and the GCC to send military forces to Saudi Arabia too.[68]

Besides the Saudis' confidence of having friends to help them during war and crisis, wars and international sanctions against Iran and Iraq have weakened these two major regional rivals of Riyadh. Even just since 1990s, Saudi Arabia and the rest of the GCC members seem more secure and stable than their powerful neighbours. Also, as was mentioned, Yemen which along with Iraq was considered to be a major external threat has less intention to threaten Riyadh after the Saudi resolution of border disputes with Sana'a and because it has been involved in its domestic crisis.

Therefore, Saudi Arabia has no urgent potential external threats; however besides non-state threats from within Yemen and Iraq, and Riyadh's appreciation of the potential threat from a nuclear-armed Iran, a threat should not be ignored from one of the GCC members; many of them have more worries about each other more than about Iran or Iraq. Also, a potential threat from the Western powers, especially the US, which could develop from a critical domestic crisis to secure energy resources should not be disregarded.

As was explained in more detail earlier in chapter five the significant vulnerability of Saudi Arabia to energy terrorism, the limited ability of the US to control Saudi

Arabia's internal security problems and the American view about the paradox of the Washington desire to become a long-term ally of an undemocratic and politically conservative regime, especially since 9/11, has lead to some extreme outlooks about Saudi Arabia's future relations with the US.

For instance, as Rogers noted in 1992, "Diego Garcia was to become one of the US's most powerful overseas bases, full of supplies for use in a future conflict in the Middle East." Under such circumstances the US was even prepared to invade Saudi Arabia, Kuwait and the state of Abu Dhabi to seize their oilfields following the 1973 Arab-Israeli war.[69] Or despite some official political concerns in the US regarding the necessity of treating Riyadh carefully despite its "funding jihadists",[70] there are some very extremist views in the US declaring war on Wahhabism as a threat to American's and other people's civilizations or condemning Saudis domestic and foreign policy, suggesting invading the country and seizing its oil fields. These kind of extreme anti-Saudi views, according to a *Washington Post*'s article (2002, 6th August), "appear especially popular on the staff of Vice President Cheney and in the Pentagon's civilian leadership — and among neoconservative writers and thinkers closely allied with [the George W. Bush] administration policymakers."[71]

Hence, the lack of domestic reforms, except its internal impacts, could result in a serious external threat from the Riyadh's Western allies too. The GCC's statesmen and elites see Washington's pressure to carry out political and economic reform as the major external threat to their country. As Turki Al-Hamad notes,

> Unlike other GCC states, Saudi Arabia was established on the basis of a puritanical religious political movement. Religion and politics are intertwined, and Western pressure is looked upon as potentially devastating to society and polity alike. The

> Saudi elite approaches very cautiously any movement, external or internal, that would drastically change its own traditional role.[72]

Moreover, Saudis' foreign policy with its domestic and regional impacts has not helped the development security in general. Domestically, it has generated anti-regime and anti-US sentiments with political discontent and radicalism and a high potential of terrorist actions. Regionally, especially by asking US forces to enter the region and remain present for a long period, it has increased the security concerns of the other two major players in the PG. Since then one of these, Iraq, has been invaded and occupied and the other, Iran, is under permanent threat of military invasion by these foreign forces.

Conclusion

After the overthrow of Saddam's regime in 2003, the kingdom's most important security threat seems to have ceased to be the foreign military invasion and now is the threat of Islamic extremism and terrorism. Saudi Arabia, which lacks strong civil-society institutions, suffers a direct internal threat from Islamic extremists, many relating to al Qaeda and similar extremist groups.[73] Under the continuity of insecurity in Iraq and the presence of foreign troops, the extension of religious militancy will be unavoidable in Saudi Arabia as well as in the whole region — a situation which could even become worse because of Saudis support of Sunni insurgency in Iraq. Only major and real reforms in Saudi Arabia can insure the regime from these attacks and anti-government pressures. Major suggestions centre round steps which should be taken to defuse a potential crisis, and to prevent violent sectarian confrontation. An inclusive national/inter-sectarian dialogue, encouraging tolerance and diversity, alongside political and religious reforms, and facilitated by the help and involvement

of key members of the Sunni clergy, is necessary to fight both hatred and anti-Shiite sentiments.[74]

Therefore, to meet its major internal and external threats, Riyadh's only choices are taking real steps for domestic reforms and making great attempts to prevent any further war and crisis in the region. Unfortunately the current crisis in Iraq has made the whole situation and especially the security concerns of the major PG players more complicated. However, by cooperating with Iraq's new regime and its neighbours, especially Iran, Saudi Arabia could secure its long-term interests as well as the region's durable security. A long-term and comprehensive political strategy to broker CBM with Tehran is needed, the first step of which for Riyadh could be preventing the US and its allies from making the current crisis in the region worse with further military action against Iran. Also Riyadh needs to provide more harmony and coordination with Iran about their policies in Iraq, to assist Baghdad to overcome its domestic unrest (as a critical element of regional instability) as soon as possible.

Despite the GCC states', including Saudi Arabia's concerns, regarding the possible decline in their role in further security arrangements in the region, consequent upon improving Iran-US relations it is so obvious that their security would be provided only through CBM and by intensified and sustained diplomacy in a peaceful and non-confrontational atmosphere. The current US military presence in the PG only fans the flames of domestic and regional discontent; therefore only by pursuing a comprehensive and long-term political strategy to broker CBM with neighbours could Riyadh encourage a moderate foreign policy in all PG states, including Iran. A process which could result in assuring the ultra-regional players' interests are

acknowledged in this region; an important factor which would result in the foreign forces withdrawal from the region.

In the next chapter, Iraq's political behavior and its internal and external security concerns which have broadly affected the regional security will be studied.

Notes

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[1] Theodore A. Couloumbis and James H. Wolfe, *Introduction to International Relations: Power and Justice* (New Jersey: Prentice-Hall, Inc. 1990), pp. 19-31.

[2] Daniel L. Byman and Jerrold D. Green, The enigma of political stability in the Persian Gulf monarchies. In Barry Rubin (ed.), *Crises in the Contemporary Persian Gulf* (London & Portland, OR: Frank Cass, 2002), p 78.

[3] Nozar Alaolmolki, *The Persian Gulf in the Twenty First Century, Stability and Change* (Maryland, US and London, UK: University Press of America, 1996), p. 32.

[4] Shahram Chubin, *Security in the Persian Gulf 1: Domestic Political Factors* (England: Gower, 1981), p. 2.

[5] Byman and Green, op. cit., p. 90.

[6] Chubin, op. cit., p. 1.

[7] Byman and Green, op. cit., p. 91.

[8] Sheikh Zayed was replaced with his brother, Shakhbout who was unwilling to manage the newfound oil wealth to develop his country in 1966 in a, as Chubin mentions, "palace *coup* aided, if not actually engineered, by the British, at that time the protecting power." A comparable situation as he remarks, "arouse in Oman where, in 1970, Sultan Said Bin Taimour was deposed (again with British intervention) in favour of his son, [Sultan Qabus who] was able to defeat the [PFLOAG] rebellion." See Chubin, op. cit., p. 4.

[9] Mahmood Sariolghalam, 'Shenakht-e Khalij-e Fars dar ghaleb-e mabani-e nazari-e Khavar-e Mian-e shenasi [Cognition of the PG according to theoretical basis of acknowledging the Middle East] presented in *the International Conference on the Persian Gulf* (Tehran: Institute for Political and International Studies (IPIS), 1994).

[10] Turki Al-Hamad, Imperfect alliances: will the Gulf monarchies work together?. In Barry Rubin (ed.), *Crises in the Contemporary Persian Gulf*, op. cit., p 30.

[11] F. Gregory Gause, III, The political economy of national security in the GCC states. In Gary G. Sick and Lawrence G. Potter (eds.), *The Persian Gulf at the Millennium: Essay in Politics, Economy, Security, and Religion* (New York: St. Martin's Press, 1997), p. 62.

[12] Byman and Green, op. cit., p. 94.

[13] See, Gary G. Sick, The coming crisis in the Persian Gulf. In Gary G. Sick and Lawrence G. Potter (eds.), *The Persian Gulf at the Millennium*, op. cit., p. 12; also Gregory Gause, cited in, Turki Al-Hamad, op. cit., p 27.

[14] Byman and Green, op. cit., p. 87.

[15] According to the agreements achieved in the recent trip (August 2007) of the US Secretary of State Condoleezza Rice and the Defense Secretary Robert Gates to the region Washington's arms sales to Saudi Arabia and other GCC states could amount to deals worth $30 billion and will include the new smart weapons for the Saudis in addition to ships for the Saudi navy.

[16] English *Aljazeera* broadcasting (2007) http://english.aljazeera.net/NR/exeres/884C6F3B-846E-4E7B-A140-31D8828C2A0C.htm (8 September 2007)

[17] Byman and Green, op. cit., p. 78.

[18] Turki Al-Hamad, op. cit., pp. 30-31.

[19] Byman and Green, op. cit., p. 79.

[20] Details in Sick, The coming crisis in the Persian Gulf, op. cit., p. 21.

[21] For more details see, Byman and Green, op. cit., p. 79-83; Gregory Gause, III, The political economy of national security in the GCC states, op. cit., pp. 67-71; also Chubin, op. cit., pp. 17,18, 21.

[22] For reasons see, Majid Tehranian (13-19 December 1997), 'Religious resurgence in a global perspective', *Economic and Political Weekly*, vol. 32, p.50, New Delhi http://www2.hawaii.edu/~majid/journal_articles/rr.html (4 October 2005)

[23] See, Turki Al-Hamad, op. cit., p. 29; and Byman and Green, op. cit., pp. 83, 85.

[24] Gregory Gause, III, The political economy of national security in the GCC states, op. cit., pp. 66-67.

[25] Shafeeq Ghabra, Kuwait and the dynamics of socio-economic change. In Barry Rubin (ed.), *Crises in the Contemporary Persian Gulf*, op. cit., pp. 121-122.

[26] Ibid., p. 84.

[27] Ibid., pp. 86, 91.

[28] John L. Esposito, 'Contemporary Islam: Reformation or Revolution?', *Arabworld* (by permission of Oxford University Press, 2000) http://arabworld.nitle.org/texts.php?module_id=2&reading_id=211&print=1 (5 October 2005)

[29] Sick, The coming crisis in the Persian Gulf, op. cit., p. 21.

[30] Byman and Green, op. cit., pp. 87.

[31] For details see, Byman and Green, op. cit., pp. 89-90.

[32] For details see ibid., p. 94.

[33] Chubin also mentions that, "Many of these attempts have been aborted by the Americans and by the different Arab secret services who have infiltrated the army." See, Chubin, op. cit., p. 14; also for more details see, Iris Glosemeyer, Checks, balances and transformation in the Saudi political system. In Paul Aarts and Gerd Nonneman (eds.), *Saudi Arabia in the Balance* (London: Hurst & Company, 2005), p. 218; and Simon Murden, *Emergent Regional Powers and International Relations in the Gulf: 1988-1991* (Reading: Ithaca Press, 1995), pp. 167, 171.

[34] For more details see, Alaolmolki, op. cit., pp. 204-205.

[35] Among many see, *Blackmask Online* (2002) Saudi Arabia, a country study http://www.blackmask.com/books113c/saudstudex.htm (11 November 2005)

[36] Murden, op. cit., pp. 167-168.

[37] In this regard as Gause also mentions, "The immediate costs of continuing this strategy however, have become increasingly apparent. Since the Gulf War, Saudi Arabia has placed orders for approximately $35 to $40 billion in arms, at a time when the state foreign-currency reserves have been largely depleted, budgets are being cut, consumer subsidies are being reduced and the state's debt burden is growing." See, Gause, III, The political economy of national security in the GCC states, op. cit., pp. 64, 65.

[38] As Drysdale and Blake note, "During the 1970s, the country purchased $18.7 billion worth of American military equipment (opening itself to charges of dependence on the United States as well as of wastefulness). In 1980, Saudi Arabia spent more per capita on defense than any other country in the world." See, Drysdale, Blake, op. cit., p. 214.

[39] Byman and Green, op. cit., p. 88.

[40] For details see, Gause, III, The political economy of national security in the GCC states, op. cit., pp. 65-66.

[41] Drysdale and Blake, op. cit., pp. 213-214.

[42] Information is from the *EIA* report of August 2005 http://www.eia.doe.gov/emeu/cabs/saudi.html (15 November 2005)

[43] Drysdale and Blake, op. cit., p. 214.

[44] Byman and Green, op. cit., pp. 79, 82.

[45] See *World Bank*, World Development Report 1998/99: Knowledge for Development (New York: Oxford University Press, 1999), p. 195, cited in Daryl Champion, Saudi Arabia: elements of instability within stability. In Barry Rubin, *Crises in the Contemporary Persian Gulf*, (London & Portland, OR: Frank Cass, 2002), p. 133.

[46] Between the 1980-2000 periods, the Saudi population raised from 12 million to 20 million. The census of 2004, found that the population was 22,673,538, while in 2005 it showed 26,417,599 people. Among many see, *The World Fact book of CIA*, http://www.cia.gov/cia/publications/factbook/geos/sa.html (1 December 2005)

[47] Ibid., also Champion, op. cit., p. 133.

[48] For details see, Chubin, op. cit., p. 69.

[49] Murden, op. cit., p. 161.

[50] See, *EIA* August, 2005. http://www.eia.doe.gov/emeu/cabs/saudi.html (1 December 2005)

[51] Murden, op. cit., p. 154.

[52] See, for example, the report of the *EIA* in August 2005, regarding the oil firm Saudi Aramco which controls 98 percent of the kingdom's oil reserves.

[53] Gerd Nonneman, 'Political Reform in the Gulf & Arabian Peninsula', lecture in Sir William Luce Memorial Fund, (UK: Durham University, 21 June 2005).

[54] See, Champion, op. cit., p. 136.

[55] GENEVA (*AP*) 11 November 2005. AP quoted from Prince Abdulaziz, Saudi Arabia's assistant minister for petroleum affairs in the meeting of the WTO.

[56] *BBC Persian.com*, 11 November 2005.

[57] Daryl Champion, op. cit., p. 136.

[58] Gause, III, The political economy of national security in the GCC states, op. cit., p. 71.

[59] Gerd Nonneman, Political Reform in the Gulf & Arabian Peninsula, op. cit.

[60] Monica Malik and Tim Niblock, Saudi Arabia's Economy: the Challenge of Reform. In Paul Aarts and Gerd Nonneman (eds.), *Saudi Arabia in the Balance* (London: Hurst & Company, 2005), pp. 103-104.

[61] Ibid., p. 110.

[62] Champion, op. cit., p. 138.

[63] For details and examples see, Byman and Green, op. cit., p. 94; also Alaolmolki, op. cit., p. 135.

[64] Alaolmolki, op. cit., p. 135.

[65] Ibid., pp. 136-137.

[66] Ibid., pp. 130, 134.

[67] Murden, op. cit., pp. 180-182.

[68] Alaolmolki, op. cit., pp. 144-146.

[69] See, Paul Rogers (October 1992) Crazy for oil. *New Internationalist.* http://www.newint.org/issue236/crazy.htm (20 September 2004); also *ABC News Online* (1 January 2004) British spy chiefs feared US invasion of Middle East in 1973. http://www.abc.net.au/cgi-bin/common/printfriendly.pl?http%3A//www.abc.net.au/news/newsitems/s1018971.htm) (20 September 2004)

[70] Recommendation in the 109th US Congress hearings before the Subcommittee on International Terrorism and Non-proliferation of the Committee on International relations on Terrorist Threats to Energy Security (27 July 2005), 109th Congress, 1st session. http://commdocs.house.gov/committees/intlrel/hfa22655.000/hfa22655_0.htm#80#80 (12 October 2006)

[71] Thomas E. Ricks, (2002) 'Briefing Depicted Saudis as Enemies', *Washington Post.* http://www.washingtonpost.com/ac2/wp-dyn/A47913-2002Aug5?language=printer) (16 June 2004)

[72] Turki Al-Hamad, op. cit., p. 28.

[73] For details see, Roy P. Mottahedeh and Mamoun Fandy, The Islamic movement: the case for democratic inclusion. In Gary G. Sick and Lawrence G. Potter (eds.), *The Persian Gulf at the Millennium: Essay in Politics, Economy, Security, and Religion,* op. cit. p. 310.

[74] Among many for details see, 'The Shiite question in Saudi Arabia', *Middle East Report*, no. 45, (2005, September 19) http://www.crisisgroup.org/home/index.cfm?id=3678&l=1 (11 September 2007)

Chapter 8

Iraq

Introduction

In order to understand Iraq's domestic and foreign policy, particularly the nature of its response to realities in the PG which have significantly affected the regional security, it is necessary to study factors that have shaped Iraq's evolution into the present Iraqi state.

The explanation of Iraq's political behaviour is not only grounded in political history but also in the energetic nature of Iraq's cultural, ethnic and religious affiliations, the people's self-image and beliefs. Iraq's political life has long been influenced by family relationships, tribalism, religion, climatic and geographical constraints and natural resources such as water and oil, which still continue to have a significant influence over governmental decision-making. Iraq's conception of its security and national interests regarding relations with its immediate neighbours have not been an exception in this respect: specifically its economic vulnerability is partly explained by its virtually landlocked position, which was determined in the twentieth century by European powers after the WWI.[1]

Drawing upon the levels of analysis framework in international relations, social analysis, and elite theory, the following discussion, which is based on the political sociology of the country (which Appendix-7-A outlines in great detail), explains the influence of the above factors on the Iraqi government's conceptions of the state's

strategic interests. It also studies the most sensitive internal priorities regarding Iraq's foreign relations that would ensure the state's continuity and stability, as well as the effect of Iraq's political system on the security of the region.

Political History

Since the *Uqair* Conference in 1922, which was held to settle borders disputes between the territories under the British occupation, the modern Iraq (which was a part of the Ottoman Empire until 1918) has been displeased with its insufficient border outlet to the PG by comparison with Kuwait and Saudi Arabia. The new border arrangements, which were designed on purpose in order for Britain to control the ME and to limit Iraq's power in the region, remained a source of instability and anti-British sentiments in Iraq.[2] Moreover, the state structure and imposed borders which ignored the affiliations and ethnicity of the people who lived in the regions of Baghdad (Arab Sunni dominated), Mosul (Kurdish dominated) and Basra (Arab Shiite dominated), presented successive Iraqi governments with internal conflicts and difficulties unifying effective political control and institutionalising the legitimacy of a central government.[3]

In 1932, Iraq became formally independent. Following the 1958 military *coup* by Brigadier Abdul-Karim Qassim against the Hashemite monarchy, known as the 14th of July Revolution, a republic system was announced; however, the Iraqis have been ruled by different military successors since then, ending with Saddam Hussein.

The Iraqi revolutionary ideology with anti-monarchical sentiments had an intimidating message for the conservative monarchical systems of the PG, particularly Iran and Saudi Arabia. The secular system of the Arab Ba'th Socialist Party of Iraq

was a republic based on the interim constitution of 1968 *coup* led by Hassan al-Bakr. The government was under one party rule and since Saddam's alleged *coup* attempt of 1979, it had been under his absolute personal authority. Saddam was president, prime minister, secretary general of the Ba'th Party Regional Command, chairman of the Revolutionary Command Council (RCC) and commander-in-chief of the armed forces. He was aided by cadres in his party, the military and political elite and by the tribal group Takritis. Islam was the state religion, (97% of the population are Muslim – Shi'ite, 70-75%; Sunni 22-27%), and the political economy of the state was based on socialism.

Sources of Political Behaviour

Besides the major influence of the ideological and political goals and concerns of the Ba'th party — as the single dominant political organisation from 1968-2003 — and the significant role of Saddam on all governmental decisions, Iraq's domestic circumstances also affected the country's political behaviour. Elements such as Iraq's geographic features and remarkable resources, pluralism, economical vulnerabilities, and geographic and strategic location on the fringe of the Arab world bordering non-Arab regional powers, Iran and Turkey all played an important part.

On the international scene, Iraq's perception of its internal dynamics and strategic vulnerabilities has featured a tendency to minimise them. This has always impacted on its foreign relations. On the domestic scene, the most important challenges for the government were the constant attempts for political legitimacy, via forging internal consolidation of a nation-state arising from Iraq's pluralism into a national identity, and the establishment of a stable central governing authority. In this respect, besides the successive governments' attempt to establish economic and political coordination

and integration of the three dominant Iraqi cities — Mosul, Baghdad, and Basra — and increasing the links between rural and urban areas, it was concerned mostly with the vulnerability of their domestic affairs to external interference. In sum, regarding all these factors, opinions such as Moss Helm's about the definite failure of any policy or treaty of Iraq with any foreign country without addressing these enduring Iraqi concerns are understandable; a requirement for preventing the risk of further disputes and cold or antagonistic relations of Iraq with the outside world.[4]

Political Ideology; the Ba'th Party

To understand Iraq's policy in general and particularly in the PG, it is important to consider some basic ideological objectives of the Ba'th party, with the central idea of unifying the Arab states into one great and boundless state. (Details in Appendix-7-A) In developing the biggest military force in the Arab world, and introducing a new brand of pan-Arabism, Iraq was looking forward optimistically to its role as a regional power and leader of the Arab world. The high expectation of the Iraqi regime, regardless of the reality of Iraq's potentialities and position, set the regime on a course of wars, boycotts, international isolation and finally the overthrowing of the regime in 2003.

The new pan-Arabism of Iraq was developed under Saddam, with its main message that "due to its heroic and rich history starting with ancient Sumer and Babylon and ending with Saddam, Iraq is the natural leader of the Arabs. As a result, everything that benefits Iraq will eventually benefit all the Arabs."[5] In this regard, as Murden remarks, Saddam's strategy for his regime's very survival was his exacting and effective ideological arguments, even more so than his sustaining a sense of crisis to justify his extreme practices of violence and dictatorship, as well as employing the

security apparatus. As he explains, "Saddam, (...), represented a parochial and pragmatic strain in Iraqi Ba'thism in which the imperatives of the Iraqi state would become paramount." Therefore, the Iran-Iraq war paved the way for the most practical dictatorship. "Within Iraq, the concentration on power required a direct approach to society's resources. Within the region, the regime sought to project its power (...) [without any regard for the Arabs who were] too passive and timid, [from Saddam's point of view]."[6]

By applying various mechanisms (such as pre-Arab/Islamic historical myths and icons, the introduction of some Islamic principles into the Iraqi legal system in opposition to the secularism of Ba'thists, the selective return to tribal values and affinities, etc.) the Ba'th party dominated the political life of Iraq for 35 years and in attempting to face Iraq's challenges, similar to earlier governments, deviated from its ideological principles and adopted a pragmatic posture, even establishing relations with the US.[7] Although the Ba'th were not successful in bringing stability to Iraq, establishing a system that had few institutional checks on executive power insured an unprecedented continuity for more than three decades. The rise of Saddam to power, as Bulloch and Morris remark "was based on political cunning, but above all, on an unparalleled ruthlessness".[8] However, two major problems facing every Iraqi government were still unsolved during the Ba'th authority; domestically, how to achieve political legitimacy for the population and regionally, how to secure good relations with neighbouring countries.

However, Murden's perception of Saddam's extraordinary influence on Iraqis' life was proven after his regime was overthrown in 2003. As he mentioned in 1995, regardless of people's hatred and fear, his sudden disappearance could cause "a gap in

the identity, of every Iraqi, and twenty years of state-building and ideology would almost immediately collapse." Consequently, Saddam was the major axis of the nation-state process and as Murden affirms, "The new Iraqi nationalism was harnessed to the power of the Iraq state. The era of Saddam was presented as one of the re-emergence of Iraqi and, therefore, of Arab greatness."[9]

Internal Threats to Stability of Iraq

Socio-Political Issues

Saddam was much more worried about an internal revolt as the major security threat to his regime than any external threat or invasion from regional or ultra-regional powers. This was accentuated in a report by the US Defence Department, which was produced after interviewing more than 110 Iraqi senior officials and military officers, freely and forcefully, along with an extensive review of captured documents from Iraq after its occupation in 2003:

> In Saddam's mind, the uprising of 1991 was the closest thing to almost ending his regime. It was much more important to him than the Iran-Iraq War, Desert Storm and all the sanction periods, because, according to his own calculations, he lost control of all but one province, Al Anbar.[10]

The distribution of political power in Iraq never reflected the diversity of its population, and Saddam's political manipulation of religious and ethnic identities using different symbols colored his regime's political behaviour, to evoke emotional bonds and connections which provided an easier control of dissidents. However, such political tools were also used by opposition groups which put the regime under pressure, as Moss Helms notes: "Even Iraqi authority [was] acutely aware that

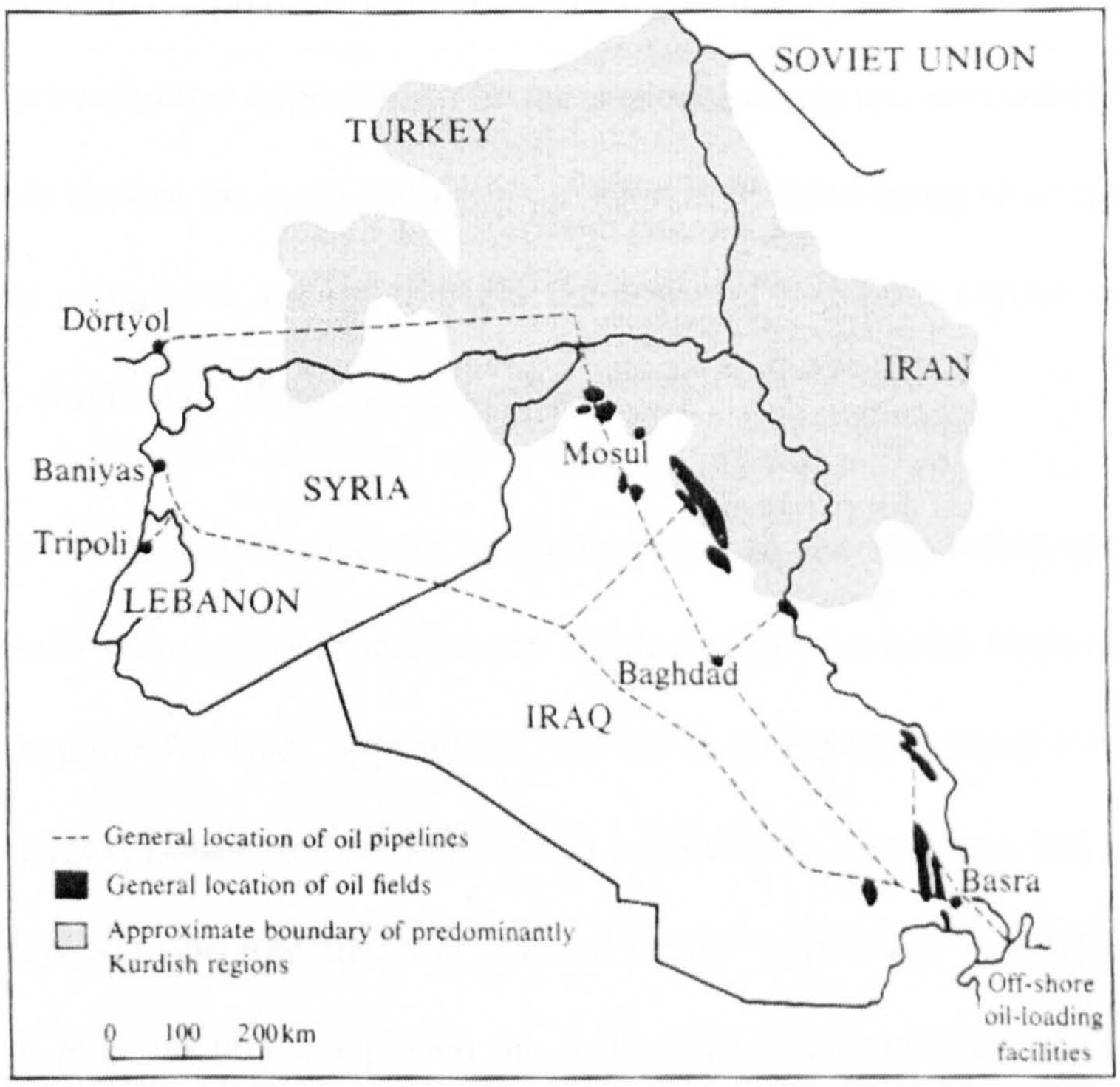
pluralism [had] acted, at times violently, as a disruptive force in government affairs." As she also mentions, the significance of this issue was illustrated by Saddam's insistence that ethnic or religious connections should not replace one's first loyalty as an Iraqi national; Baghdad placed a significant emphasis on this order during the Iraq-Iran war. It is noteworthy that after Saddam's regime was overthrown, religious and ethnic political manipulation, as Moss Helms also had predicted, is still being used by different groups of population to frame their opposition to the current political situation in Iraq and to achieve their associations' political goals. However, the regime was aware that its ability to minimise internal conflicts would have a great impact on Baghdad's capacity to achieve its ambitions for leadership in the PG. Therefore, besideds the impact of ethnic and sectarian divisions within the country on the Iraqi national identity, one of the regim's main concern was that potentially dissident groups were geographically seperated from other parts of Iraq society; the Sunni Kurds in the northern oilfield cities, the Shiite Islamists in the south and the mostly Sunni nationalists in the centre and the capital.[11]

Shiites and Kurds had constantly looked for political influence through political organisations, although the tribal policies of Saddam with their domination by the Sunni Arab clans, as well as the systematic repression and clearance policies against them did not leave any chance for Kurds or Shiites to legitimise the regime. Therefore, any political unrest in the Kurdish dominated regions which were seeking independence and autonomy could threaten economic activity in the rest of the country, since the northern oilfields production was between 50-80 percent of Iraqi petroleum during situations of both peace and war. In addition, the regime was confronted with the Shiite moral ties with Iran and their underground movements with connections to Tehran. Basra in the south was the second major oil field of Iraq and

the place where pipelines carried oil to the Mediterranean Sea through Turkey and Syria.[12] (Figure 8-1)[13]

Figure 8-1

Kurdish & Shiite-dominated Areas in Iraqi Oil Resources and Facilities



Furthermore, other countries, especially neighbouring states of Iran and Syria which supported opposition groups in Iraq, were assisting and deepening internal divisions, similar to the way Iraq had worked in other countries.[14]

The post-1973 increase in oil revenues and the Algiers agreement with the Shah of Iran in 1975 that effectively ended Iranian military support for the Kurds in Iraq, enabled Saddam for a while to not just forge a national identity out of Iraq's diverse social structure, but also to control opposition movements. After Iranian revolution in 1979, Iraq faced an Islamic Republic system, which did not hide its wishes for its

Islamic ideology to be distributed to other countries. Therefore, such successful socio-political process did not last long and in September 1980 Saddam embroiled the country into a war against Iran. The opposition activities, which had accelerated even more since the Ba'th party's rule in 1968 and particularly after Saddam's presidency in 1979, entered a new phase with the onset of the Iran-Iraq war. These activities also once again provided the opportunity for the regional countries, particularly Iran and Syria, to try to control the opposition groups' agenda by developing close ties for their own purposes and also to attempt to check the power of Saddam's regime, as Iraq had done in their countries.[15] (Details in Appendix-7-C)

Moreover, in the course of time the problems posed by the opposition groups were becoming much more complicated for the Ba'th regime. As Rabil observes, despite the foreign support for Iraqi oppositions, the Ba'th government from 1968 to 1980 faced mainly local issues, and so was able to suppress the opposition and solidify its own rule. However, the Iran-Iraq war resulted in the "opposition's shift from a local to a regional phenomenon"; it placed the influential counterbalance of the regional countries, especially Iran and Syria, against Saddam's power. The Kuwait crisis (1990-1991) and the March 1991 uprisings by Shiites and Kurds after the regime's defeat in Kuwait, transformed the oppositions to an "international phenomenon, letting the groups free themselves from the leverage of regional states. The Iraqi National Congress (INC) was born and Kurdish autonomy was secured in the north under US and UN sponsorship." Simultaneously, the opposition groups started to solve their old problems of fragmentation caused by rivalries and ideological differences. The September 11, 2001 attacks on the US not only accelerated this process but made the opposition groups the focus of US efforts to effect regime change, which had become the Bush administration's high-priority for Iraq.[16]

Another major concern of the Ba'th regime was its lack of ability to control the religious gatherings, such as Friday praying or Islamic holidays in mosques. At a time when all kinds of political or professional associations were forbidden or tightly controlled, these gathering became potential occasions for revolutionary and anti-governmental turmoil by dissident groups. This was particularly crucial since Iraq contains many holy Shiite sites including one of the holiest Shiite mosques, al-Kazimain, and two of the most revered Shiite cities, al-Najaf and Karbala.[17]

Moreover, the tribal policies of Saddam, especially the domination of the Tikrit-centred Sunni Arab clans by the end of the Iran-Iraq war, exacerbated the dissatisfaction of Kurd and Shiite dissidents. While under a fully-developed totalitarianism system, the entire society, particularly the Shiites and Kurds, was heavily controlled by military discipline, suspicion and pre-emptive violence, monitored by security apparatus and informers, and excessive and collective punishments were applied for any deviancy or disloyalty.[18]

Indeed, the most critical problem facing Saddam, beside the threats from within Ba'thist ranks,[19] was its relations with the military. In the lack of freedom of any political movement in opposition to the government, the military, with a positive record of involvement in all successful *coups* during the twentieth century, was the most capable and organised group for making crucial political changes. Hence, the basic problem of the regime's security emerged after the Iran-Iraq war when the armed forces had not much to do. This could have been one of Saddam's reasons for getting involved in another war with Kuwait soon after the invasion of Iran. Fearful of revolt, Saddam was deeply distrustful of his own commanders and soldiers. Hence, Iraq's military capability was eroded by irrelevant guidance from the political

leadership, the creation of "popular" militias, the prominent placement of Saddam's relatives and sycophants in key leadership positions, and an onerous security apparatus. He made crucial decisions himself, relied on his sons[20] for internal security and military counsel and imposed security measures that had the effect of hobbling his forces, according to the report by the US Defence Department of March 2006.[21]

Therefore, by the end of the Iran-Iraq war, a huge guard was created called the Republican Guards Corps, which founded over four divisions and was even placed between all army units and the capital city. The Guards and their special brigades, as Murden remarks, represented the regime's ultimate tool of coercion and no level of violence was forbidden.[22] However, during the collapse of Saddam's regime with no serious resistance Baram's opinion was confirmed that only as long as the regime looked reasonably stable would this security apparatus remain loyal to Saddam.[23]

Between 1988 and 2002 Saddam could handle some of his serious family confrontations,[24] and also two unconfirmed military *coup* attempts within 1991-1992. Nevertheless, his decision in 1991 to allow the Iraqi National Assembly to pass a law regulating a multi-party system to portray the regime as reintroducing democracy, also holding a national referendum on October 15, 1995 — the first since 1968 — showed his feeling of domestic vulnerability. This was also to demonstrate to the world that he would stay the only leader of the Ba'th party and of Iraq.

It is noteworthy that at the start of the new millennium, despite Iraq's economic sanctions and international isolation, the Ba'th regime was not confronting serious internal resistance. As Baram also remarks, the opposition abroad was divided and benefited from very limited help from the US and Britain. The Shiite opposition at home was not strong enough to place the regime's stability in danger, and the Kurds

were reluctant to enter into any other significant anti-regime activities.[25] Accordingly, since Saddam was so convinced that the US was unwilling to accept casualties that he never believed the country would invade Iraq, he also believed that Russia and France would protect their own economic interests by blocking any United Nations Security Council authorisation of an invasion,[26] and thus he paid all his intention to preventing a domestic revolt, specifically a palace *coup d'etat*.

Wars and Military Development

Military Development

Goals

Iraq was a highly militarised country with a desire to remain a major regional military power. This was the result of the incredible military spending of Iraq in the course of the arms race with Iran since the 1960s. Before the Kuwait crisis, between 1972 and 1990, Iraq imported well over $100 billion worth of conventional arms. During the Iran-Iraq war, Iraq spent between 40% and 75% of its GDP on military expenditures at the cost of worsening the plight of Iraq's people. Iraq was concerned with both external and internal threats: its vulnerability to external forces lay in its borders, its access to the sea, its economy and provision of its water. Meanwhile the Kurdish and Shiite uprisings, Iran's contending for domination, Syria's being ruled by a rival faction of the Ba'th Party, Turkey's cooperation with Allied Forces and most of all Israel were all seen as a threat within the region. These internal and external threats combined with Saddam's ambitions for regional hegemony and desire to become the leading Arab state were the main contributory factors to instability in the PG.[27]

To achieve its goals of stability, Iraq first needed to provide better living conditions and build a strong army; this was to be achieved by increased oil revenues. In the

1950s the Ba'thist had raised the slogan of 'Arab oil belongs to the Arabs' but it was not until 1972 that the first stage of nationalisation began, with the second stage concluding in 1975. Nationalisation changed not only the economic balance in Iraq but also its interest in the PG. The growing economy of Iraq increased the economic and strategic importance of the PG, so this waterway found an important place in Iraq's foreign policy. Iraq's land-locked position with its only access to free waters a 19 km coastline at the northern end of the PG guarded by Iran and Kuwait meant that the country faced economic security risks from the increasing power of its neighbours, especially Iran.[28] Two islands of Kuwaiti, Warbah and Bubiyan, that dominate the estuary on which Iraq's new port of Um Qasr is located, were a key strategic location in the PG and if reclaimed would ease the Iraq's coastal limitation.[29]

(Figure 8-2)

Figure 8-2

Iraq's Land-Locked Location



In facing these threats Saddam as, Murden also remarks, needed the capability for economic growth, which meant ideological aspirations had to be compromised. To

achieve his goals, he would have to embark on an interdependent route through the export of Iraq's oil and move away from the local ideology and desire for independence from the West. This pragmatic outlook was one of the consequences of Iraq's increased capability for development over the period of 1975-1980, which attended its status as an Emergent Regional Power. However, despite this more pragmatic attitude, the Iraqi regime (like most of the other ME countries) perceived military development as a short cut to aspirations and status. Hence, Iraq's growth was oriented towards military applications and the expansion of military capabilities allowing greater independence and military options to achieve foreign policy goals; this lead to the application of aggressive strategies towards its neighbouring countries.[30]

Meanwhile, Saddam's ambition to challenge the balance of power in the PG which was swinging towards Iran in the 1970s, was given an opportunity by the occurrence of revolution in Iran. On the one hand, the anti-*status quo* revolution of the Iranian Shiite population was perceived to be a real issue of security on the Arab side of the PG, and also a disturbing element in Iraq's internal balance, with domination of the secular, Sunni clique from central Iraq over the majority Arab Shiite (70-75%) and Kurdish (15-20%) population. On the other hand, as Murden notes, the revolution coincided with some developments in Iraq that increased the choice of inter-state war. The post-1973 increase in oil revenues and the Algiers agreement with the Shah had resolved the issue of Kurdish rebels, fostered a period of growth for Iraq and had also broadened Iraq's regional and international political horizons, specifically with the West. While the Revolution promised instability for Iran, and Tehran was isolated, Saddam was ready to challenge Iran to prove the dominant power and finally resolve the border dispute and Iraq's remaining economic insecurities.[31]

However, according to Alaolmolki the Ba'th regime, through its massive militarisation programme, experienced the classic security dilemma.[32] By developing Iraq's military capabilities, Saddam's attempt to increase his own regime's security itself led to a perception of insecurity on the part of the other regional actors. The fear grew in the region that Saddam planned to be the regional dominant power. Iraq's greater military ability and his own ambition for power convinced Saddam as well that Iraq would be the leading Arab state.[33] Saddam's pragmatic attitude was interrupted by his Ba'thist, pan-Arabist ideological justification for the expansion of his regime's security by focusing on war-making to secure the vital interests of Baghdad at the expense of other regional and international players. For instance, Iraq's invasion of Iran and Kuwait, and Saddam's serious consideration of invading Saudi Arabia, with Iraqi oil pipelines across its territory. Saddam's ideological attitude of extreme-self belief became apparent when he claimed that Iraqi military capabilities were a shield for the sovereignty and independence of the entire Arab nation. He believed that the Arab world owed Iraq a great debt; Iraq had saved it from the Persian threat and was now the safeguard against all Arab enemies. However, the lack of the respect from the other Arab states and the mixture of expectation and disappointment resulted in Saddam's frustration.[34]

Military Technology

After the war with Iran, Iraq emerged as the most capable military power in the Arab world. In 1988, the Iraq armed forces claimed to number nearly one million, with 480,000 active reservists and 475,000 regular troops containing a core of 140,000 Republican Guard.[35] To improve its weapons capability Iraq used two methods: importation and the build-up of domestic arms. Before the war the importation of

sophisticated weapons mainly came from the USSR and after the war the West also became a viable market through the involvement of the Iraqi diplomatic, intelligence and business sectors. About 80% of Iraq's supply of weapons technology and expertise came from Germany. The main supplier was the high technology company of Messerschmitt-Bolkov Blohm (MBB) which is also a contractor to the Department of Defence of the US, as well as other countries.

Iraq integrated chemical weapons into its military doctrine and such weapons were used during the Iran-Iraq war. They were deployed extensively against Iranian forces and the Iraqi Kurdish population. Evidence suggests that the German government was not only informed of the dealings but also participated in them. It allowed the German companies to export duel-use items to Iraq and sponsor counter-terrorist activities, namely Kurdish and Shiite insurgents. The French traded weapons for Iraqi oil and the United Nation (UN) found the equipment of eleven US companies, in various Iraqi military facilities, assisting in Iraq's development of chemical, biological and nuclear programmes. It was the extensive chemical and biological weapons programmes, discovered by the UN after Hussein Kamal's defection, that were of fundamental importance to the entire ME. The Iraqi programme of nuclear development had been one of the most highly sophisticated programmes in the undeveloped world before the beginning of the Kuwait crisis. However, no report verified the existence or non-existence of further development after the UN inspection.[36] Baghdad's considerable efforts to secure significant military contracts, even after the war with Iran, increased the scale and potential of Iraq's military threat to the whole region.[37]

The Wars' Impact on Military Strength

While encouraging the illusion Iraq was consolidating a form of pragmatic Ba'thism, Saddam took advantage of the Iran-Iraq war to build up his military and industrial empire. He continued to insist on the threat posed by an ideological Iranian Revolution and the PG states, believing such threats rallied to Iraq's aid. Iraq was seen as protection against political unrest both on a domestic level, against the Shiite population, and an international level. Although Iraq's initiation of the war created arms supply problems, when the balance of fighting fell in Iran's favour, restrictions were eased. The great powers desired to prevent an Iranian expansion and they re-initiated trading with Iraq. Soviet arms shipments that had been curtailed were restarted and military equipment from the Western states was exported to Iraq, both authorised and covertly. Saudi Arabia alone committed at least $25 billion to Iraq and the relationship developed between Iraq and the US, until it became one of Iraq's top trading partners. Without access to such foreign resources from the PG states, the Soviet Union and the West, the Iraqi economy would have collapsed. The stabilising of the economy and the access to foreign aid would also enable Iraq to build-up its military capabilities.[38]

It is believed that the support Iraq received from the PG states indirectly contributed to Iraq's invasion of Kuwait, because the conditions for the Kuwait crisis were initiated in the aftermath of the Iraq-Iran war. As Alaolmolki affirms, after the Iraq-Iran war, Kuwait and the UAE were becoming concerned that Iraq was a more serious and immediate threat than Iran, given its recently gained war experience. Iraq chose to fund its economic recovery without cutting back on its military expenditure. There was no threat of attack from Iran or any other neighbours and Iraq only engaged in

civil conflict with Kurds and Shiites. Iraq poured huge amounts of resources into rebuilding and maintaining its military operational readiness. This choice, according to Cordesman and Hashim, increased the impact of its debt burden and created the economic crisis which helped lead Iraq to invade Kuwait. Iraq claimed that to prevent its financial recovery Kuwait violated its OPEC production quotas and demanded repayment of the "loans" provided in the war. However in contrast Saudi Arabia forgave the debt in recognition of Iraq acting as the bulwark for the PG against Iran for eight years. Saddam took a similar viewpoint. Iraqi Foreign Minister Tariq Aziz accused Kuwait of directly undermining Iraq, and called it an act of war.[39]

Saddam took a somewhat understandably miscalculated step when he invaded Kuwait. He had not thoroughly contemplated the reaction of the West. However, even if he had, considering the context of Iraqi-US relations in the late 1980s and the Western aid provided during the Iran-Iraq war, according to Alaolmolki Saddam may have simply overestimated the administration's commitment to this strategy of political appeasement and aid.[40] Moreover, after 1988, Saddam did not consider the increasing concern the US and Israel felt towards its military build-up since it received the US green light. By letting him invade Kuwait the US was justified in destroying Iraq's powerful military and was able to resolve their concerns.[41]

After the war with Iran, Iraq may have emerged as the most capable military force in the Arab world, but Iraq's defeat in the 'Desert Storm' operation in 1990-91 reduced its military capabilities and its political capacity. The manpower of the military was severely downsized. Only about half of Iraq's pre-war equipment survived the 'Desert Storm'; its Air Force was no less than half of what it was before this operation. Yet still Iraq constituted one of the largest armed forces in the ME and posed a great threat

to this region. The inability to prevent a significant decline in operational readiness because of the sanctions did not prevent the military showing signs of improving performance based on realistic standards and expectations. It would require time to rectify lost logistical capabilities and readiness, even after sanctions were lifted. However it was certain the military would be built back up as quickly as possible once Iraq regained access to its oil wealth.[42]

Economic Vulnerability

The survival of the regime depended on its economic development. Despite Iraq's great economic potential after the end of the war with Iran, there were several serious issues, various political and economic uncertainties confronting Iraq that continued to obstruct Saddam's path. The geographical difficulties, including the limited access to water, the 1975 Algiers Accord and Kuwaiti's refusal to lease its islands, all added to the worsening economic situation after the war with Iran. The mounting debt continued to undermine Iraq's credibility and the perceived security of the country in the eyes of potential investors. Unlike Iran, Iraq had a considerable foreign exchange debt and all the while Iraq had to try to keep up with the economic power of Iran.[43]

Various methods were applied to solve Iraq's economic difficulties and to return to the peaceful economic growth had before the war. Privatisation, for instance, was sought however as a means of gap filling the lack of efficiency and provision strengthened rather than weakened the regime's grip on the country. By 1989 control of foreign companies in Iraq was eased but restrictions on the activities of foreign and private sector liaison did remain. This included restrictions of working in the south, as secure access to the sea remained an unresolved question and so a potential security

issue. Also, to compensate for the low oil returns and the damage oil refineries suffered during the war the regime had to turn to exportation of non-oil produce, which involved the south. In addition, the political effect of increased food prices pushed the regime to depend more on import to meet the substantial needs of its people. Internal expectations were much higher after the war, increasing social and political unrest adding to the existing economic problems when it became clear that the country's revenue could not live up to such expectations.[44]

All these social-economic pressures on the regime and the demands for resources from armed forces, from debt, civil reconstruction, and corruption were heavy. Iraq's only leverage was the high price of oil. So in the beginning of 1990 when overproduction by the PG states sent OPEC oil prices heading from $18 to $14 per barrel, Iraq lost its last viable option to regain economic stability and security, making a bad situation worse. According to the regime, for every $1 per barrel decrease in oil price, Iraq lost $1 billion of oil income per year. Oil prices dropped and Iraq's capacity to export was another real shortfall. The regime knew the way to success lay in its oil reserve and so began oil pipeline construction projects — Baghdad's most ambitious scheme. However the increase in oil prices would be frustratingly slow and ultimately insufficient.[45] (See figure 7-4)

For power and stability, and in order to solve its economic problems, the regime opted to invade another country, once again making itself secure by making another country insecure. Iraq's invasion of Kuwait caused a boycott of Iraqi oil, which prevented Iraq using its recently constructed facilities for the duration of the conflict. Many other problems faced Iraq after the Kuwait crisis, including the increase in civil strife, international sanctions like the no-fly zones, the catastrophic breakdown of the health

care system, with acute shortages of medicines and medical supplies, and the serious increase in child mortality rate. These all threatened the continued stability of the country. It was estimated by *The New York Times*, April 1991, that it would cost at least $30 billion to rebuild the physical infrastructure, five years to repair the electrical grid and maybe even years to activate the water purification plants.[46] The sovereignty of the regime was weakening and the important issue now was survival.

The Impact of Iraq's Internal Problems on Persian Gulf Security

The Ba'th social foundations were greatly undermined by both the 'Desert Storm' and the sanctions imposed afterwards. These events had a great impact on the political, military and economic aspects of Iraq and challenged the security of the PG. The Kuwait crisis caused great human loss, and along with civilian migration to other countries, including neighbouring ones, reduced Iraq's skilled population.

Iraq looked towards its oil reserves to solve its problems and so was determined to loosen the sanctions. However, from a regional perspective either removing or maintaining the sanctions would cause concerns among neighbouring states. To not remove the sanctions would hurt the people of Iraq and potentially force Baghdad to seek a more radical method of release. It would even lead to the gradual collapse of the government and the disintegration of state institutions. Such disintegration of Iraqi institutions would lead to cross-border activities in the whole region that would be destabilising. Iraq's weakness was also a concern for the GCC and its Western partners as it further shifted the balance of power in Iran's favour. However, to remove the sanctions would allow Iraq to use its oil revenues to rebuild its military power and continue on its previous destructive path, simply creating an alternative threat to the PG.[47] Therefore, from the 1990s until the invasion of Iraq in 2003, the

major challenge was how to balance the constraint on Baghdad's rearmament with its need for economic resuscitation.

External Threats

As mentioned earlier, the key elements of Iraq's political interaction with the outside world is shaped by the country's geographical location, its pluralistic society, its acknowledged position as the eastern flank of the Arab world, Iraq's own perception of its immediate strategic interests and concern for the wider Arab world, and also the dynamics of oil politics in the region. Theses elements, combined with Saddam's keen interest in power and leadership, established the foundations for Iraq's foreign policy during the Ba'thists rule.

Furthermore, Iraq's foreign policy had been extremely dependent on the character of its leadership and the domestic political situation it faced. In this regard, the high degree of volatility of foreign policy had not allowed Iraq to play a stable, continuous and constructive role in the region's security, but rather in various periods of time it played a disruptive role. On the one hand, the lack of domestic opportunities and even Iraq's lack of interest to become involved in the PG region until the time the Ba'th party came into power under the leadership of Saddam, did not leave any room for Iraq in the regional equation. On the other hand, although the regional situation was ready in 1970s for Iraq's activities and also in the 1980s when Iraq emerged as a regional power, the ambitious political and ideological policies of the Ba'th party could not provide for Iraq a central, basic or continuous role in the region. Political upheavals and the instability of Iraq's foreign policy, from Socialist Arab Revolutionary to Pragmatism and the change of international orientation meant the

country was confronted with instability in its foreign relations with both its neighbours and the Great Powers. Also the radical, aggressive and ambitious policies of the Ba'thist regime, without recognising the real potential of the country, pushed Iraq in several different periods to war and desolation. The policies used to ensure the regime's security not only seemed difficult to comprehend and unpredictable to the outside world but misled the regional and international countries and caused a lack of global confidence in Iraq's notions and goals. In order to understand the unsteadiness of the Baghdad's behaviour, Iraq's foreign policy during the period of this study will now be analysed.

The Goals of Iraq's Foreign Policy

The foreign policy goals of Iraq can be summarised in the following stages:

1- Iraq was to be the model state and leader of the Arab world. The Ba'th party was determined to maintain its authority and establish the pre-requisites for the regime's stability.

2- Arab unity was to be achieved by the implementation of their ideological visions, once stability was reached, and the termination of all foreign control over the Arab world.

3- Non-alignment and the idea of reliance on Europe as an alternative to entanglement with the superpowers; which was achieved by strengthening its relations with Europe, particularly the West, through military, economic, cultural and technical means and expanding financial and oil trade with those it considered friends e.g. France, Brazil, India, Spain and Africa.

4- Assigning a greater role to the Ba'thist ideology as a catalyst among Arab nations and undeveloped countries, combined with Iraq's financial and agricultural capabilities, meant that Iraq could become a leader of the non-aligned movement. For example Iraq's subsidised millions of dollars to different countries including, Syria, Jordan and also the PLO (Palestine Liberation Organisation).[48]

5- Maintaining the economic security of the country which relied heavily upon Iraq's general situation and also its accessibility to the PG. Thus Iraq was vulnerable to the increasing power of neighbouring PG states, particularly Iran.

6- Iraq's analysis of its security in the PG was based on its self-reliance, which stemmed from its being able to strengthen and modernise its military capabilities through its oil revenues, and to exclude the role of any Super Power in the region. In this regard, it rejected all foreign bases in the PG and any regional security pacts, e.g. the proposal from the Oman in 1975, and foreign control of the strategic Strait of Hormuz. Iraq depended heavily on the Hormuz Strait for its imports and exports and thus required the freedom of navigation. Saddam asked for cooperation from Arab states in the PG on the basis of the Arab national interest, on commercial and economic projects and bilateral agreement among the countries of the region, including Iran.[49]

7- After the 1990s the real security goals of Baghdad were not entirely clear but survival was the first priority of the regime, and avoiding the fragmentation of the state. To secure its objectives, Saddam needed to exploit Iraqi oil revenues, to give the impression of possessing a powerful military strength to deter internal and external threats, and to promote his damaged image as an Arab leader. The possession of WMDs was recognised as an element of enhancing regime's security and image.

Therefore, Saddam sought to end UN-imposed sanctions to fulfil his goals. For the achievement of his goals after 1990, the new policy agenda focused on taking a greater stand against Israel, where they believed disarmament should start. Even under sanctions and in spite of its efforts to build up its military capabilities, Iraq, according to Hollis was looking for another war and for a political position because there was no insurance of the permanency of the Ba'th regime.[50]

Barriers to Iraq's Foreign Policy

Until 1970 Iraq had no interest in and was not capable of influencing the political situation of the PG. One possible reason for this was the West's negative attitude towards Iraq. According to Edmund Ghareeb, "Iraq was portrayed as a xenophobic land plagued by violent political upheavals and instability" with a determined anti-Israel policy. There was also an assumed close relationship with the Soviet Union, which would have coloured such attitudes further. According to him, these views overlooked Iraq's real and significant geopolitical position as a PG state with legitimate interests of its own in the area. However, Ghareeb goes on to explain the real barrier to Iraq's ability to become involved in PG affairs, which was mainly a lack of long-standing economic and political interests in this region, a lack of funds for initiating major development projects and providing naval forces to play a role in the PG, and particularly its reliance on Britain with its wide domination and influence over the PG as Iraq's protector. After the 1958 Revolution, Iraq's economic weakness and its ethnic, religious and sectarian problems caused a lack of social cohesion, which impacted on the development of the entire country. Hence, the oil industry and Iraqi claim of sovereignty over Kuwait (for its substantial oil income) had a significant impact on Iraq's interest in the PG affairs. Nevertheless, active Iraqi

involvement in PG affairs only emerged after the Ba'th Party rose to power in 1968. Although the problem of sectarianism continued, the regime's main preoccupation was with the task of warding off plots against the party, consolidating its authority, and the conflict with the Kurdish rebels, all of which continued to limit Iraq's foreign policy alternatives.[51] However, at this period of time some factors led to an increased emphasis in Iraqi foreign policy on PG affairs. Theses factors were: Britain's decision to withdraw from East of Suez by 1971 and Iraq's concern about the future power structure in the PG, the decline of Nasserism in the region following the 1967 defeat which left a new opportunity for the Ba'thists' influence, the growing importance of oil, especially after the 1973 energy crisis, and antagonistic relations with Syria which limited Baghdad's influence in the Fertile Crescent area.[52]

Still in the 1970s, Iraq's most serious obstacle was the regional powers of Iran and Saudi Arabia — which will be studied in the following — both of which were supported politically and militarily in this role by the US. Despite the removal of Iran from such a regional position because of the occurrence of the revolution, Saddam was not able to continue taking advantage of this opportunity which may have allowed Baghdad to become a regional power and improve its political relations with the West and also its Arab neighbours in the PG. The war with Iran in this period caused vast economic damage, social and political unrest and left the country with high foreign debts, which threatened the credibility of the regime.

A series of events occurred in the period of 1988-1990, which resulted in Iraq returning to its original ideological position and a gathering hostility to the West. The first alarming events could be seen in the Eastern European countries; from the overthrowing of the Ceausescu regime in Romania (as a pariah state in which change

was said to be desirable) in 1989 to the decline of Soviet power in early 1990. The demise of the communists left the US as the only remaining superpower and decreased Iraq's political manoeuvrability to apply its own foreign policy.[53]

Feeling the shift in US attitude, Iraq created propaganda to discredit the US. In an attempt to gain the support of the Arab world, the Ba'th regime focused on an Anglo-American policy of supporting Israel and the control of Arab developments; this was understandable to the majority of Arabs. Baghdad's debates embraced the sensitive issues of sovereignty and technology transfer, and the West's denial of military technology to the Arabs. In the eyes of the Iraqi regime the ultimate suspicion was that the West was preparing the ground for an Israeli attack on the military infrastructure of Iraq. However the response of the Arab world to the Ba'th regime was not what Saddam had hoped for and Western powers appeared to have a common concern about the Iraq's core military interests as they noticed a build-up in Iraq's armament, including its interest in the development of WMD. Despite some events which deepened the cycle of mutual Iraqi-Western recrimination, political blocks to Iraqi growth required pragmatism.

Even after Saddam's subsequent rejection of international pleas for clemency for Farzad Bazoft, a reporter from the British newspaper, *The Observer*, who was sentenced to death for espionage and duly executed on 15 March 1990, he attempted to keep a pragmatic stance and ruled out any severe policy action against the West, particularly Britain and the US. Since Iraq was an important market, from the West's point of view the diplomatic rupture was likely to be controllable too. However after the Anglo-American intelligence 'sting', in March 1990, which exposed illegal Iraqi procurement activities for switches which could be used in nuclear weapons at

Heathrow airport, and later the seizure of components for Iraq's so-called Supergun at Teesport by the UK's Customs, huge amounts of negative world-wide publicity for Iraq was generated that seemed to demonise the Iraqi regime. This situation was alarming for Iraq whose major supply networks were blown open. Then while talk of sanctions persisted in the US Congress, ministers from the West were scrutinising the exportation of dual-use technology. Despite growing pressure on Iraq, a main policy crack-down on Baghdad by the West, on the basis of political criteria, did not occur. Iraq, however, was not prevented from importing specialised equipment, and the exportation of military-related equipment was not stopped until the invasion of Kuwait in 1990. It was these events which embedded frustration and anger in Iraq, combined with Iraq's failure to make significant economic progress after the end of the Iran-Iraq war, which in the early 1990s effected a reorientation of the regime, to take a more ideological approach.[54] However, as was mentioned earlier, in the aftermath of the 1991 Kuwait crisis the main difficulties facing Iraq were political and international isolation, and economic sanctions. This situation left both its neighbours in the PG and the Western Community with the question of how best to deal with Iraq: containment or change.

Iran

Iran was always a serious impediment to Iraq's ambitions in its regional foreign policy, especially in the PG. Suspicion and hostility characterised Iran-Iraq relations throughout the period of 1968-1975. Even after the Iran-Iraq war, the two countries never reached a full peace settlement. However, the West and the GCC were always concerned about the potential for a strategic rapprochement between Iran and Iraq. The reasons for such continuous conflict were not just ideological but contained

historical, territorial and political factors too. Chubin and Zabih emphasise that "domestic politics and inter-Arab politics have been an important constraint, hindering and at times precluding the possibility, of Iraqi compromise with Iran." As they explain, "the salient issues between two states [were]: the Shatt al-Arab, the Kurdish question, and the shaping of Gulf politics." They go on to argue that the key tendencies of Iran-Iraq relations were to allow differences in one area to spill over into other areas in their relationship, and for Iran to take a strict approach with Iraq.[55]

In different periods of time each country would wait for an opportunity when the balance of power in political and military terms was in their favour to solve their border issues by ignoring previous agreements. (Details in Appendix-7-B) The interest in contrasts between Iran-Iraq, particularly the Arvand Roud (Shatt al-Arab), was augmented after the withdrawal of the British. The questions now were who would achieve hegemony in the PG, the political evolution or revolution of the Sheikhdoms and the roles of each state in PG politics, spreading rivalry into all areas of Iran-Iraq relations.[56]

Iran sought regional security and unimpeded passage of maritime traffic. To achieve this Iran looked for cooperation with and between the PG states, to prevent a takeover bid from a non-regional power and as a barrier against disruptive local or domestic forces. On the other hand Iraq encouraged and sponsored revolutionary movements including the Bahrain Liberation Front, the Popular Front for the Liberation of the Occupied Gulf and dissident Kurds in Iran — a new instrument of pressure. Iraq also took advantage of the Iranian claim to Bahrain and Iran's opposition to the Union of Arab Emirates to promote itself as the Arab protector and also by appealing to all the Arab states in the name of the Gulf's 'Arabism' to isolate Iran in PG politics.[57]

However both Iran and Iraq's rival attempts to attract the other PG states and ignore each other's security concerns and role in the regional security arrangement were rejected. For instance, Kuwait and Saudi Arabia rejected both Iran's proposal for establishing a formal collective defence system and Iraq's July 1970 Al-Bakr proposal because neither state seemed to consider the smaller countries' desires not to become entwined in the Iran-Iraq dispute.[58]

The 1975 Agreement between the two sides was, however, of such importance in the PG that both Iran and Iraq promised to work for better relations among the littoral states. This Iranian-Iraqi rapprochement, combined with the resolving of the Saudi Arabia-Iraqi border disputes, diminished tensions in the PG and established a better environment for communication and cooperation between PG states, while Iraq undertook a friendlier, if still slightly cautious, policy towards Iran. However security in the PG remained a matter of disagreement among the coastal states.

Saddam declared in 1976 that "Iranian-Iraqi rapprochement permitted discussions for establishing a collective Gulf security agreement."[59] However the spirit of the accord never materialised and after the overthrow of the Shah, the revolutionary regime did not disclaim Iranian hegemony. However, Iraq emerged as the major power in the PG and concluded that the best opportunity for Iraqi hegemony in this region and the solution to the problem of the Arvand Roud was to start the war in 1980.

Despite the very similar positions of the two states regarding the security model in the PG, (e.g. their self-reliant nature and exclusion of the role of any Super Power in the region), the great ideological differences, as well as the orientation of the two regimes in international politics, were always part of the quarrelsome Iran-Iraq relations. Until 1979, the nationalist and socialist regime of Iraq faced a conservative monarchy that

sought to retain the throne and preserve a key role in the region, particularly in the PG. After 1979, Iraq faced an Islamic Republic system, which did not hide its wishes for its Islamic ideology to be distributed to other countries. The Arab states of the PG, including Iraq, were concerned about the impact of the revolution, particularly in Shiite populated countries, and also the possibility of a similar fate for their regimes.

Expecting hostilities from each other, Iran and Iraq searched for and exploited opportunities to act against the other. Conflict was usually fuelled by the support of opposition groups on both sides which could act as a suitable and effectual leverage for further hostile actions or even for improving mutual relations of the two countries. The Kurdish and Shiite populations were always the victims of the tactical manoeuvres of these two countries, through both support and pressure. (Details in Appendix-7-B) Therefore, the opposition groups all had significant variable roles in the relations between Iran and Iraq, and consequently had both an impact on and were affected by the bilateral and regional circumstances. The use of such groups and the inconsistencies of the two countries had made it hard to achieve any lasting rapprochement.

Saudi Arabia (The GCC)

Except for a short period in the PG's history, Iraq was never successful in gaining the confidence of other Arab states. Even in the most important period of such relations, during 1975-1990, the Arab states did not trust Iraq or have any long-standing strategic relationship with it. They saw Iraq as a means to fulfilling their need and the only option in facing the threat of Iran. This is a major reason why Iran has always had a major role in determining the kind of relationship between Iraq and the GCC. Even as an Arab country, Iraq continued to feel isolated because the other states

would not rely on it. They treated Saddam's 'revolutionary' regime, his claim to Kuwaiti, Iraq's international orientation towards the USSR, its military policy and attempts for regional hegemony with caution and scepticism so no stable relations could be established.[60] Chronologically reviewing Iraq's foreign policy and the GCC's reactions to it supports this contention.

From 1968-1975 the Ba'th regime could not expand its political or ideological relations with other PG states and mobilise them against Iran's role as gendarme of the region. Such failure which according to Chubin and Zabih was due mainly to Baghdad's own inept diplomacy and only partly due to Iranian statecraft,[61] encouraged Iraq to seek an ideological confrontation, not just against Tehran but all the conservative Arab regimes too. Iraq's relations with its Arab neighbours were significantly influenced by the return of the Ba'th to power. The Ba'thist advocated a radical ideology committed to replacing the prevailing configuration of power and to effecting radical social and economic change, which did not appeal to Iraq's more conservative neighbours.[62]

In May 1969, Saudi Arabia rejected the Iraqi offer of a military agreement. Later when Iraq failed to gain Saudi support for its response to Iran's abrogation of the 1969 Arvand Roud, it began to look beyond the PG for support. An isolated Iraq offered and accepted an agreement with the Soviet Union. Consequently, Saudi Arabia, with US support, started a plan for the modernisation of its armed forces. These events widened the gap in relations between Iraq and the other Arab states, including Saudi Arabia. Only in 1974-1975 could Iraqi-Saudi relations improve because of concern for Iran's role in Oman and the policy of rapprochement and *détente* with Iran and other PG countries. In 1979-80, as a result of revolution in Iran,

the opposition of the Camp David pact and the appearance of the desire to keep the big powers out of the PG, Iraqi-Saudi relations moved closer.[63]

Both Riyadh and Baghdad were interested in releasing each other from reliance on the superpowers. Fortunately, the Iranian revolution forced Riyadh to distance itself from the US and oppose the peace treaty of Camp David. With Egypt and Iran tied up, Iraq was given the opportunity to fill the gap as the leading power in the region. However, Iraq did not want to be seen leaving the rapprochement or interfere with the internal affairs of other countries as this would damage Iraq's recently improved relations with Saudi Arabia and isolate itself again.[64] Nevertheless, under the pretext that the Iranian revolution was a threat to the whole region Iraq started a war as the Arab Protector and so was able to maintain good relations, achieve regional hegemony and sort out the issue of Arvand Roud in one go.

In 1990, Iraq once again faced an economic problem and sought a violent solution. Iraq faced demands for the repayment of Iran-Iraq war loans without the ability to pay; so it changed its rhetoric starting an anti-Western campaign, focusing on security and the Arab community. However, Iraqi diplomacy was a screen for many grievances towards other Arab countries. Saddam believed overproduction of oil was benefiting the West and costing Iraq revenues and development potential. After the Baghdad conference of the 28th of May 1990, the Iraqi regime took a more threatening course, which was a diverging point for Arabs. Saddam sought an ideological rationale for dominating the region which included war with Israel and the liberation of the Palestinian people. However, the conference also exposed the reality that, at least among the Arab states, Iraq was not trusted. Over-estimating Arab public

support and acting without the assistance of regional governments, Saddam began another risky war.[65]

After 1990, Iraq faced yet more barriers to its foreign policy from the global condemnation of its invasion of Kuwait and from the application of wider international sanctions. Despite some differences between the GCC members of how to deal with Iraq, which appeared as early as 1993, they were united in opposing Iraq and their common mistrust of the Ba'thist regime. Kuwait and Saudi Arabia in particular rejected the UAE's initiative for Arab reconciliation with Iraq and called for the UN Security Council to ensure complete destruction of all Iraq's WMDs. The UK and the US also stressed the need to overthrow Saddam by continuing sanctions and isolating Iraq, but it was not yet time for them to remove him from power.[66]

Contributory Elements to Iraq's Foreign Policy

The previous sections of this study have shown that in achieving its foreign policy goals Iraq had benefited from various elements, such as ideology, diplomacy, military and propaganda methods, as well as aiding undeveloped countries, establishing economic partnerships and internal developments. In addition to Iraq's methods of pursuing its foreign policy objectives which are categorised in Appendix-7-D, the contributory elements to Baghdad's foreign policy can be classified in the following ways:

1- Different kinds of international political systems, as well as the US security strategies, in the ME/PG provided constraints upon or opportunities for Iraq to play a role in the region and achieve its foreign policy goals. In the 1970s, US security policy was based on the twin-pillar system emphasising the emerging regional

powers. Iraq was not part of this system; however the removal of the great powers from the region provided it with the opportunity to consider the future power structure of the PG. In the 1980s, the international political concerns regarding the impact of the Iranian Revolution on the ME and the Western fear of disruption to the oil supply provided an opportunity for Saddam to pursue its own goals by invading Iran. However, in the 1990s the bipolar system and the Cold War ended and the US attempted to consolidate its interests globally. The new international political system focused on cooperation rather than confrontation. Hence, this presented an obstacle to Iraq's ambitions, particularly its military build-up, which had been noticed by the West.

2- Iraq's oil revenues furthered good relations with the rest of the PG states and the West. The latter enabled Iraq to diversify its purchases of arms, goods and technology, lessening its dependence on the USSR in this regard.

3- Economic development and reducing the Kurdish issues through the attempt of 1970 Manifesto and finally through 1975 Algeria Accord with Iran gave Iraq a freer hand in consolidating its role in the PG.

4- The Iran Revolution and Camp David peace agreement improved Iraq's position and enabled it to fill the power gap left by the decline of Iran, Egypt and Saudi Arabia. Also, no longer isolated Iraq would be able to establish its own influence in the PG.

5- The Ba'th regime never confronted serious internal resistance. The geographical features of Iraq and the differing ideologies and aims of opposition groups combined with Saddam's tribal policy and totalitarian political system — consisting of strong

information and security apparatus — meant that the regime could control the opposition's activities. Furthermore, the opposition groups were used by Iraq's neighbouring states, including Syria and Iran, to undermine Saddam's power for their own purposes; however the opposition was weak, divided and benefited from only limited help from the US and Britain.[67] According to Hollis, even two years after Desert Storm Saddam Hussein was still very much in power. In Iraq those who would destroy Saddam were afraid of both him and the consequences of his demise. They believed that the coalition members, both Arab and Western, who built up Saddam and armed him in the first place should be responsible for his removal. In reply, those on the outside claimed that until the Iraqi army moved against the regime they could not.[68]

6- The lack of US commitment to overthrow Saddam stemmed mainly from the desire that the fall of the regime was to occur under US control. Although the region's stability was dependent on the development of Iraq, whose territorial integrity and social cohesion after 1991 were weakening, the US ignored these dilemmas to make changes in its own favour. Also, according to Adel Abdul Mahdi, an Iraqi thinker and director of Centre of Islamic Studies and Documents in Paris, it was Iraqi society and not its ruler that was the concern of the US. Washington did not want to disturb the regional balance and cause social upheaval against US interests. So, after the liberation of Kuwait, President George H. W. Bush did not seek military action against Iraq; instead, he only continued the policy of containment. This gave the US the use of Iraq as the Eastern Flank against some countries, including Iran, but left the country unable to decide its own fate, as Abdul Mahdi observes.[69] In addition, the 1991 attack provided the impetus for unity in adversity for Iraq and the multinational coalition did not want to take the steps, or deal with the consequences, of fighting for

a replacement of the Iraqi regime.[70] Also, the coalition powers were divided over how to treat Iraq after Kuwait was released, with France in the lead. This lack of cohesion also influenced the regional players and opposition groups, the latter being disorganised and insufficiently equipped to struggle against the regime. They even involved in military and political dispute with each other. This weakness, particularly in Iraq, provided Israel, whose interests were similar to the US, with the best regional security situation it had ever known. All this prevented the US from entering Iraq and so allowed Saddam to continue his regime.[71]

7- After 1991 a weak Iraqi regime suffering UN sanctions and coalition control was preferred by its neighbours to a federation of Kurds or the disintegration of the country. Iraq's neighbours were also tired of waiting for a change of government in Baghdad. The regional countries, specifically Iran, Syria and Turkey, supported the territorial integrity and unity of Iraq and feared the no-fly-zones were eroding the cohesion of the country. Also, there was no consensus about a powerful opposition group that would replace the Ba'th regime. In addition, the West preferred Saddam remain so that the UN could continue to justify its search for WMDs in the name of regional security. Meanwhile, Western countries continued to keep communication with opposition groups open.[72]

8- Attempts to establish a link between economic cooperation and political interests through ties with non-aligned countries, Russia and the EU. For instance, in an effort to remove the sanctions on it, Iraq sought to take advantage of the division between the UN's real power brokers using a two-tiered strategy: Steadfastness and Diplomatic Activity. In the latter part of strategy Iraq's aim was to influence France, Russia and China into lifting the sanctions. (Details in Appendix-7-D) In the mid-

1990s, these three permanent members of the Security Council resisted any military action against Iraq and favoured the removal of sanctions, even when it meant abandoning the UN inspection system.[73]

9- Some countries were doubtful whether the continuation of the sanctions would help to overthrow Saddam and were concerned they might worsen the situation by increasing the human cost and the sympathy Iraq received from the outside world. Iraq was able to exploit these sympathies and divisions.

10- The American hard line policy against Iran paved the way for some Iranian attempts for closer relations with Iraq. Although major differences, such as Mujahedin's military activity or the problem of how to deal with prisoners of war (POW), meant that such relations where never fully established. Nonetheless, Iran was another country calling for the lifting of sanctions.

Conclusion

Security, the most important issue in the PG region, was significantly influenced by the Ba'thist regime of Iraq in its interaction with other littoral states. In studying Iraqi political behaviour, the importance of its geopolitical elements has been acknowledged; in particular their impact on Iraq's definition of security, national interests and strategic concerns. In addition, Saddam's aggressive foreign policy, his high expectations, Iraq's lack of regional credibility and isolation, the consequence of war and failure of state development, as well as the interests of external powers in contrast with Iraq's behaviour combined can be seen as the divergent elements that prevented a collective security arrangement which meant the PG continually encountered crisis and instability.

Iraq's periodic changing political ideology, from radical to pragmatic, was seen as a short-term tactical advantage increasing Iraq's political manoeuvrability and meant relationships with both regional and international powers were constantly changing, leaving Iraq with an unstable policy.

Despite the very similar positions of Iraq with Iran as the two major regional powers, regarding the security model in the PG, the great ideological differences as well as the orientation of the two regimes in international politics were always parts of the quarrelsome Iran-Iraq relations. In addition, other regional and ultra regional players viewed closer ties between Tehran-Baghdad as a threat to their interests in this region and towards the weaker PG states of the GCC; consequently these states encouraged competition between Iraq and Iran.

Also, except for a short period, Iraq was never accepted by the other Arab states in the PG region as a reliable member. The GCC never trusted Iraq or had any long-standing strategic relationship with it and they treated the Ba'th regime with caution and scepticism. They mainly saw Iraq as a means to fulfilling their need and the only option in facing the threat of Iran.

Iraq was serving the interests of external powers whose main claim was regional stability and security. However, as soon as Iraq attempted to pursue its own security and economic interests, which conflicted with the major powers', they embarked on a war against Baghdad who used to be an ally.

Both the desire of regional and non-regional actors to exclude Iraq from any collective regional security arrangements and Saddam's overconfident and unrealistic opinion of Iraq's military potential, which encouraged him to underestimate his

enemies, highlighted the impossibility of shaping stable regional security arrangements.

After the fall of the Ba'th regime, further attempts to establish regional security will be even harder because the geopolitical variables have been increasingly highlighted, particularly the role of ethnic and religious groups. With the establishment of internal stability, the other geopolitical concerns of Baghdad, specifically its land-locked location will need to be considered very seriously.

The Ba'thist regime never managed to solve the two major dilemmas of political legitimacy and good relations with its neighbours. Any future party able to solve these problems would have to establish a stable and realistic policy, which doesn't threaten or confuse littoral states. It would only be through collective regional cooperation and respect for Iraq's geopolitical concerns that Iraq can be prevented from further violent policies and the region protected from another crisis from an Iraqi regime with any political ideology.

At the second regional security summit of the International Institute for Strategic Studies (IISS) in Bahrain, December 2005, it was emphasised that although, an orderly exchange of views in public and private is taking place, the region is a long way from establishing a solid foundation that could build confidence, settle disputes and deter conflict. However, those who might take part in any future regional security arrangements may be able to encourage a better framework for conflict resolution and diplomatic cooperation. In this summit it was also stated that development must be made to improve security allowances, particularly in the "balance of power, good governance, wise internal security arrangements, political and economic reform, improving rights for minorities, intense diplomatic exchanges, well-managed links

with external powers, are all vital sinews in the regional security body politic, and even so, in both these areas, crises with military dimensions can emerge"[74]

One significant result of studying Iraqi political behaviour is the recognition of the important impact of the international system and the necessity of achieving a fair political system in international relations for assuring security and stability in any region in the world, including the PG. The outcome of Iraq's two invasions of its neighbours shows how similar wars, fought in two different periods, could have such widely contrasting outcomes. The first made Iraq the greatest military state in the region, whereas the second resulted in economic, military and political ruin. These opposing results also had an effect on the regional security for the whole of the PG. The international communities' behaviour exposed a double standard attitude; claiming that they were acting to benefit the security of the region, when within a decade, by 1997, they had left Iraq as a greater threat to the region than in any previous time. Iraq was a country whose own policies did not change dramatically and yet they were faced with a complete turn about of attitudes from the international countries: from offering aid to open hostility. There appears no basis for such a shift in attitude just the unfortunate fact that one single and unique standard does not apply to every country because there is not a fair international system.

To complete the discussion about insecurity components in the PG, in particular to sketch the future shape of collective security arrangements in the region, Iran's political behavior and its internal and external security concerns and threats will be studied in the next chapter.

Notes

[1] Christine Moss Helms, *Iraq Eastern Flank of the Arab World* (Washington DC: The Brookings Institution Press, 1984); **also** Nozar Alaolmolki, *The Persian Gulf in the Twenty First Century, Stability and Change* (Maryland, US and London, UK: University Press of America, 1996).

[2] Moss Helms, op. cit., pp. 40-41.

[3] See, Hassan A El-Najjar, *The Gulf War: Overreaction & Excessiveness* (Amazone Press, 2001). http://www.gulfwar1991.com/Gulf%20War%20Complete/Chapter%202,%20The%20Saudi%20Big%20Brother,%20By%20Hassan%20A%20El-Najjar.htm (21 July 2006); **also** Alaolmolki, op. cit., pp. 90-91; **also** Moss Helms op. cit., p. 3.

[4] Moss Helms op. cit., p. 202.

[5] Amatzia Baram, Saddam's state, Iraq's politics and foreign policy. In Barry Rubin (ed.), *Crises in the Contemporary Persian Gulf* (London and Portland: Frank Cass Publisher, 2002), p. 201.

[6] Simon Murden, *Emergent Regional Powers and International Relations in the Gulf: 1988-1991* (Reading: Ithaca Press, 1995), pp.106, 108.

[7] Ibid., p. 108.

[8] John Bulloch and Harvey Morris, The daring and aggressive knight. In John Bulloch and Harvey Morris, *Saddam's War: The origins of the Kuwait conflict and the international response* (London: Faber and Faber, 1991), p. 28, cited in Murden, op. cit., p.101.

[9] Murden, op. cit., p. 107.

[10] *The New York Times* cited a classified US military report which was released in March 2006. The report is a study of the mindset of the Saddam regime which was provided within two-year research effort.
http://www.sundaytimes.co.za/zones/sundaytimesNEW/basket7st/basket7st1142226590.aspx
(25 June 2006)

[11] Moss Helms, op. cit., p. 24.

[12] Ibid., p. 25.

[13] Figure is cited in ibid., p. 26.

[14] Ibid., p. 27.

[15] Ibid.; **also** Robert G Rabil, (2002) 'Iraqi opposition: from conflict to unity', *Middle East Review of International Affairs (MERIA) Journal*, vol. 6, no 2. Cited from, *Asia at Times* http://atimes.com/atimes/Middle_East/EA18Ak04.html (20 July 2006)

[16] Rabil, op. cit.

[17] Moss Helms, op. cit., p 26-27.

[18] For details see, Murden, op. cit., pp. 104-105.

[19] Edmund Ghareeb, Iraq: emergent Gulf power. In Husein Amirsadeghi (ed.), *The Security of the Persian Gulf* (London: Croom Helm London, 1981), p. 227.

[20] Qusay, Saddam's younger son was put in charge of internal security. He was the chief supervisor of the Republican Guard, Special Republican Guard and Special Security and no army unit could move

without his personal authorisation. 'Udayy, the elder son, was the commander of a militia force, Fida'iyyi Saddam.

[21] *The New York Times*, the classified US military report, op. cit.

[22] Murden, op. cit., p. 105.

[23] Baram, Saddam's state, Iraq's politics and foreign policy, op. cit., p.205.

[24] One of the most important one, the defection of Saddam's son-in-law General Hussein Kamel al-Majid and his brother to Jordan in 1995, along with Saddam's daughters, dealing a significant blow to the regime's attempts to hide the remainder of their non-conventional weapons.

[25] Baram, Saddam's state, Iraq's politics and foreign policy, op. cit., p. 207.

[26] *The New York Times*, the classified US military report, op. cit.

[27] See, Anthony H. Cordesman and Ahmed S. Hashim, *Iraq, Sanctions and Beyond* (Colorado and Oxford: Westview Press, 1997), p. 218; **also** Alaolmolki, op. cit., pp. 98-99.

[28] About 30 mile coastline with two major ports, Basra in the Arvand Roud and Umm Qasr on the PG.

[29] See, Ghareeb, op. cit., pp. 204-205.

[30] Murden, op. cit., pp. 8-10.

[31] See, ibid, pp. 24-25; **also** Rosemary Hollis, *Gulf Security: No Consensus* (London: Royal United Services Institute for Defence Studies, 1993), p. 18.

[32] Alaolmolki, op. cit., p. 99.

[33] Ibid, **also** Murden, op. cit., pp. 124-125.

[34] Murden, op. cit., pp. 124-126.

[35] See, Alaolmolki, op. cit., p. 99; **also** Murden, op. cit., p. 108.

[36] See, Alaolmolki, op. cit., pp. 99, 102; **also** Murden, op. cit., p. 114.

[37] Murden, op. cit., pp. 108-109, 116.

[38] See, ibid., 28-30.

[39] For details see, Alaolmolki, op. cit., p. 104; **also** Cordesman and Hashim, op. cit., p. 224.

[40] Alaolmolki, op. cit., p. 106.

[41] Ezzatollah Ezzati, *Tahlili bar Geopolitic-e Iran va Eragh [An Analysis on Geopolitics of Iran and Iraq]* (Tehran: Foreign Ministry Press Centre, Institute for Political and International Studies (IPIS), 1381 Solar Calendar [2002]), pp. 196-7, 201.

[42] See, Murden, op. cit., p. 108; **also** Phebe Marr, Iraq faces the twenty-first century: potential challenges for Gulf states. In David E. Long and Christian Koch (eds.), *Gulf Security in the Twenty-First Century* (Abu Dhabi, UAE: The Emirates Center for Strategic Studies and Research, 1997), pp. 35-36.

[43] Murden, op. cit., pp. 116-117.

[44] Ibid., pp. 117-119.

[45] Ibid., pp. 116-117, 123.

[46] *The New York Times* (April 28, 1991) cited in Alaolmolki, op. cit., pp.106-107.

[47] Among many see, Hollis, op. cit., pp. 18-30; **also** Marr, op. cit., pp. 52-54.

[48] Ghareeb, op. cit., p. 226.

[49] Ibid., pp. 217, 222-224, 226.

[50] See, Hollis, op. cit., pp. 18, 24; **also** Key Findings, 'Iraq survey group final report', *Global Security.* http://www.globalsecurity.org/wmd/library/report/2004/isg-final-report/isg-final-report_vol1_rfp_key-findings.htm (20 August 2007)

[51] For details see, Ghareeb, op. cit., pp. 197-199, 203.

[52] Ibid, pp. 201-204.

[53] Murden, op. cit., pp. 129-130.

[54] Details in, ibid., pp. 129-137.

[55] Shahram Chubin and Sepehr Zabih, *The Foreign Relations of Iran; A Developing State in a Zone of Great-Power Conflict* (Berkeley, Los Angeles, London: University of California Press, 1974), pp. 192, 171.

[56] Ibid., pp. 184 -185, 192.

[57] Ibid., pp. 184-185, 187-189.

[58] Ibid., pp. 189-191.

[59] Ghareeb, op. cit., p. 213.

[60] Chubin and Zabih, op. cit., pp. 184-185, 189; **also** Ghareeb, op. cit., p. 205.

[61] Chubin and Zabih, op. cit., p. 192.

[62] Ghareeb, op. cit., pp. 205-206.

[63] Ibid., p. 208.

[64] Ibid., pp. 225, 226.

[65] Murden, op. cit., pp. 137-142.

[66] Cordesman and Hashim, op. cit., pp. 201-205.

[67] Baram, Saddam's state, Iraq's politics and foreign policy, op. cit., p. 207.

[68] Hollis, op. cit., p. 27.

[69] Adel Abdul Mahdi, (winter 1997) 'Miz-e gerd: Aragh, sahn-e bazi-e ghodratha' [Roundtable: Iraq, theatre of the Great Power's game], *Faslnameh Motaleaat-e Khavar-e Mianh [Middle East Studies Quarterly]* vol. 4, no. 4, pp. 18-30.

[70] See, Hollis, op. cit., pp. 18-19.

[71] Abdul Mahdi, op. cit., pp. 18-30.

[72] Hollis, op. cit., p. 28.

[73] Amatzia Baram, (December, 2000) 'Saddam Husayn between his power base and the international community', *MERIA Journal*, vol. 4, no. 4.

[74] *The Gulf Dialogue*, the bulletin of the Second Regional Security Summit of the International Institute for Strategic Studies (IISS) in Bahrain, December 2005 (Britain: Chandlers, East Sussex), pp. 114-115.