



The Arab Gulf States in the Shadow Of the Iranian Nuclear Challenge

WORKING PAPER

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Proponents of the 2003 Iraq war anticipated that the removal of Saddam Hussein's regime would dramatically improve security in the Persian Gulf. Under Hussein's reckless, brutal and risk-taking leadership, Iraq had adopted a threatening posture that precipitated three wars and generated great uncertainty and instability in the region. Yet, contrary to these expectations, prospects for Persian Gulf security have significantly deteriorated in the past year.

While the removal of Hussein has eliminated the risk in the medium term of Iraq being a state threat to the region, internal unrest in Iraq and the perception of rising Shia Islam, however vague this notion may be, have profound implications.ⁱ The worsening of the security situation in Iraq, combined with a fragile and divisive political process, has the potential to heighten regional tensions and pit Iraq's powerful neighbors against each other.

Indeed, in the eyes of Arab Gulf states, Iran is emerging as the real beneficiary of Saddam's fall, and as such, has become a much bigger threat to stability in their neighborhood. Well before the establishment of the Islamic republic, the Shah was seen as an arrogant and overbearing leader who considered himself the natural leader of the area, a 'toff' to use the expression of a British-educated leading GCC diplomat. However, Gulf Arabs had no reason to expect domestic tampering on his part. This fear has become palpable in the aftermath of the Islamic revolution. These days, the creation of a stable security system in the Gulf appears even more distant with the coming to power of a second generation of Iranian revolutionaries. These leaders are committed to acquiring the complete nuclear fuel cycle. This program draws support from all actors across Iran's political spectrum, and it has gained significant symbolic meaning for Iran's population. On this and other issues Iranian leaders are willing to challenge the United States and much of the international community. Nevertheless, while Iran's involvement in Iraq dominates Arab headlines, only recently did its nuclear program attract significant attention.

One would expect the Gulf Cooperation Council states (Saudi Arabia, Bahrain, Qatar, the United Arab Emirates, Kuwait and Oman) to play a major role in the negotiations aimed at convincing Iran to renounce access to the complete nuclear fuel cycle. Yet, they have remained on the sidelines. At first glance, this passive posture seems to make little sense. Yet a more thorough examination reveals intricate layers of logic and reasoning that explain the persistent and uneasy silence of the Arab Gulf states.

Defining Priorities: A Nuclear Iran versus Iraq

Iranian officials regularly tour the Arab Gulf states to assure them of their peaceful intentions, especially regarding the nuclear issue. But, in the power game currently unfolding in the Persian Gulf, distant powers are the main actors, and Iran's closest neighbors seem content to act as mere spectators. The restraint and inaction of the Arab Gulf states reflects both their distrust of Iran and their reliance on the United States as their ultimate security guarantor. Simply put, GCC states play a limited role, if any, in the current negotiations to ensure that Iran's nuclear program remains aimed at civilian purposes.

In May 2005, on the eve of then-secretary of the Iranian Supreme National Security Council Hassan Rowhani's visit to Persian Gulf countries, Richard LeBaron, the US Ambassador to Kuwait, criticized Iran for its "appalling human rights record, its pursuit of nuclear weapons and weapons of mass destruction, its interference in the internal affairs of Iraq, its opposition to the Middle East peace process and its sponsorship of terror."ⁱⁱ LeBaron called on the GCC to "take a firm stand against Iran's nuclear ambitions," and be more diplomatically active on this front. The Kuwaiti speaker of Parliament, Jassem Al-Kharafi, who enjoys relative independence compared to his Arab counterparts and clashes periodically with Kuwait's ruling family, quickly rebuked him for interfering in Kuwait's relations with Iran and jeopardizing their bilateral relations.ⁱⁱⁱ Kuwait's seniormost officials preferred to keep silent.

That Arab Gulf officials worry about Iran's nuclear aspirations is beyond doubt. From August 2002 until late 2005, however, they remained mostly silent and hesitant, perplexed by Iran's actions and distracted by events in Iraq. In January 2005, the GCC Secretary-General Abdel Rahman Attiya was quoted as saying, "Saudi Arabia and the other GCC countries can't find any justification for such nuclear activity which poses great dangers for all the peoples in the Gulf region."^{iv} Only recently did heavyweights such as Saudi foreign minister Saud al-Faisal and Saudi ambassador to the United States Turki al-Faisal join the chorus. The former spoke of a potential "disaster" should Iran stay the course,^v and the latter criticized Iran's inflexibility on the nuclear issue.^{vi}

But it is telling that the most vocal in his angst at the prospect of a nuclear Iran is a former GCC secretary-general, Abdallah Bishara. Iran's nuclear program "totally turns over the balance of power, and makes Iran the master of the region and the influential instrument in its decisions—the GCC position should be united, strong and clear," he said in April 2006, complaining that "the Gulf states' position does not satisfy me, nor do I feel at ease about it."^{vii}

Indeed, the Arab Gulf concern has not translated into an integrated campaign to obtain Iranian cooperation with European negotiators. On the contrary, the LeBaron incident typifies the way Arab Gulf states have chosen to cope with the Iranian nuclear challenge. Essentially, their strategy seeks to keep the discussion away from the public arena, placate Iran to avoid antagonizing a powerful neighbor and rely on EU diplomacy and American military forces to constrain and deter Iran. This two-level strategy, criticized by many as duplicitous, characterizes relations between Iran and its Arab Gulf neighbors. It is arguably a cost-effective way of conducting their relations with the foremost regional power, a more pragmatic approach than both the many idealistic collective security schemes put forward by solicitous academics and the policy of confrontation suggested by more hawkish American analysts.^{viii}

The reasons why Iran's nuclear question received until recently less scrutiny than deserved are tied to current dynamics in the region and especially in Iraq. First, the

nuclear issue is overshadowed by a more imminent and more visible development: Iran's involvement in Iraq. Gulf regimes see with great anxiety the internal shift in Iraqi politics that is bringing to power an emboldened Shia majority whose rise generates internal and regional concerns. Iran's intentions in Iraq remain unclear, creating immense potential for misinterpretation and miscalculation.^{ix} What is Iran's vision of Iraq's future? Is Iran actively undermining US efforts in Iraq to control the country, or is its involvement in Iraq part of contingency planning? Is Iran shrewdly positioning its clients in Iraq, or is it hedging its bets and hoping to shape Iraq's future regional posture? Regardless of Iranian preferences, though, what seems evident is that modern Iraq is slowly but certainly parting from its role as the main bulwark of Arab Gulf states against Shia assertiveness and Persian expansionism.

That the situation in Iraq dominates the media coverage and public debate in the Middle East makes the perils emanating from Iran—especially Iran's ability to stir Shia passions in other countries—even more palpable. Iraq's slow descent into civil war is broadcasted and commented on daily on Arab satellite television. Iraq has become an emotional and omnipresent issue in the Arab world. Support for the Iraqi “resistance” and fear of rising Shia Islam are powerful rallying cries, especially when paired together. Often, statements of the GCC states' own senior officials only strengthen the perception that Iran is the main patron and beneficiary of Iraq's troubles.^x

Long before the most recent war in Iraq and before Iran's advances in nuclear technology were made public, Iran had been singled out, sometimes unfairly, as the main threat to the stability of Arab Gulf kingdoms.^{xi} Iran's historic regional ambitions, its support of Shia groups in the 1980s and early 1990s, and Ayatollah Khomeini's eagerness to export the Islamic Revolution still resonate in Arab minds. An attempted coup in Bahrain in the early 1980s and the suspected irredentism of Shia communities there and in other GCC states are, rightly or wrongly, linked to agitation on the part of the Iranian government. Iran's historic role in the Gulf makes it a much more worrying neighbor than other actors, including the United States: Iran is there to stay, and its ambitions, real or perceived, shape the GCC states' behavior. This translates into justified

circumspection in making public statements that may antagonize the Iranian leadership, a circumspection that goes hand in hand with the private manifestation of alertness when weighing Iranian influence in the Gulf.

The narrative of the Iran-Iraq war, with Iran portrayed as the aggressor despite evidence to the contrary, is indicative of this mindset. The Saudi-Iranian rapprochement of the 1990s and the pragmatic and conciliating policies of former presidents Rafsandjani and Khatami towards their Arab neighbors have partly alleviated Arab fears, but the hardening of Iran's position vis-à-vis the West may have implications that would reverse the détente of the last decade.^{xii} Despite this détente, long-held suspicions and prejudices that Arabs maintain toward their Persian neighbor still linger and are likely to inform Gulf reactions to Iran's blatant involvement in Iraq.

Conversely, because of its sensitivity, complexity and apparent remoteness, Iran's nuclear challenge, until very recently, rarely made the headlines in the Gulf. It is often kept in royal diwans and for discussion with senior U.S. and European officials. In the public sphere, it is tackled with unease and perplexity.

In responding to Iran's nuclear challenge, Arab Gulf regimes are constrained by two powerful and convergent forces: their own public opinions and resilient pan-Arab norms. Paradoxically, there is a significant measure of sympathy in the Arab world for Iran's nuclear ambitions.^{xiii} An unscientific poll on the Al-Jazeera website showed that 73% of the respondents (arguably mostly Arabs) did not believe that Iran's nuclear program constituted a threat to the neighboring countries.^{xiv} In October 2005, a poll showed that 63% of respondents in 6 Arab countries (including Saudi Arabia and the UAE) considered that international efforts to get Iran to stop its nuclear program should cease.^{xv} Indeed, a significant achievement of President Ahmadinejad is that he succeeded in shaping the debate about the nuclear crisis in the Arab world. By courting an already sympathetic public, he amplified the rift between pro-American Arab Gulf rulers and their deeply anti-American populations. Indeed, Ahmadinejad's rabid anti-US and anti-Israel rhetoric, his eagerness to defy what is perceived as Western obstruction, and his

claims to represent an oppressed but rising Islamic nation resonate well among populations convinced that the colonialist West is again up to no good.

The complexity of the issue and poorly-conducted public diplomacy have convinced many that Western attempts to restrict Iran's access to a complete fuel cycle reflect an inherent Western tendency to check any rising power instead of being portrayed as a crisis of a global dimension. More specifically, at the popular level many Arabs feel some pride at seeing an Islamic nation, even a non-Arab one, develop nuclear technology and challenge the United States on the world scene. With the Bush Administration's hawkish foreign policy in the background, the widely shared sentiment is that the counter-proliferation doctrine is only another instrument of Western and US imperialism. The nuclear apartheid argument resonates more than the necessity to abide by international agreements such as the Nuclear non-Proliferation Treaty and related obligations. Iran itself has sought to portray the issue as one of sovereignty and prestige, while systematically obscuring its own breaches of the NPT. Additionally, in the eyes of many Arabs, the possession of military nuclear capabilities by other regional powers provides Iran with arguments to defend its strategic needs in a region where the myth of self-sufficiency in defense reigns. It would be wrong to dismiss outright the influence of public opinion in GCC states when it comes to this issue. For rulers engaged in a delicate balancing game, appearing too close to the US position is a liability, and the example of Islamic dissent in Saudi Arabia is certainly a reminder of this.

Arab Gulf leaders are also limited by surviving pan-Arab norms that shape public and official expectations in the Arab world beyond the Gulf. The ever-present issue of Israel's nuclear capabilities constrains them because it gives other Arab states a say in how they define the Iran problem.^{xvi} Pan-Arab and pan-Islamic norms and expectations require Arab Gulf regimes to appear more anti-Israeli than anti-Iranian, despite the immediacy and potency of the Iranian threat, and to criticize US policy towards Iran despite the United States' role as their main security guarantor. The Egypt-inspired Arab League's insistence on a region-wide focus reflects an eagerness on its part to remain

engaged as a key actor, keep the foreign policies of the Arab Gulf states anchored in the Arab state system and prevent them from articulating a completely autonomous agenda.

In reality, these pan-Arab norms have become irrelevant to the Gulf threat perceptions, now significantly different from the Israel-centered concerns of the Levantine Arab states.^{xvii} For them, the center of gravity of the Middle East has shifted from the Levant to the Gulf, and the nature and scope of Gulf volatility has little to do with the Arab-Israeli conflict. Indeed, some Gulf states (Bahrain, Qatar, UAE and Oman) have initiated contacts with Israel, but the low-key and commercially driven nature of this interaction has ensured that it remained largely been off the public discussion. Incidentally, an active Iranian program will guarantee that Israel will never take gradual confidence-building measures such as volunteer implementation of NPT clauses which could one day be part of a comprehensive peace process.

Nevertheless, overcoming this taboo has been more difficult than expected because of the convergence of official Arab pressures (mainly through efforts by Arab League Secretary General Amr Moussa) and the considerable support for Iran in the Arab street. In a telling example, the GCC states failed to mention Iran's nuclear ambitions as a main concern in the final statement of their December 2005 summit. Instead, and as urged by Amr Moussa, the Secretary General of the Arab League, they agreed to condemn Israel's nuclear arsenal. But the recent Saudi suggestion that a nuclear-free Gulf should precede a regional pact on WMD signals willingness to put this obstacle aside.^{xviii} Only in May 2006 did the GCC leaders issue a relatively tough statement after an extraordinary summit on the situation in Iraq and Iran.

The Costs of Negotiating with Iran

For those who worry about Iran's nuclear aspirations, there is something deeply disconcerting about the absence of any Gulf Arab involvement in the negotiations aimed at stopping, or at least slowing, Iran's nuclear progress.

Arab states undoubtedly prefer a non-nuclear Iran but they are unwilling to assume the costs of negotiations with Iran. The existing asymmetry of power between Arab Gulf states and Iran, combined with the Gulf Arabs' lack of political options, complicate the situation.

Discussions between Arab states and Iran in formal and informal settings over security arrangements and stability in the Persian Gulf have been ongoing since the détente of the 1990s. But real progress depends on a key issue unlikely to be resolved in the near future: the presence and role of the United States in the region. Iran considers the United States to be the key factor of instability and an aggressive outsider in the Gulf, while Arab Gulf states see the United States as the foremost element of their defense posture. Iran's overarching strategic objective in the Persian Gulf is to obtain a major shift in the US posture, preferably the departure of US military forces. For their part, the Arab Gulf states seek to maintain good relations with Iran, while continuing to rely on the US security umbrella. Consequently, demands for an immediate withdrawal of US troops are simply a non-starter. These contradicting perspectives make it difficult for the GCC states and Iran to actually implement those confidence-building measures that are often heralded as a panacea.^{xix} The obstacles that lay in the path of a comprehensive Gulf security regime are of a deeply political, not technical, nature, and therefore they are much harder to overcome.

In a diplomatic effort to persuade Iran to permanently suspend its uranium enrichment activities, Arab Gulf states have economic and political levers that can increase the costs or improve the benefits of a “carrots-and-sticks” approach by Europe or the United States, but that would make only a marginal contribution to the overall package. For GCC states, far more important is the question of whether the benefit of joining these efforts outweighs the potential fallout if Iran goes ahead with its program. Indeed, the Gulf states have concluded that antagonizing Iran by siding fully and overtly with the United States now will bring no substantial benefits and will instead likely yield more tensions in the future. It is significant in this regard that recent warnings about the Iranian nuclear program have been delivered mainly by the GCC Secretary General,

essentially a bureaucrat with none of the powers of his European counterpart, only recently by foreign ministers and never by heads of state. Furthermore, these officials explicitly recognize Iran's right to a complete nuclear fuel cycle for peaceful purposes under the auspices of the IAEA. The latter is seen by the United States as a prologue to weaponization or at the very least an unacceptable element of nuclear ambiguity. In contrast, warnings about Iranian influence in southern Iraq and the rise of Shiism were delivered personally and through major outlets by Egyptian President Mubarak, Jordanian King Abdullah and Saudi Foreign Minister Saud al-Faisal and resonated throughout the Arab world.

The Arab Gulf states calculate that Iran could be seriously interested only in the economic benefits and security guarantees that the European Union and the United States can offer. This assumption is perfectly acceptable, and drives Arab Gulf states to question the need for involvement. Furthermore, there is a perception that not even these incentives would convince Iran to renounce its nuclear aspirations. Many in the Gulf are convinced that Tehran is set on its course and nothing except a grand bargain with the United States, improbable as it is, will change its strategic rationales.

Moreover, Arab Gulf states judge that Tehran probably does not identify them as a major threat to its security, and certainly not a driving factor behind its nuclear ambitions. Iran's rationales for developing a nuclear capability are based on strategic and prestige grounds in which its Arab neighbors play, as such, a minor part. This probably correct judgment, corroborated by Western analysts, however comes with an important corollary that should not be overlooked: the risk is that an Iran armed with nuclear weapons will lead to a diplomatic stand-off in the Gulf and reduce considerably the margin of political and diplomatic maneuverability of its Arab neighbors. Iran could demand an end to the rapprochement between some Gulf states and Israel, have a bigger say in oil policy, or be in a position of strength on GCC-Iran disputes (i.e. the three islands). Certainly the acquisition of nuclear weapons, or more simply the acquisition of a full nuclear cycle that leads to a posture of nuclear ambiguity will bring significant strategic advantages to Iran. It would turn it into the foremost regional power in the

Middle East on the par with Israel and, at least in the eyes of the most radical elements in Iran, would provide welcome leverage to defy U.S. pressure.

A recommendation from hawkish analysts is that Middle East states, namely Saudi Arabia and, to a lesser extent, Egypt, signal to Iran that its nuclear ambitions will force them to reconsider their own nuclear posture and precipitate a regional arms race. Some even argue that Saudi officials have made this clear to Tehran. However, the persuasive value of such an argument is uncertain and probably counterproductive. Iran is already living in a neighborhood of nuclear powers – including the United States. It is certainly not convinced that it is starting an arms race, but rather that it entered late in this game, especially in view of the world’s passive reaction to Iraqi use of WMD against Iran in the 1980s. It will take more to change the rationale behind Tehran’s nuclear venture than raising the prospects of an arms race. Even if that were the case, it would only comfort Tehran in its decision to acquire a nuclear capability.

In addition, the perception that Iran is stubbornly set on its nuclear course makes Arab Gulf states wonder why they should enroll in a losing battle. A grim acknowledgement among Iran experts in the West is that Iran will likely acquire the expertise to produce weapons-grade fissile material. Those who believe that a diplomatic solution is possible envisage a tougher inspections regime to prevent Iran from diverting nuclear fuel for military purposes, but reluctantly acknowledge that this would mean that Iran would possess a complete fuel cycle capability. If this were indeed the case, Iran would nevertheless come close to have its own policy of “strategic ambiguity.” This would be a major step forward on the path of being recognized as a nuclear power. Under these conditions, it is legitimate to ask what benefits Arab Gulf states would obtain from joining a losing battle.

In the short term, Iranian pursuit of the full nuclear cycle is likely to lead to increased volatility in the region. This would not be good for the GCC states that have a big interest in projecting an image of economic and political stability to attract investors and combat internal contestation. In order to be prepared for such an eventuality, Arab

Gulf states need to develop independent strategic expertise to help decision makers better understand their environment, the available national security tools and the potential strategic challenges and opportunities in dealing with Iran. Unfortunately, Arab Gulf states still rely on the United States to do the grand-strategic thinking, the defense planning, and its implementation. This outsourcing comes at a price: that of being a follower rather than a shaper of regional strategy. While fundamentally overlapping, American and GCC national interests do not always coincide.

Despite this grim picture, Arab Gulf states are not totally absent from the diplomatic game. In reality, they are actively courted by both high-level Iranian and American officials.

Iran has repeatedly approached its Arab Gulf neighbors to reassure them about its intentions and, more recently, to limit the damages of President Ahmadinejad's rhetoric—his comments denying that the Holocaust has occurred were made from Mecca, on the sidelines of a meeting of the Organization of Islamic Conference, to the embarrassment of his Saudi hosts. Supreme Leader Khamenei has encouraged or dispatched to key Gulf states mediators such as former foreign minister Velayati (now Khamenei's diplomatic advisor), Expediency Council Chairman Rafsandjani, who enjoys good relations with several Gulf leaders, and Secretary of the Supreme National Security Council Larijani. Iran has also tried to enroll them in its own public diplomacy effort against the West or as mediators, a trap since it would suggest that the nuclear challenge is really about Iran-West relations instead of a regional crisis.

Arab Gulf leaders have also visited Tehran, but there is little evidence that such visits have delivered any tangible result except short-term détente. At the occasion of the visit of Qatar's King Hamad in May 2006, Qatar and Iran agreed in principle to sign a security agreement, but more revealing was the public argument over the naming of the Persian Gulf—a emotionally-charged fixture of Gulf politics.^{xx} Even the recent announcement that the GCC would send to Tehran a delegation headed by the Omani foreign minister to restate its concern about its nuclear program sounded more like an

improvised and futile initiative than a smart move part of a bigger diplomatic campaign. While Oman enjoys good relations with Iran, it carries little political weight. Had the GCC states wanted to send a strong signal, they would have dispatched the Saudi foreign minister. Moreover, the Omani foreign minister himself denied that he was formally asked to represent the GCC, claiming that “those are just ideas.”^{xxi} Qatar’s foreign minister further confirmed the lack of a common GCC position when he stated that “There is no initiative in a real sense by the Gulf states, it is more that we support and encourage a diplomatic solution to this issue.”^{xxii}

An indirect and creative way through which Arab Gulf states are tackling the Iranian nuclear challenge is by emphasizing the environmental hazards linked to Iran’s nuclear program. The very legitimate and genuine concerns Arab Gulf states have about nuclear safety are grounded in two widely-shared assessments: first, that the nuclear technology acquired and developed by Iran presents a high degree of risk and unreliability, second, that the populations and basic infrastructure of the Gulf monarchies are, with the exception of Saudi Arabia, concentrated on the coastal region and would be highly vulnerable to an nuclear accident. A Saudi journalist complained that “the Bushehr nuclear reactor [...] is closer to Manama or Doha than to the Iranian capital.”^{xxiii}

Iran has been trying to assuage these fears—“There is nothing to worry about, we have spent a lot of money on [environmental] safety and the security of the plant,” an Iranian spokesman even stated^{xxiv}—and has made offers of limited technological and scientific cooperation. These reassurances have however fallen short of GCC hopes. Iran has also refused to allow GCC inspectors from visiting key nuclear facilities, including the Bushehr reactor. This, combined with IAEA reports, creates existential concerns that still need to be explained to Arab Gulf populations, largely oblivious to this risk.

The Implications of a Showdown

Critical time will arise if and when confrontation with Iran is in sight. If the United States, with or without approval of the international community, decides to impose sanctions or undertake coercive action against Iran, Arab Gulf states will be hard-pressed to choose a side, but in all likelihood, they will opt to side with the United States. Yet this will be an unpleasant and decidedly risky decision. It would shatter the illusion of détente patiently fashioned in the past decade, create lasting Iranian resentment, and bring no guarantee of a more peaceful future. The prospect of a fourth major armed confrontation in the region since 1980 is sobering, and its potential impact on Gulf security and economic development devastating.

Some analysts are convinced that the Arab Gulf states will provide the United States with the logistical and political support it will need to deter, contain or punish Iran.^{xxv} They contend that Gulf leaders are on board for such scenarios, and have prepared throughout the past decades for this eventuality. Because Arab Gulf states cannot be seen as leading the charge against Iran, they demand in private that the United States and the European Union be more assertive in countering Iran's nuclear ambitions.

While this line of argument has some validity, it lacks contextual nuance. Going beyond the issues of US intentions and capabilities, especially while the United States is deeply and unhappily entangled in Iraq, it is essential to speculate whether Arab Gulf states would acquiesce to US-driven escalation with the risk that Iran may then attempt to destabilize them or whether they prefer to accommodate a powerful nuclear Iran. Hawks argue that Arab Gulf states will always prefer a weak and angry Iran to a powerful one. Yet, if this implies internal instability and a major blow to their economic development, combined with additional volatility in Iraq, it is difficult to imagine the Arab Gulf states choosing this path without scrupulously assessing the alternatives. To associate themselves so blatantly with the United States in military strikes or a war where Iran will be perceived as a righteous victim by their own populations will consume much, if not

all, the domestic and regional political capital they have, and ensure Iranian hostility for decades to come.

Another element critical to upholding the above argument is improving military capabilities of the Arab Gulf states. Awash with money from energy revenues, these states are already investing significantly in arms procurement and force modernization. To be sure, Gulf states need to enhance their defense posture, and work harder toward an integrated, Gulf-wide defense system. There are signs that GCC states are moving in this direction but for now GCC defense cooperation remains largely symbolic, as evidenced by the January 2006 announcement that Peninsula Shield, a joint-GCC force long-heralded as the nucleus of a credible integrated GCC defense system, would be dismantled. In fact, it would be counterproductive and somehow delusional to build up offensive capabilities. At a very basic level, the risks that GCC regimes would incur in setting up effective standing armies clearly outweigh the benefits that could be gained in military efficiency. Professional standing armies have a tendency to eventually seize power in the Arab Middle East.^{xxvi} GCC elites realize that their conventional capabilities are no match for Iran's, and that their own military assets will only complement US forces marginally, if at all.^{xxvii} Weapons acquisition by GCC states is best conceptualized as an "insurance policy" underwritten by as many insurers as possible. While military analysts despair at the resulting operational incongruence, the decision to rely on a wide array of suppliers makes much sense given the geostrategic realities of the Gulf.

As many have observed, military solutions to delay or stop Iran's nuclear program are not easily feasible. In Arab Gulf eyes, however, they will likely have disastrous consequences. First and foremost, military force would prompt Iran to activate its networks and assets in Iraq, fueling an already highly volatile situation and ruining for good any hopes the United States might still entertain of delivering peace to Iraq, in Afghanistan, jeopardizing a fragile success made possible by Iranian goodwill, in the Levant, where Syria and Iranian-backed Hezbollah and Islamic Jihad can easily provoke a military escalation, and, evidently, in the Gulf. Already, newly elected Iranian President Ahmadinejad has demonstrated his willingness to at least embarrass his Arab colleagues.

When he calls for wiping off Israel, not only does he provoke the international community, he also exposes a gulf between Arab Gulf rulers and their own populations. That Ahmadinejad seems to be reclaiming Iran's self-allotted responsibility as the champion of the Islamic world certainly adds another layer of apprehension. If Iran is willing to embarrass or challenge its neighbors on purely ideological—that is, anti-US—grounds, it will appeal to many Sunnis offended by their countries' alignment with the United States and moderation on the Arab-Israeli conflict, regardless of increasing Sunni-Shia tensions. This is a risk that Arab Gulf leaders, to their credit, fully appreciate.

Moreover, any military option would also lead Iran to withdraw from the NPT and end legal international control of its program through inspections and safeguards. With the backdrop of the Iraq WMD fiasco, Arab Gulf states, as many other countries, believe that, despite its many limitations, UN- and IAEA-generated information is probably of better quality than Western intelligence on Iran's nuclear program. This is why Arab Gulf states prefer a situation in which IAEA inspectors can monitor Iran's nuclear progress. With Iraq fresh in mind, it is only predictable that questions as to the quality of intelligence and the wisdom of a coercive approach will dominate the debate.

Finally, expecting limited strikes to effectively deter Iran from going ahead is probably wishful thinking and ignores the power of Iranian pride and nationalism. If anything, it will guarantee that Iran will push ahead and go for nuclear weapons instead of only the capability to build them. Arab Gulf leaders, most of whom have dealt with Iran for much longer than any US government, probably comprehend this predicament, and will lobby heavily to prevent such an escalation.

Short of military action, any strategy of containment or punishment would require Arab Gulf states participation, or at least their assent. From maritime interdiction to implementation of sanctions, the toolbox envisaged is wide and possible to utilize. However, one cannot expect Iran to endure without retaliating what contained and eventually brought down Saddam Hussein. The Arab Gulf states, regardless of their own reservations about the wisdom of sanctions or the war, accepted that the United States

and its allies use bases located on their soil for land, naval and air operations. In Saddam's case, the capacity of Iraq to instigate domestic unrest or even acts of terrorism was negligible. On the contrary, Iran has proven to be very skilled at developing its own regional and international networks and at nurturing groups with loose ideological affinities. In its own way, Iran has developed its own deterrence capability that Arab Gulf leaders have to take into account in their decision-making process.

Only a strategy of deterrence would bring at a bearable level the political and security costs that Arab Gulf states would incur should there be a showdown. Such a strategy would rely on redlines, escalation levels and military capabilities defined in accordance with and provided by the United States and its allies. Nevertheless, even such an approach would be hardly satisfactory. If Iran manages to define the terms of the confrontation, or if Islamic fundamentalists seize the opportunity to denounce their leaders as bin Laden did during the 1990s, then the Arab Gulf states will simply be trapped. One needs to imagine a replay in the Gulf of the 1980s missile crisis in Europe.

A key factor in determining where Arab Gulf states stand will be international legitimacy. In February 2006, in the wake of the IAEA decision to refer Iran's file to the UN Security Council, the Secretary General of the GCC stated that the GCC "did not oppose" this move. This suggests that, with the cover of international law, it is likely that the GCC will endorse an UN-sanctioned decision to impose targeted sanctions against Iran.

Differing Threat Perceptions

Beyond the fact that Arab states feel powerless to influence Iranian policy, other structural factors shape Arab Gulf policy assumptions and decision-making regarding Iran.

First, it is essential to acknowledge that Western powers and Gulf states perceive the Iranian menace very differently. For Western powers, and especially the United States, whose economic, cultural, and political ties with Iran are weak, Iran is perceived as a hard security threat, a function of the perceived nature of the regime in Tehran. For Western analysts and policymakers, this threat is almost quantifiable and very material, and is dominated by terrorism, WMD, and missile capabilities. This is the direct result of decades of estrangement and tensions between Iran and the West that have reduced relations to a primitive state. Business interests, cultural exchanges, personal experiences, even Iranian lobbies in the West play a limited role in how assumptions are formed and policy formulated at the highest levels of government.^{xxviii}

In particular, US-Iranian relations have remained at their nadir for the past 25 years. For Americans, Iran evokes hostages in Tehran and Beirut, shady arms deals - including Iran-Contras, violent anti-US and anti-Israeli rhetoric and support for various radical groups, and as of recently, WMD and Iran's role in Iraq's unrest. Other psychological and domestic obstacles reinforce this inability to conceptualize Iran as nothing other than a threat, and certainly not as an opportunity.

While both the United States and Iran made overtures to one another at some point, the fact remains that neither convergent interests in Afghanistan and Iraq nor hopes that a reformist takeover of Iranian politics would translate into genuine diplomacy and détente materialized into serious dialogue. Contrary to its predecessors who sought US recognition, the new leadership in Tehran has deemed irrelevant the need for rapprochement with the United States. This confrontational posture makes it harder for the United States to explore ways to talk to Iran.

While Iran's image in Europe has improved during former President Khatami's term—Europeans were enamored with his "Dialogue of Civilizations" initiative, the dominant feeling today is one of suspicion and frustration. Perhaps more than anyone, Europeans understand the complexity of Iranian decision-making and the difficulty of getting the Iranians to negotiate, commit and act. The diplomats they meet do not wield

enough power to balance the role of the Revolutionary Guards and other powerful actors, or to commit the Supreme Leader to any agreements. As a result, Paris, and more recently London and Berlin, have all become strong critics of Iran. Because they now feel that their efforts are failing despite advocating a diplomatic solution early on and putting forward what was in their eyes a generous package in August 2005, they are blaming Tehran for its inflexibility, and aligning themselves with Washington. Furthermore, Iran's reputation is still tarnished by its support for terrorist actions on European soil in the 1980s and 1990s – bombs that went off in Paris and Berlin, assassinations that eliminated Iranian dissidents, and the decree that targeted Salman Rushdie.

The Arab Gulf perception of Iran is more nuanced: because of the wider range of Arab-Iranian interactions, Gulf Arabs do not see Iran exclusively as a hard security threat. This does not mean that Gulf Arabs underestimate or are unaware of the Iranian military menace: as argued above, they worry about Iran's rising power in the region.

Gulf Arabs and Iranians maintain multidimensional if complex relations that add nuance to and sometimes mitigate their assessment of the other's intentions and capabilities. Underlying the widely reported spats over the naming of the Gulf lies a complex, interdependent relationship often overlooked in the West. It would be enough here to mention the crucial role that Dubai plays as a transshipment hub for goods bound to Iran, the large expatriate community in the UAE as well as in other GCC states, and the many business and cultural ties that bridge the two shores of the Gulf. Visits by Iranian parliamentary, business and cultural delegations are routine and a complex web of ties links communities on the two sides of the Gulf.

Central to this dynamic is a key distinction with the West: while the West and the United States in particular have issues with the nature and behavior of the regime in Tehran, Arab Gulf states worry about Iran itself, regardless of who calls the shots in Tehran. Of course, under Ayatollah Khomeini, their relations with Iran were disastrous, but the Gulf Arab historical narrative is filled with occasions of Iran bullying its neighbors prior to 1979 and perceptions of a Persian sense of civilizational supremacy.

After all, it was the Shah who took control three disputed islands claimed by the United Arab Emirates—a move then weakly protested by the United States.

Also, and perhaps wrongly, many in the region believe and fear that a pro-West Iran is a much bigger strategic prize for the United States than for the Gulf states. The United States would certainly welcome strategic changes that would bring it closer to a millennium-old civilization, a huge market, an educated population and a geographically appealing location. As reminder of US past inclinations, the twin-pillar strategy of the 1970s initially rested on Iran: Saudi Arabia, the second and “weaker” pillar, was only added at the urging of State Department Arabists and for its financial power.^{xxix}

While the early 1990s witnessed a serious deterioration in their relations, GCC-Iranian contacts improved later in the decade as a result of a Saudi-driven rapprochement with Iran, and a sense that Iran had made regional confidence-building a key element of its national security strategy. Part of the rift after the 1990 Gulf war was due, to a degree, to Arab Gulf distrust of their neighbors and an unwillingness to accept anymore the logic of regional balance. In other words, Iran’s deep enmity for Saddam Hussein’s Iraq was not reason enough to rebuild ties. The United States had proven a reliable and capable ally, and Iran had nothing to offer aside from calling for a regional security pact with the Arab states, an idea they quickly rejected. The US dual containment strategy was providing a welcome shield from potential aggression. Iran, meanwhile, stepped up its support for Shia groups in the Persian Gulf, escalated tensions with the UAE over the disputed islands, had allegedly links to the Bahraini Hezbollah that attempted a coup in Manama in 1996, and organized major military exercises.^{xxx} This strategy was probably aimed at signaling to its Arab neighbors that it would play a major regional role, and that their support and hosting of US military presence was seen as a direct threat to their own security.

It is also important to remember that, because of their history and geostrategic location, GCC states have different interests when dealing with Iran. While they all agree on the need for an American security umbrella, each state seems to pursue separate and

evolving strategies when dealing with Iran, making it difficult to talk of a “GCC position” vis-à-vis Tehran. Oman and Qatar have a long history of trading and negotiating with Iran. As already mentioned, Dubai plays an important role in Iranian economic life by serving as a major trans-shipping and financial center even if the UAE as a whole may have the worst "formal" relations with Iran. On the other hand, Saudi Arabia and Bahrain are traditionally more wary of potential Iranian manipulative mobilization of their Shia communities. In the wake of the 1991 Gulf war, newly liberated Kuwait was very friendly to Iran in the 1990s but after regime change in Baghdad, their relations have cooled significantly.

Overall, though, either to avoid ruining a fruitful economic relationship or antagonizing a powerful and overbearing neighbor, all GCC states concur on the wisdom of letting the United States and Europe deal with the Iranian nuclear challenge.

The Way Forward

Arab leaders think this ambiguity – some critics would say duplicity – in GCC-Iran relations serves their interests well. To some extent, they may be right. The fact remains however, that they need to be more active, or risk losing an opportunity to shape the future of their own region. There is however reason for hope.

A recent—and welcome—development has been a more vigorous debate in the Gulf about the Iranian nuclear issue, driven in large part by the Gulf’s emerging policy community. Indeed, Arab Gulf intellectuals, research centers and newspapers—especially the leading Al-Hayat and As-Shark al-Awsat—have penetrated what was until now the “domaine reserve” of Gulf rulers, security and defense policy. They constitute the nucleus of a community of relatively independent security analysts, eager willing to publicly explore and debate issues and options that governments are unwilling to. One such initiative is a Track II project to promote and develop the idea of a Gulf WMD Free Zone put forward by the Gulf Research Center. While this idea has been on the table for

decades, it acquired renewed momentum in the past year. Despite the problems described above, these Track-II initiatives between Iranian and GCC actors must be sustained, regardless of how bad relations are between the West and Iran. As evidenced by the tragic history of the past two decades, the Gulf is prone to miscalculations and misperceptions. While some believe that emphasizing process is not always a good thing, meetings and workshops like the ones organized by the Gulf Research Center, the Stanley Foundation and the International Institute for Strategic Studies are commendable initiatives.^{xxxii} They might not deliver substantive results, but they contribute to better understanding. The confidence-building measures they recommend might not be realistic or easy to implement but they provide a platform for discussion. To be sure, the real problem is that Iranians who participate in these discussions are rarely top decision-makers, but this is the best window into Iranian policymaking the world has.

Recent news and analysis indicate that Iran will not become a nuclear-capable power anytime soon, and that it is still uncertain whether it will indeed build the bomb instead of merely build the capability to do so. If this assessment is correct, there is still room and time for diplomatic progress, especially if the United States engages Iran in a meaningful way. Provided that this longer timeframe, and the likely reduced sense of urgency, does not dilute their motivation or that Iraq does not become their only priority, Arab Gulf states can still play a role by alleviating some of Iran's fears.

In this regard, Arab Gulf states should examine ways to further reduce the American footprint while maintaining the US security umbrella. So far, the United States has provided for their external security but on a bilateral basis and to the detriment of institutional mechanisms that could alleviate some of Iran's fears. While this flexibility suits the United States and Gulf leaders well, it creates too much uncertainty in the region and promotes Arab Gulf lethargy in the realm of defense and strategic thinking. Until the GCC states can conceptualize their security interests in a more independent way, they will remain in the backseat. Minimizing the American footprint in the Gulf will give Arab Gulf leaders more room to maneuver vis-à-vis Iran. One needs to realize and accept that the United States need not a large ground force to deter Iran or guarantee stability in

the Gulf. The current expansion of air and navy bases in Qatar, the UAE, and Bahrain suggests that the United States is thinking strategically about its military posture in the region. The question is how much of this change is driven by GCC preferences.

Moreover, since it is likely that in case of a showdown, Iran will adopt more aggressive a rhetoric than a military posture, Arab Gulf states must harness and refine their “soft power” tools to counter any Iranian attempt to hurt their Islamic legitimacy, and shore up their counter-terrorism capabilities. Doing so will necessitate a well-conceived public diplomacy campaign, a message that emphasizes that Iran’s nuclear program is a regional and global concern, not just a point of tension between Iran, the United States and Israel, an emphasis on Iranian past behavior and a careful handling of US requests, pressure and profile.

Ironically, Arab Gulf states realize in hindsight how good they had it in the 1990s when a balance of weakness, guaranteed by the United States, was in place in the Persian Gulf. This was probably an unstable equilibrium, but in retrospect, it did offer the conditions for GCC states to focus on internal matters without worrying too much about their neighbors.

It is also paradoxical that Arab Gulf states are uneasy about a genuine rapprochement between the United States and Iran or regime change in Tehran. Such an improvement may alter US preferences and entail major strategic changes in the region, and they could be on the losing side. This eventuality is so remote at present times that it does not affect Gulf short-term calculus. But, at the same time, they have an interest in a relative détente between the two countries that would allow them to focus on their economic development and reduce the dangers of domestic unrest.

It would be unrealistic to expect Arab Gulf states to play a major part in the current negotiations with Iran anytime soon. These mostly young states have yet to develop and harness a comprehensive national security toolbox. But they should not be dismissed either: the smaller states have shown great flexibility and resourcefulness in

adapting to globalization, and Saudi Arabia, despite the Islamic extremist challenge, is emerging as a more independent power to be reckoned with. While any GCC-Iran security arrangement is contingent upon an improvement in US-Iranian relations, Arab Gulf states can prepare the groundwork by engaging both parties at a more sophisticated level.

In sum, Arab Gulf states, as relatively small players in a drama that pits Iran against the West, have no easy options. They are profoundly affected by all the possible outcomes, but their silence suggests that they believe involvement today entails only greater risks. As history has shown, they sometimes wait too long for others to act on their security requirements.

Endnotes

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