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**THESIS**

**THE IRANIAN CENTURY: THE TENSION BETWEEN  
IRAN AND THE GULF STATES**

by

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December 2011

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**THE IRANIAN CENTURY: THE TENSION  
BETWEEN IRAN AND THE GULF STATES**

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## **ABSTRACT**

The Arabian Gulf represents a significant part of the world, because of its oil wealth. During the last thirty years, three wars have taken place in the region resulting in regional and global instability: the Iran-Iraq war; the Persian Gulf War of 1990–1991, and the U.S.-led invasion of Iraq in 2003. The fall of Iraq made Iran more powerful in the region, and as a domination strategy, Iran launched its nuclear program. Iran represents a major power in the region; it can destabilize the regional balance even more if it controls nuclear weapons, marking a potential arms race in the region as Iran's nuclear program is threatening the stability of the region. The highest priority is to make the Gulf region free from weapons of mass destruction by all available means. The Gulf States, the Kingdom of Saudi Arabia (KSA), Kuwait, Bahrain, Oman, the United Arab Emirates (UAE) and Qatar should work collectively to defend their interests. In an unpredictable world, a power vacuum could arise at any time in the region, especially when the United States withdraws from Iraq. More cooperation and coordination through the Gulf Cooperation Council (GCC) could help the Gulf States develop the capacity to play a larger role in their region.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

|      |   |
|------|---|
| AQAP | Al Qaeda in the Arabian Peninsula             |
| EU   | European Union                                |
| GCC  | Gulf Cooperation Council                      |
| GDP  | Gross Domestic Product                        |
| IAEA | International Atomic Energy Agency            |
| IEA  | International Energy Agency                   |
| KSA  | Kingdom of Saudi Arabia                       |
| NATO | North Atlantic Treaty Organization            |
| NPT  | Nuclear Nonproliferation Treaty               |
| OPEC | Organization of Petroleum Exporting Countries |
| PSF  | Peninsula Shield Force                        |
| Tcf  | Trillion Cubic Feet                           |
| UAE  | United Arab Emirates                          |
| UN   | United Nations                                |
| WMD  | Weapons of Mass Destruction                   |

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## I. INTRODUCTION

The current precarious security of the Arabian Gulf represents a serious concern for the entire world. Both regional and external powers are aware of the importance of this region to the continuing growth of the international economic system. The security of energy in the Gulf region has become a priority for many rising economies. The region has experienced many wars and conflicts, and this turbulent unrest has led to geopolitical changes. Iran, as a regional power, took advantage of the fall of Saddam's regime and began to increase its influence in Iraq and in the Arab States of the region in a step toward domination of the entire area. Furthermore, Iran's expanding ambition rose to new heights when its nuclear ambitions were revealed to the world. Iran's nuclear ambition has served to create a new era of instability and insecurity throughout the region. Moreover, as Iran has begun to be more vocal in asserting its dominance, the historical tensions between Iran and the Gulf States have risen to a new level. Under the pretext of wanting to establish a new reign of hegemony, Iran has been meddling in the internal affairs of the Gulf States and the region by using Shi'ite minorities as a tool to spread its influence.

The tension, mistrust, opposition, and misperceptions between Iran and the Arab Gulf Cooperation Council (GCC) countries are affecting the region's stability. The Iranian nuclear ambitions have led to a militarization of the region and resulted in an escalated arms race within its states. The United Nations Security Council has imposed sanctions against Iran, which have made it more difficult for Iran to acquire equipment for its nuclear program, and this has affected the Iranian economy. However, although sanctions may slow the progression of the Iranian nuclear program, it cannot stop it.<sup>1</sup>

These instabilities trouble the Gulf States, who depend on external superpowers to provide security for the region. The U.S. withdrawal from Iraq will likely increase the imbalance of power in the region and it may well fuel Iran's determination to fill the

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<sup>1</sup> The Stanley Foundation, "The Future of Persian Gulf Security: Alternatives for the 21st Century," Policy Dialogue Brief, September 3-5, 2005, <http://www.stanleyfoundation.org/publications/pdb/pdb05pg.pdf>.

power vacuum with its own strength. Therefore, the GCC countries require a comprehensive regional strategy to deal with Iranian ambition. There are several means available for the Gulf States to deal with Iran and to create greater stability within the region. More cooperation and coordination while working with the GCC system can help the Gulf States counter Iran's ambitions and play a stronger role in the region. The Arab Gulf States must develop a unified policy to deal with this critical issue, which could allow the Gulf States to contain any possible attempts by Iran to destabilize the region and allow them to rely less on help from the superpowers.

The GCC countries' highest priority is to free the Gulf region from weapons of mass destruction. The stability in the gulf region depends on the dynamic relationship between the Gulf States and Iran in addition to external actors like the United States and other superpower countries. The GCC countries should work to enhance the collective defense capability and share the burden of security in the region in order to achieve stability. Additionally, GCC countries should seek to reduce the tension with Iran by focusing on common interests to enhance the region's economic situation and to avoid any future political or military clashes.

#### **A. PURPOSE AND SCOPE**

Iran represents a primary security concern for the Gulf States. The relationship between Iran and the Gulf States is composite and multi-dimensional, despite their historically peaceful relationship. Iran's political ambitions and the region's unpredictable geopolitical situation could escalate the tensions and push Iran to destabilize the region. Nationalism, ideology, economics, and history all represent pieces of this puzzle.

Iran is looking for a new era of power and hegemony in the Gulf region; this is driven by its political ambitions and the region's contemporary conditions. Iran now finds itself at an advantage because the United States has eliminated its two traditional enemies in the region—Iraq's Bath regime and Afghanistan's Taliban. Moreover, a power vacuum may emerge in the region after the withdrawal of American forces from Iraq. Under these circumstances, Iran will exercise greater regional influence. In addition, Iran has an



obvious influence on and support for various groups in the region, including the Shia movements in Saudi Arabia, Bahrain, Iraq, and Yemen. This influence gives it the ability to destabilize all the Gulf States.

Iran's nuclear program is a new variable that makes the puzzle more complex. Gulf States are uneasy about Iran's nuclear program because it is believed that "Iran is using its civilian nuclear program as a cover to develop nuclear weapons."<sup>2</sup> Iran's nuclear program is the most vital component in its race to achieve regional hegemony.<sup>3</sup> As such, it is an issue of major concern to the Gulf States.<sup>4</sup> Even without nuclear capabilities, Iran is a regional power in the Middle East because of its geographic and demographic size. In addition, there is no comparison between Iran's military capabilities and that of the Gulf States. Iran's forces are significantly larger and its capabilities more diverse.<sup>5</sup> Iran could destabilize the regional balance even more if it were to possess nuclear weapons. Most of the world shares this concern about Iran's nuclear program because of the manner in which Iran interacts with the international community.

This thesis will suggest new policies that will allow the Gulf States to become more active in thwarting any possible attempt by Iran to destabilize the region. Greater cooperation and coordination throughout the GCC should help the Gulf States develop the capacity to play a larger role in the region.

## **B. BACKGROUND**

The Arabian Gulf, also known as the Persian Gulf, has always been an important region in global politics; its significance dates back to before the oil era because of its special location in the middle of the Old World through which all trade routes passed.

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<sup>2</sup> Tariq Khaitous, "Why Arab Leaders Worry About Iran's Nuclear Program," *Bulletin of the Atomic Scientists*, May 23, 2008, <http://www.thebulletin.org/web-edition/features/why-arab-leaders-worry-about-irans-nuclear-program>.

<sup>3</sup> Scribd, "Iran's Race for Regional Supremacy Strategic Implications for the Middle East," 2008, <http://www.scribd.com/doc/3197579/Irans-Race-for-Regional-Supremacy-Strategic-Implications-for-the-Middle-East>.

<sup>4</sup> Patrick Knapp, "The Gulf States in the Shadow of Iran: Iranian Ambitions," *Middle East Quarterly* XVII, no. 1 (Winter 2010): 49–59, <http://www.meforum.org/2580/gulf-states-shadow-of-iran>.

<sup>5</sup> Darius Bazargan, "Iran: Politics, The Military and Gulf Security," *Middle East Review of International Affairs* 1, no. 3 (September 1997), <http://meria.idc.ac.il/journal/1997/issue3/jv1n3a4.html>.

Today, the region still plays the same important role in the world. Its strategic position and rich oil and gas resources have entrenched the region as vital in geopolitics. Currently, the United States protects the flow of oil and gas from being dominated by non-state actors and certain states in the region that want to dominate the area. Before the United States, Great Britain played a similar role, protecting its interests in the region. The importance of the Gulf region creates major concerns not only for its various states, but also for the world. Throughout history, warfare has been common, and hostilities continue to flare even today.

During the last thirty years, three wars have taken place in the region, resulting in regional and global instability: the Iran-Iraq War, the Persian Gulf War of 1990–1991, and the U.S.-led invasion of Iraq in 2003. The fall of Iraq made Iran more powerful in the region and as a domination strategy; Iran launched its nuclear program. Iran represents a major power in the region; it can destabilize the regional balance even more if it controls nuclear weapons, marking a potential arms race in the region. However, both Iran and the Gulf States have common interests. They share the gulf and its small gateway to the world, the Strait of Hormuz, through which Iran's and the Gulf States' main product, oil, must pass to reach the rest of the world. Any future conflict in this region will most likely threaten the Strait of Hormuz and have a catastrophic global impact.

The Gulf region is a place where the interests of countries could collide at any time, so stability is an important concept. This thesis will focus on the Gulf States, the Kingdom of Saudi Arabia (KSA), Kuwait, Bahrain, Oman, the United Arab Emirates (UAE), and Qatar and how they should work collectively to defend their interests. In an unpredictable world, a power vacuum could arise at any time in the region, including the time the United States withdraws from Iraq. This thesis argues that the Gulf States should work through the Gulf Cooperation Council (GCC) to improve their collective military capacity, along with pursuing a mature and fruitful relationship with their powerful neighbor, Iran, in order to maintain the stability and security of the entire Gulf region.

### **C. RESEARCH QUESTION**

The aim of this thesis is to provide answers to the question: How should the Gulf States contain Iran's nuclear ambitions and minimize its negative impact on the Gulf region?

The answer to this question should come in light of understanding the dynamic historical relations between Iran and the Gulf States and by examining Iran's goals in the Gulf region, while studying the main reasons for the tensions between Iran and the Gulf States. Furthermore, the thesis will examine the importance of the Gulf's security and its impact on the global economy. By studying the impact of Iran's nuclear program on the region and the Gulf States' position on Iran's nuclear ambitions, the thesis will suggest some available means to deal with Iran.

### **D. METHODOLOGY**

In order to answer the research question, we will use an inductive analysis of a simple case at a regional level over time. We will examine the history of the region, beginning after the Iranian revolution and continuing to the present day, in order to understand the origins of the region's tension. Such an overview will help us to analyze the current situation, gain insight into the dynamic relationship between the Gulf States and Iran, and analyze the relationship that involves the United States as a key player and main ally of the Gulf States. Then, we will study the impact of the new variable, Iran's nuclear weapons program.

This thesis aims to suggest a new policy to allow the Gulf States to stop possible attempts by Iran to destabilize the region. We will devise these policies by considering the literature on regional cooperation and highlighting some examples of current regional security arrangements. The highest priority is to make the Gulf region free of weapons of mass destruction by using all available means. The level of collaboration and harmonization of the Gulf States' policy throughout the GCC could be the dependent variable that will help the Gulf States develop their capacity to achieve a mutually beneficial relationship with Iran. The Gulf States should play a larger role in this region and rely less on the superpowers to maintain their security. Military cooperation among

the Gulf States is important to reach a relative military balance sufficient to deter Iran. However, the more important method is to achieve a mutually sustainable relationship between Iran and the Gulf States by focusing on common interests between states and by working together to enhance the economic situation for all. Both of these methods will require a unified vision for all the Gulf States.

## **E. THESIS OVERVIEW**

This thesis will be organized into five chapters as follows.

Chapter I: Introduction. Chapter I will introduce the problem and provide a statement of the research question and the argument of the thesis.

Chapter II: History of the Tensions. Chapter II will cover the basis of the unrest and tensions in the Gulf region, from the ideological elements of the conflict to the competition over the hegemony of the region between Iraq and Iran. Moreover, the discovery of its huge oil supplies pushed the region to the heart of international interest. The U.S. supported Iran's shah to fill the power vacuum that was caused by the British withdrawal from the region. This fueled Iran's ambition to dominate the region. The Islamic Revolution of 1979 was a turning point in the region's history, and it holds the same ambition with an added religious dimension. Moreover, this chapter discusses the effects of the Iran-Iraq War on the relations between Iran and the Gulf States. In addition, the Gulf War of 1990 also contributed to an elevation of the tensions between Iran and the Gulf States. The chapter will also illustrate how Iranian influence in the region has grown in the wake of the end of the Taliban regime in Afghanistan and after the invasion of Iraq. The regional tension, from the standpoint of Iran's nuclear program, and how Iran displays its intentions to dominate the region will also be explained in this chapter.

Chapter III: Gulf Security and Iran's Nuclear Ambitions. Chapter III highlights the importance of the Gulf States' security on the global economy. This chapter lists the main internal and external threats to Gulf security. The chapter also sheds light on Iran as the main threat to Gulf security, especially because of its nuclear program. It argues that Iran's nuclear program has a sinister motive despite Iran's claims of a peaceful purpose, and it provides evidence to defend this argument. Moreover, this chapter describes and

explains the source of the sour relationship between Iran and the international community. In addition, the chapter will also describe the economic and social insecurities that are related to the overall security of the Gulf region.

Chapter IV: Regional Collective Security under the GCC. Chapter IV argues that the Gulf States should work collectively through the Gulf Cooperation Council (GCC) to protect their interests, and explains the importance of the GCC Peninsula Shield Force as a military tool to achieve a better balance in the region. Furthermore, the chapter discusses U.S. policies and their involvement in Gulf regional security. Moreover, the chapter provides a means to deal with the Iranian threat and its nuclear ambition, the engagement with Iran, sanctions, and the negative impact of any military strikes.

Chapter V: Conclusion. Chapter V includes a summary of the thesis and provides some recommendations for the Gulf States to increase their security.

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## II. HISTORY OF TENSIONS BETWEEN IRAN AND THE GULF STATES

Ever since the discovery of oil reserves in many of the newly emerging Gulf States, this region has become the center of world interest as an important source of energy. The delineation of new states has had a significant impact on the relations between small Arab states and the regional powers of Iran and Iraq. The smaller Gulf States, which do not have the capacity to challenge those two larger regional powers, have been taking advantage of the current great powers in the region and their interests in securing the flow of oil. These relationships point to one of the key factors that have contributed to the fragility of the regional stability among the Gulf States, making the future of the region uncertain. Currently, Iran is the main security concern of the Gulf States. Tensions are so great between Iran and its smaller neighbors that the two sides cannot even agree on the name of their shared gulf: Iran recognizes the Persian Gulf and the other states call it the Arabian Gulf. Iran's political ambitions and the unpredictable geopolitical situation could escalate the tensions and encourage Iran to destabilize the region. Nationalism, ideology, economy and history create the impetus for Iran's current actions.<sup>6</sup>

This chapter will cover a large scale of Gulf region history. The paper will start with the origin of the unrest and tension in the Gulf region. Some historical events have had major impacts on the contemporary situation. Since the discovery of oil reserves and the withdrawal of the British from the region, Iran's intent to dominate the region came to light. The withdrawal of the British was accompanied by the U.S. declaration of Iran as having the potential to fill the gap created by this withdrawal. This was very disturbing to the rulers of other states in the region since they saw Iran as having counterproductive intentions. This chapter also discusses the implications of the Iran-Iraq War on the state of relations between Iran and the Gulf States. The Islamic Revolution of 1979, which marked a turning point for the political situation in Iran, will also be discussed in light of

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<sup>6</sup> Eliz Sanasarian, *Religious Minorities in Iran* (Cambridge City: Cambridge University Press, 2000), 8.

the implications it had on the relations between Iran and the Gulf States. The Gulf War of 1990 also contributed to the tensions between Iran and the Gulf States. The paper will also explain how the Iranian influence in the region has grown in the wake of the end of the Taliban regime in Afghanistan, and in 2003, the invasion of Iraq. The regional tension from the perspective of Iran's nuclear program and how it depicts its intentions of dominating the region will also be explained in this chapter.

#### **A. THE ROOTS OF THE TENSION**

Arabs and Persians have coexisted in harmony for a long time. They belong to the same Islamic civilization and they share many common characteristics: religion, culture, trade, and emigrants, to name a few. Nevertheless, punctuating this history are periods of tension between the Gulf States and Iran. The level and nature of the tension has varied, from time to time, depending on the political situation and the root of the conflict. Iran consists of different ethnic groups, with Persians being the majority. Other ethnic groups in Iran include Azeri, Kurds, Arabs and Baluchs, located mainly on the borders of Iran. Shia Islam is fundamental to Iran because it is the glue that unifies all of its factions, even though during the course of history, some groups formed nearly autonomous states within Iran's borders. Minority groups continue to struggle against state discrimination policies.<sup>7</sup>

The ancient Persian Empire was a major power from 500 BC to 651 AD and controlled large areas of the region. Through it all, Persians managed to maintain their language and heritage. The Safavid Empire was a turning point, which established a new era in Persian history; they reunified Iran as an independent state in 1501 and established Twelver Shiism as the official religion of their empire, primarily to distinguish Iran from the Sunni Ottomans. Since most Iranians were Sunnis, the Safavids launched a bloody campaign, extending all the way to Iraq, to convert the population. Iraq became the frontier of the Ottoman Empire during the conflict between the Safavid and the Ottoman Empires. Iraq and Iran have maintained an inherent border conflict ever since that campaign. Under the Safavid Empire, the gap between Sunni Islam and Shia Islam

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<sup>7</sup> Sanasarian, *Religious Minorities in Iran*, 8.



widened violently. The Safavid brought Shia scholars from Iraq and other countries to replace Sunni scholars. Shia scholars, under the influence of Safavid shahs, developed new practices in order to shield the state from the surrounding Sunni Empire, including pilgrimages to the Shrines of Imams. In addition to these activities, cursing the first three Sunni Caliphs fueled Sunni-Shia tensions even more.<sup>8</sup>

The belief in the infallibility of Imam is critical to Shi'ites. They adhere strictly to a line of twelve infallible imams descending from Ali and ending with Muhammad al Mahdi in the 10th century. Shi'ites consider the latter the imam of this age. They believe that he was in occultation centuries ago and he will return at the end of time to establish epitome rule. After the 1979 Revolution, Khomeini further developed the Shia's governing theories. Until just recently, Iran has been ruled by the favor and assistance of the Hidden Imam.<sup>9</sup>

To conclude, the Safavid Empire instituted the "social and political framework upon which the present Iranian state rests." The core change was the role of the cleric, who "consolidated their political position in the form of a distinctively hierarchical organization that retained an active role in the politics of Iran in subsequent centuries." Shi'ism evolved until it put an end to the Bahlawi, or the last Shahs of Iran.<sup>10</sup>

Although oil was discovered in the gulf as early as 1908, international interest in the region did not grow until the major findings of the 1930s. Since World War II, the gulf oil fields have represented the greatest productive oil region in the world. In the late 1960s, after the British withdrawal from the region, the USSR and the United States wanted to fill the vacuum. The United States installed its first armed forces in Bahrain in 1971.<sup>11</sup>

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<sup>8</sup> Marjane Satrapi, "Iranian History," 2010, <http://libguides.unco.edu/content.php?pid=108562&sid=1042079>.

<sup>9</sup> IBP USA, *Iran Foreign Policy & Government Guide* (Ankara City: Int'l Business Publications, 2006).

<sup>10</sup> Manochehr Dorraj, *From Zarathustra to Khomeini: Populism and Dissent in Iran* (Boulder, CO: Lynne Rienner, 1990), 86.

<sup>11</sup> IBP USA, *Iran Foreign Policy & Government Guide*.

The Gulf States were alarmed by the result of the British withdrawal from the region, given the possible threat of an aggressive USSR, Iraq's revolution, and Iran's military expansion, as well as its ambition to control the region with its alleged interventionist policies. Their concerns were compounded by Iran's pursuit of regional power and influence and the U.S. declaration that Iran was capable of filling the vacuum created by Britain's departure. Moreover, the Shah was rushing to build Iran's military capabilities in order to fulfill Iran's ambition to control the Gulf. During that time, Iran declared a number of territorial claims, including Iranian dominion over Bahrain, an issue that caused great fear and concern in that region. The Bahrain issue was resolved through UN mediation and Bahrain became an independent state. In 1971, Iranian forces took control of the three islands at the mouth of the Gulf (Abu Mousa and the Greater and Lesser Tunbs) from the United Arab Emirates. To this day, the United Arab Emirates' islands are still under Iran's occupation and that matter has had an impact on the relations between Iran and the Gulf States.<sup>12</sup>

## **B. IRAQ, IRAN AND THE RACE OVER THE CONTROL OF THE GULF REGION**

The 1979 Islamic Revolution established a turning point in Iranian history. It marked the abolition of 2,500 years of Iranian monarchy to begin an experimental governing system. That event not only changed the dynamics within Iran, but also the relationships in the region and around the world. Social and economic injustice was widespread during the last Shah of Iran, the Mohammed Reza Pahlavi period, which were contrary to his "White Revolution" plans to modernize Iran by adopting Western systems.<sup>13</sup> Only a small fraction of people benefited from his reforms: the elite and the royal family. The rest of the people saw only an abysmal standard of living and lived in fear of SAVAK, the Pahlavi dynasty's secret police. Most Iranians saw the shah as a brutal, corrupt dictator. In the years leading up to the revolution, a wide opposition movement began to take shape, including people from all walks of life with a variety of

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<sup>12</sup> Satrapi, "Iranian History."

<sup>13</sup> Mark Thiessen, *An Island of Stability: The Islamic Revolution of Iran and the Dutch Opinion* (Leiden City: Sidestone Press, 2008).

ideologies. Before long, the clergies began to lead the opposition. The Ulama and the state clashed over secular reforms and the Ulama started to question the legitimacy of the government.<sup>14</sup>

Ayatollah Ruhollah Khomeini was the iconic figure who unified the opposition. His slogan, “Independence, Freedom, Islamic Republic,” was adopted by the revolutionary coalition. The shah exiled Khomeini to Iraq, where he used the radio to call for overthrowing the shah and promoted his theories about a better government, called velayat-e faqih, or rule by jurisprudence. Saddam Hussein became the president of Iraq on July 16, 1979 and exiled Khomeini once more, this time to Paris. At that time, Khomeini used tape-recorded messages to spread his ideology and motivate the massive protest. In January 1979, Khomeini successfully returned to Iran and became the founder of the Islamic Republic of Iran. The Iranian government still runs on Khomeini’s velayat-e-faqih theory, which includes a cleric with exhaustive knowledge of Islamic law and who represents the Mahdi, a messianic type of figure.<sup>15</sup> The December 1979 referendum incorporated Khomeini’s governing theory into the Iranian constitution, which gave priority to Shi’ite law and institutions and ignored the other minorities. The new government structure was designed to “eliminate any restrictions to the Ulama’s power.”<sup>16</sup>

Iran’s theological system of governance currently consists of a “twelve member Council of Guardians, or Leadership Council, headed by a religious leader with supreme authority over all branches of government to assure that all legislation comply with Shi’ite Islamic principles.” The main purpose of this new structure is to give full

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<sup>14</sup> Ali M. Ansari, “The Myth of the White Revolution: Mohammad Reza Shah, Modernization and the Consolidation of Power,” *Middle Eastern Studies* 37, no. 3 (2001).

<sup>15</sup> Mohammad Mohaddessin, *Islamic Fundamentalism: The New Global Threat* (Washington, DC: Seven Locks Press, 1993), 17.

<sup>16</sup> Linda S. Walbridge, *The Most Learned of the Shia: The Institution of the Marja’ Taqlid* (New York: Oxford University Press, 2001), 10.

authority to the supreme leader, who “was to act in place of the twelfth Shi’ite Imam.”<sup>17</sup> This concept launched the new autocratic regime. Under this belief system, the supreme leader, theoretically, has authority over the entire Islamic world, not just Iran.

Soon after the revolution in 1979, Ayatollah Khomeini started to put his theories into practice. He attempted to spread the revolution across the borders by labeling all the regimes in the region as un-Islamic and calling for their termination. Driven by this campaign, Iran was involved in a coup plot in Bahrain and in political agitation in Kuwait and Saudi Arabia.<sup>18</sup> The revolutionary regime still wishes to impose Iranian hegemony and refuses to surrender control of the occupied islands over to the United Arab Emirates. It also renewed its claims of sovereignty over Bahrain.<sup>19</sup> Iran’s revolutionary ideology made the Iranian threat even larger. Moreover, Iran attacked Kuwaiti oil installations, directing hostile activities in Kuwait, and striking Kuwaiti tankers. In 1980, Iran launched several attacks against Kuwait and bombed a Kuwaiti oil plant at Umm al-Aish. In March 1987, Iran attacked two Saudi oil tankers and Ayatollah Khomeini declared that “Mecca was in the hands of ‘a band of heretics.’ an incident that stunned the Saudis.”<sup>20</sup>

## **1. Iran After the Revolution**

Iran’s newly destabilizing influence forced the Gulf States to draw closer to Iraq’s Ba’athist ideology in order to unite against their common threat. Iran focused on destabilizing the Gulf region through exporting the revolution in the whole of the Arabian Gulf. Iran’s revolutionary leaders considered all regimes in the region to be tyrannical regimes, including Iraq, and these regimes were not supposed to be allowed to continue ruling. The Gulf States knew that Iran envisioned itself as a superpower in the region. For

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<sup>17</sup> Don Peretz, *The Middle East Today*, 5th ed. (New York: Praeger, 1988), 523.

<sup>18</sup> Afshin Molavi, “Iran and the Gulf States,” (n.d.), <http://iranprimer.usip.org/resource/iran-and-gulf-states>.

<sup>19</sup> Anthony H. Cordesman, *Bahrain, Oman, Qatar, and the UAE: Challenges of Security* (Boulder, CO: Westview Press, 1997), 41.

<sup>20</sup> *Ibid.*

some time, Iraq, as a strong Arab state, provided the most potent counter balance strategy against this growing threat.<sup>21</sup>

The threat of an Iranian invasion was most dangerous for Iraq because Shia comprises 60 percent of the population and Iraq hosts the holiest Shia shrines, Karballah and Najaf. The historical relationship between the two neighbors had been fraught with tensions. The Ba'th party came to power in Iran in 1968. In 1975, it signed the Algiers Agreement to stop the shah from supporting the Kurdish rebellion in exchange for a larger portion of Shatt al-'Arab. Shatt al-'Arab is a tidal river, 120 miles (193 km) long, formed by the confluence of the Tigris and Euphrates rivers, flowing southeast to the Arabian Gulf and forming part of the Iraq-Iran border.<sup>22</sup>

Saddam sensed the danger of the Khomeini ideology and he did not want to see Iraq break into three factions of Shia, Sunnis and Kurds.<sup>23</sup> In order to protect Iraqi unity, he took the advantage of the chaos in the wake of the Iranian revolution to invade Iran in 1980. In addition to regaining more of Shatt al-'Arab, Saddam was aiming to recover the oil-rich Khuzestan province with its Arab population, which had been occupied by Iran since 1925. Additionally, Ba'th ideology drove Arab nationalism, so Iraq advocated all Arab issues, like repossession of the UAE islands and Bahrain's sovereignty.<sup>24</sup>

The Iraq-Iran War lasted for eight years and the Gulf States aligned with Iraq to defend regional interests. One of the main factors that prompted Saddam Hussein to launch an invasion against Iran was the fact that he saw war as necessary to end the propaganda that Iran was propagating about an Islamic revolution. Iraq believed that by taking advantage of the chaos in Iran following the Iranian revolution, a new regime would be established in Tehran that would be in agreement with Iraqi interests.<sup>25</sup> The war created a serious stalemate between Iran and Iraq. It led to destruction of infrastructure,

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<sup>21</sup> IBP USA, *Iran Foreign Policy & Government Guide*.

<sup>22</sup> IBP USA, *Iran Foreign Policy & Government Guide*.

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

homes, and factories whose value was estimated to be in the billions of dollars. There were many opportunities to end the war, but Iran rejected all peace proposals.<sup>26</sup>

These rejections could have come from the personal enmity between Saddam and Khomeini and the determination of both leaders to gain control over the region. The war made the region far less stable and worsened Iran and Gulf States' relations. The Iran-Iraq war ended when Iran accepted the United Nations Security Council Resolution, which led to a cease-fire on August 20, 1988. Iran lost many people and experienced economic damages as a result of the war. Iran admitted that almost 300,000 people died and that it suffered nearly 375,000 wounded by the end of the war. Iran's losses may have included more than one million persons killed or injured.<sup>27</sup>

### **C. IMPLICATIONS OF THE REVOLUTION AND THE IRAQ-IRAN WAR ON IRAN'S RELATIONS WITH REGIONAL POWERS**

The Iraq-Iran War had a tremendous influence on how Iran was perceived by the Arabian Gulf States. It was shocking for most countries in this region that despite the unpopularity of the shah among the rulers of various countries in the region, Iran emerged as the main player in determining the political course in the region. The rhetoric of Tehran after the revolution was taken with a lot of caution by the Gulf States.

Moreover, the states in the Arabian Gulf were alarmed when the Iraq-Iran war broke out. Shortly after the war started, the Gulf States came together and formed the Gulf Cooperation Council (GCC) as a means to build a collective defense. The GCC announced that it would take a neutral position on the Iran-Iraq war. In spite of this pronouncement, Iran viewed the GCC's position as a tactic to support Iraq in the war.<sup>28</sup> On the other hand, the GCC regarded Iran as the main force behind the anti-government uprisings across the Arabian Gulf States. The fear among the GCC states was confirmed in December 1981, when a secret group was discovered to be operating in Bahrain with

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<sup>26</sup> James D. D. Smith, *Defining the Obstacles to Cease-fire Defining the Obstacles to Cease-fire* (Boulder, CO: Westview Press, 1995), 65.

<sup>27</sup> GlobalSecurity.org, "Iran-Iraq War (1980–1988)," (n.d.), <http://www.globalsecurity.org/military/world/war/iran-iraq.htm>.

<sup>28</sup> Ibid.

a motive to topple the government through acts of terrorism and sabotage. Some of the plotters were found to have links with clerics from Iran. Another incident that aggravated suspicions within the GCC of Iran's malevolent motives was the bombing of Kuwait in December of 1983. The perpetrators of these malicious acts of terrorism were found to belong to Ad Dawah, a movement comprised of Iraqi Shia. The headquarters of this group was in Tehran.<sup>29</sup> The Ad Dawah party is one of the keys players in the Iraqi government after the 2003 invasion.

In addition, the association of Tehran, with various acts of political sabotage and terrorism in different states in the Gulf region, created a new wave of tension. However, the relationship between Iran and the Gulf States varied. Sometimes this relationship could be hostile, while at other times, it was friendly. The nature of the relationship was determined by different factors. For instance, the United Arab Emirates had economic ties with Iran, despite the unsolved islands issue.<sup>30</sup>

Furthermore, relations between Iran and other countries in the Gulf region were also seen as influenced by the type of leadership in various countries. For instance, Sunni Muslim was the ruling family in Bahrain with the popular majority being the Shia. Despite suspicions about the intentions of Iran, diplomatic relations between Iran and Bahrain continued to improve. Moreover, the relations between Iran and other members of the GCC throughout the early and mid-1980s were characterized by periods of mutual accommodation, which alternated with periods of tension. These countries included Oman, Kuwait, and Saudi Arabia.<sup>31</sup>

In addition, the relationship between the GCC countries and the U.S. has a huge impact on the tension between the Gulf States and Iran. Iran always strongly opposed U.S. involvement in the economic and political affairs of the Gulf region. Consequently, Iran regarded its neighbors, like Kuwait and Saudi Arabia, as puppets who allowed the "Great Satan" to manipulate them.<sup>32</sup>

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<sup>29</sup> "Iran-Iraq War (1980–1988)."

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

#### **D. THE GULF WAR OF 1990: THE BEGINNING OF THE END OF THE IRAQI REGIME**

Iraq, which relies mainly on oil exports to generate external exchange earnings, suffered several losses during the war. This was due to the massive costs required to finance the war and damages to Iraq's oil facilities.<sup>33</sup> By the end of the Iran-Iraq War, Iraq was severely in debt. This debt was the main reason that motivated Iraq to invade Kuwait in 1990. Saddam's regime accused Kuwait of flooding the market with oil and pumping more than its share from the communal oil fields. In addition to this grievance, Iraq had never accepted the British border divisions that established Kuwait as a separate country. The invasion sparked a heavy denunciation from leaders around the world. An international coalition force, headed by the United States, liberated Kuwait in 1991. Both the Iran-Iraq War and the Gulf War caused an economic crisis for Iraq. Following the war, the UN imposed sanctions on Iraq, which further weakened the country.<sup>34</sup>

Iraq's weakened state benefited Iran. During the invasion, Saddam allowed Iranian nationals to flee Kuwait. Saddam also wrote a letter to Rafsanjani in which he agreed to accept the Algiers Treaty and to exchange prisoners of war from the Iran-Iraq war, improving its international standing. President Rafsanjani also declared that Iran would support UN sanctions against Iraq, and he encouraged all the foreign powers in the region to punish the invader. Iran developed a two-track policy, demanding unconditional Iraqi withdrawal from Kuwait and accusing the United States of military build-up in the region, which was an unwelcome threat and a restriction on Iranian influence and movements in the region.<sup>35</sup> Overall, however, Iran's influence strengthened as a result of the Gulf War and its aftermath.

The end of the Iran-Iraq War and the defeat of Iraq in the first Gulf War made Saddam's regime fragile, which gave Iran the opportunity to reshape its influences in Iraq. Iran had indirect support for the Shi'ite movements within Iraq to rise up against

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<sup>33</sup> "Iran-Iraq War (1980–1988)."

<sup>34</sup> Ibid.

<sup>35</sup> Dilip Hiro, *Neighbors, Not Friends: Iraq and Iran after the Gulf Wars* (London: Routledge, 2001), 30.



Saddam's regime. The U.S. invasion of Iraq in 2003 catalyzed Iranian influence and ambitions in Iraq. The end of Saddam's regime opened the door to Iran to have full influence in Iraq. The presence of the U.S. and coalition forces in Iraq, however, could not prevent Iranian influence on Iraq's social structure, culture and psychological wellbeing. Iran has pursued different methods for achieving its goals in Iraq, including supporting pro-Iranian groups and armed militias, trying to influence Iraqi political leadership, and establishing economic ties with Iraq. The vital strategy for the Iranian power, however, is religious influence, particularly Shi'ite factions.<sup>36</sup>

Today, Shi'ites monopolize the political game and control many parts of Iraq. Iran continues to influence the country through armed Shi'ite militias, and through backing Shia political parties. According to senior U.S. commanders, Iran aims to pursue its interests in Iraq after U.S. forces leave Iraq at the end of 2011. Several of Iraq's current leaders lived in Iran or were supported by Iran during Saddam's era, and believe Iran is a guide and an influential player in Iraq. Therefore, Iran is currently the true winner of the Iraq invasion and the fall of Saddam's regime. This event gave Iran an important advantage and enabled it to be the main player in the Gulf.<sup>37</sup>

## **E. THE END OF THE TALIBAN REGIME**

The United States further enhanced Iran's geopolitical position by ending the Taliban's rule in Afghanistan following the 9/11 attacks, which gave Iran easy access to Afghanistan. Iran adopted a new strategy in Afghanistan and capitalized on Iranian-Afghanistan historical relations, which date back to the Persian Empire. During the fifteenth century, the Persian leader, Jahan Shah, established the province of Herat to be the capital of his Iranian domains, including all of western Afghanistan. In the nineteenth

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<sup>36</sup> U.S. Library of Congress, Congressional Research Service, *Iran-Iraq Relations*, by Kenneth Katzman, CRS Report RS22323 (Washington, DC: Office of Congressional Information and Publishing, August 13, 2010), <http://www.fas.org/sgp/crs/mideast/RS22323.pdf>, 1.

<sup>37</sup> *Ibid.*

century, under the pressure of colonialism, the British forced the Iranian army to withdraw from Herat. To this day, Iran has not accepted the loss of Herat. School geography text books still list Herat as a province of Iran.<sup>38</sup>

Prior to the U.S. invasion of Afghanistan in 2001, tensions between Afghanistan and Iran were high, especially after the Taliban takeover of the country. In 1998, Iran and Afghanistan almost went to war when the Taliban executed nine Iranian diplomats and officials. After the fall of the Taliban regime, U.S. forces fought to control Afghanistan while the Iranian government worked to solidify its influence in the country. Iran is currently mobilizing Shi'ite factions in Herat province and supporting Afghan government opponents throughout Afghanistan. In addition, Iranian policymakers are supporting their former enemy, the Taliban insurgents. In 2009, NATO forces operating in Afghanistan seized Iranian-made rockets built to aid the Taliban insurgency. It appears that Iranian goals in Afghanistan, like the rest of the region, focus on the progression of Iranian influence.<sup>39</sup>

## **F. NUCLEAR IRAN**

Iran's nuclear program is the new variable that has complicated the situation in the region. The Gulf States are uneasy about Iran's nuclear program due to the belief that "Iran is using its civilian nuclear program as a cover to develop nuclear weapons." In fact, Iran's nuclear program is its most vital component in its race to achieve regional hegemony. It is an issue of major concern to the Gulf States. Iran is a regional power in the Middle East, even without nuclear capabilities, due to its geographic and demographic size, and there is no comparison between Iran's military capabilities and those of the Gulf States. Iran can destabilize the regional balance even more if it possesses nuclear weapons. Most of the world shares the Gulf States' concerns about

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<sup>38</sup> Michael Rubin, "Understanding Iranian Strategy in Afghanistan," *Royal Danish Defence College and RAND Copenhagen, Denmark*, [http://www.aei.org/docLib/20070801\\_RubinRDDCspeech.pdf](http://www.aei.org/docLib/20070801_RubinRDDCspeech.pdf), 2.

<sup>39</sup> Ibid.

Iran's nuclear program. In June 2009, Mohamed El-Baradei, former International Atomic Energy Agency (IAEA) chief, commented that Iran's attitude is, "Don't mess with us; we can possess nuclear weapons if we want them."<sup>40</sup>

## G. CONCLUSION

Nowadays, Iran is using several methods against the Gulf States in order to reach its goals in the region. For example, it is supporting the Shi'ites in Bahrain, Kuwait and the other Gulf States, which creates instability in these countries. A recent example includes the demonstrations in Bahrain, in which some Shi'ite protesters wanted to change the regime, while other Shi'ite groups demanded equal access to the jobs and resources of the country. Iran supports the demands of the Shia demonstrators in Bahrain and gives its blessings to those who want to establish an Islamic republic of Bahrain. Similarly, Iran's influence in Afghanistan has been characterized by its support of Taliban insurgents. Furthermore, the Gulf States suspect that Iran plans to create allies in the Gulf region by supporting Shi'ite political groups. Iran supported the Houthi rebellion against the Yemeni administration, which caused instability in Yemen that even crossed Saudi Arabia's borders.<sup>41</sup>

Iran also spreads its influence through sleeper cells and spies that operate in Gulf States. Recently, Kuwait authorities announced the arrest of spies who were working for Iran. The source announced that the cell gathered information on a number of targets in Kuwait.<sup>42</sup> Iran also carried out similar activities in other Gulf nations. Lately, Gulf States have forwarded their complaints about Iran's meddling in their affairs to the Security Council.<sup>43</sup> Iran also extends its influence along oil and border disputes. For instance, in 2004, Iran accused Qatar of extracting more than its fair share from a common gas field

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<sup>40</sup> Joseph K. Grieboski, "Iran's Nukes: ElBaradei and IAEA Admit Iran Poised to Have Nuclear Weapons," *The Cutting Edge News*, June 17, 2009, <http://www.thecuttingedgenews.com/index.php?article=11399&pageid=37&pagename=Page+One>.

<sup>41</sup> Ibid.

<sup>42</sup> Habib Toumi, Bureau Chief, "Kuwait Says it Busted New Spy Rings," *gulfnews*, May 28, 2011, <http://gulfnews.com/news/gulf/kuwait/kuwait-says-it-busted-new-spy-rings-1.813907>.

<sup>43</sup> Russia Today, "GCC Complains Iran's Meddling in its Affairs to the Security Council," 2011, [http://arabic.rt.com/news\\_all\\_news/news/68173](http://arabic.rt.com/news_all_news/news/68173).

that is open to both countries. In 2007, Iranian Supreme Leader Ali Khamenei said that Bahrain is more akin to an Iranian province than an independent country. In 2008, Iran opened a maritime center on the Abu Musa islands despite the opposition of the United Arab Emirates. Therefore, tensions in the region are increasing because of Iran's aggressiveness toward the Gulf States and its intent to dominate the region.

In sum, Iran's ambitions in the Gulf region are reaching new levels; Iran is able to upset the internal stability in the Gulf States more than at any time in the past. Iran has adopted a variety of strategies to fulfill its ambitions because it readily adapts its strategies according to the geopolitical atmosphere. This opportunistic strategy is known as Realpolitik; Iran has often relied upon it in the past. Iran attempts to make its political processes appear to be fulfilling a variety of needs, but in the end, all of its strategies complies with the regime's interest. Ideology also plays a vital role in Iranian domestic activities as a unification factor as well as in the relations between Iran and the Gulf States, which are vulnerable to this religious issue. The current situation in both Afghanistan and Iraq makes it ideal for Iran to act unconstrained towards its historic enemies in the region. On the horizon, there is the chance of a power vacuum in the region after the withdrawal of American forces from Iraq. Iran is closer to establishing a new era of power and hegemony in the region unless the Gulf States, with the help of the United States and other allies, adopt a new and sufficient approach to deal with Iran.<sup>44</sup>

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<sup>44</sup> Katzman, "Iran-Iraq Relations."

### III. GULF SECURITY AND IRAN'S NUCLEAR AMBITIONS

The Arabian (or Persian) Gulf has always been an important region; its significance was geographically determined since it enjoyed an exclusive location in the middle of the Old World through which all trade routes passed. The Gulf region was a bridge linking the Middle East to Asia, Africa, and Europe. Historically, Gulf traders covered large parts of Africa, India and even China through the “silk road.” Nowadays, the region still plays the same important role in the world due to its strategic position and rich oil and gas resources. Through the Straits of Hormuz passes most of the world’s supply of oil. Any future conflict in this region would have a global catastrophic impact.

Historically, warfare has been a common activity in the region, and hostility remains to this day. During the last thirty years, three wars have taken place in the Gulf region resulting in regional instability as the fall of Iraq paved the way for a more powerful and dominant Iran. Consequently, as a strategy to maintain its dominance in the region, Iran launched its nuclear program. Iran is a regional power in the region based on its geographic and demographic size. Added to this, Iran influences and supports different groups in the region, such as the Shi’ites in Saudi Arabia, Bahrain, Iraq, and Yemen. Iran represents a major strength in the region; it would destabilize the regional balance even more if it controlled nuclear weapons. As a result, the region would see an incredible arms race with a probable bitter end.<sup>45</sup>

This chapter highlights the importance of the Gulf States’ security to the global economy. And it lists the main internal and external threats to Gulf security. The chapter also sheds light on Iran as the main threat to Gulf security, especially because of its nuclear program. Iran’s nuclear program and the response by the other Gulf States have sent a signal that the Gulf Region may plunge into more instability. The debate has been whether Iran’s nuclear program is meant for peaceful purposes or whether it is developing nuclear weapons disguised as generating nuclear energy only. This chapter argues that Iran’s nuclear program has a sinister motive despite Iran’s claims of a

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<sup>45</sup> Paul K. Kerr, *Iran’s Nuclear Program: Status* (New York : DIANE Publishing, 2010), 3–10.

peaceful purpose, and it provides evidence to defend this argument. In addition, the chapter alludes to the source of the sour relationship between Iran and the international community as being Iran's breach of the standards set by the IAEA. , the chapter will also describe the impact of Iranian nuclear ambition in the region and the Gulf States' position.

#### **A. THE IMPORTANCE OF THE GULF STATES' SECURITY**

The notion of "Gulf security" has developed to encompass new challenges caused by the link between interior security and external stability and international actions in this vital section of the world.<sup>46</sup> The global economy is associated with the security of the Gulf States; as previous conflicts have shown, "any disruption is likely to escalate already exorbitant oil prices."<sup>47</sup> There are several variables that will affect the future of the Gulf States. First and foremost, there is the issue of the domestic stability of the Gulf States in the sense of their dynamic relations with each other and with Iran, the emerging power in the region. Secondly, it is evident that certain superpowers, and particularly the United States, would want to protect their interests in the region. Therefore, their involvement in the political and economic matters of the Gulf region would aim at maintaining stability in a bid to ensure the flow of oil.<sup>48</sup>

The Gulf States are the center of gravity in the Organization of Petroleum Exporting Countries (OPEC). OPEC provides an important share of the world's oil supply to meet the international demand for energy. According to statistics from the International Energy Agency (IEA), fossil fuels currently provide 81.0 percent of the world's primary energy supplies.<sup>49</sup> OPEC is holding 40 percent of the world's production

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<sup>46</sup> The International Institute for Strategic Studies, "First Plenary Session-Sh Khalid Al Khalifa," December 4, 2010, <http://www.iiss.org/conferences/the-iiss-regional-security-summit/manama-dialogue-2010/plenary-sessions-and-speeches/first-plenary-session/sh-khalid-al-khalifa/>.

<sup>47</sup> Claudia Schwartz, "The Global Importance of Gulf Security," *The Henry Jackson Society*, October 13, 2008, <http://www.henryjacksonsociety.org/stories.asp?id=842>.

<sup>48</sup> Ibid.

<sup>49</sup> Eric McLamb, "Biomass; The Secret World of Energy," *Ecology Global Network*, September 15, 2010, <http://www.ecology.com/2010/09/15/secret-world-energy/>.

and a 50 percent share of oil available for export. Moreover, the Gulf States are top oil producers at OPEC in that they hold about one-third of the world's productive oil capacity.<sup>50</sup>

Another advantage of the Gulf States is that their oil is the cheapest to produce in the world, which makes them the main oil suppliers and the controllers of oil prices, if they comply with OPEC policies. The Arabian Gulf is an important waterway in world oil shipping. It contains 715 billion barrels of proven oil reserves, representing over half (57 percent) of the world's oil reserves, and 2,462 Tcf (trillion cubic feet) of natural gas reserves (45 percent of the world total). Most oil exported from the Gulf States is transported by oil tankers through the Straits of Hormuz, one of the most important check points to world oil trade. Iran and the Gulf States share the Gulf and the Straits of Hormuz.<sup>51</sup>

OPEC will remain the main oil supplier for the world for the next 25 years. According to the Energy Information Administration's International Energy Outlook 2010, OPEC will provide roughly 40 percent of the world's total liquid supply over the 2007–2035 period.<sup>52</sup> In addition, the Gulf contains 23 percent of the world's gas reserves. The Middle East accounts for the largest increase in regional natural gas production from 2007 to 2035. For example, the Gulf States, especially Qatar, Saudi Arabia, and the United Arab Emirates, excluding Iran, accounted for 84 percent of the natural gas produced in the Middle East in 2007. Therefore, the region will remain a key player in world energy security. This makes Gulf security an international issue, and the Gulf region will be the center of political and security interest for superpower countries in the near future.<sup>53</sup>

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<sup>50</sup> McLamb, "Biomass; The Secret World of Energy."

<sup>51</sup> Saman Sepehri, "The Geopolitics of Oil," *International Socialist Review* no. 25 (2002), [http://www.isreview.org/issues/26/oil\\_geopolitics.shtml](http://www.isreview.org/issues/26/oil_geopolitics.shtml).

<sup>52</sup> U.S. Energy Information Administration, "International Energy Outlook 2011," 2011, <http://www.eia.gov/forecasts/ieo/index.cfm>.

<sup>53</sup> *Ibid.*

Over the past several decades, the Gulf States: Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates, have accomplished an extraordinary social and economic transformation. Oil incomes have been used to build and develop infrastructure, generate employment, and improve the social lives of the population. At the same time, the Gulf States have been successful in accruing capital and minimizing external debt. Moreover, the Gulf States are helping other nations build their countries as well as being major donors in the world.<sup>54</sup>

The prices of oil have escalated during the last decade and the Gulf States have started to increase their investment of oil revenue.<sup>55</sup> The Gulf States' trend toward investment will have domestic and global outcomes. During the next decades, the Gulf States will get a windfall of revenue. A recent report by the respected Saudi-based Samba Financial Group suggests that the Arab oil-producing countries of the Gulf may earn a staggering \$24 trillion from exports of crude oil and gas over the next twenty years. All that will push the Gulf States to play a more active role on the global financial stage.

## **B. THREATS TO GULF SECURITY**

Gulf States' security has many internal and external threats that might lead to a dicey future. There is a link between the internal and external threats such that one could be caused by the other. Adapting political reform should be a priority for the emerging international situation for tackling social and economic issues. Even though the economic situation of the region has improved in recent years due to the high prices of oil, creating jobs and building infrastructure is a challenge because of the rapid population growth. On top of that, overdependence on the oil sector in the Gulf States (80 percent of export earnings and government revenue) creates an unsustainable and fragile economy. This affects food security because the Gulf States import the majority of their food.<sup>56</sup> The Gulf

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<sup>54</sup> Groupe u.r.d, "Emerging Humanitarian Donors: The Gulf States," 2009, <http://www.urd.org/Emerging-humanitarian-donors-the?artpage=1-2>.

<sup>55</sup> Ibid.

<sup>56</sup> Hans Günter Brauch et al., *Facing Global Environmental Change: Environmental, Human, Energy, Food, Health and Water Security Concepts* (New York : Springer, 2009).



States are poor in agriculture because of dry weather and a shortage of water. Desalination plants supply up to 80 percent of drinking water in the Gulf States. Any environmental crisis in the Gulf will be a nightmare for Gulf security.<sup>57</sup>

Foreign labor is a time bomb in the Gulf States and it severely affects the demographic situation in the region. “The foreign population amounts to some 75 percent in the UAE, 70 percent in Qatar, 65 percent in Kuwait, 40 percent in Saudi Arabia, 33 percent in Bahrain, and 32 percent in Oman.”<sup>58</sup> The Gulf States are aware of the fact that cheap foreign labor increases the rate of indigenous unemployment. Besides monitoring labor conditions and imposing laws that are necessary to protect the rights of the foreign laborers, it is important to address the burden foreign labor represents for the Gulf States.

Moreover, terrorism, which is considered a global phenomenon, still poses a real threat to the Gulf States even though the current capability of terrorist organizations in the Gulf States is much diminished. Al Qaeda in the Arabian Peninsula (AQAP), based in Yemen, is the main terrorism threat, which puts Yemen at the heart of the Gulf States; security concerns; the Gulf States should help Yemen cease being a safe haven for any terrorism group.<sup>59</sup>

Another fact is that the Arabian Gulf region is one of the more rapidly growing economies in the world, given the abundant oil and natural gas resources whose huge profits have supported an infrastructure and investment boom, backed by decades of saved revenues. However, several of its far-sighted leaders have not been lured by the illusion that oil resources will last forever and are acutely aware that someday, these reserves will dry up. Without any alternate industry to keep their economies afloat, they

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<sup>57</sup> IDS-Water, “Desalination Plants in the Persian Gulf,” September 14, 2007, [http://www.idswater.com/water/asia/desalination/2064/newsrelease\\_content.html](http://www.idswater.com/water/asia/desalination/2064/newsrelease_content.html).

<sup>58</sup> Mohammad Al Rumaihi, “The Gulf Monarchies: Testing Time,” *Middle East Quarterly* 3, no. 4 (1996): 45–51.

<sup>59</sup> GlobalSecurity.org, “Al Qaeda Organization in the Arabian Peninsula,” (n.d.), <http://www.globalsecurity.org/military/world/para/al-qaida-arabia.htm>.

will suffer. As such, they want to wisely invest the oil revenue to help sustain them when this day comes. They see the need to invest in other means to generate revenues aside from petroleum products such as other industries, including tourism.<sup>60</sup>

Gulf region stability is tremendously sensitive to unpredictable external factors. These threats existed to some degree before the discovery of oil, due to the region's strategic location. External threats are constant, though not always from the same source. The threats have ranged from attempts at expansion from strong but poorer neighbors to attempts by others to compete for regional resources, or regional conflict over hegemonic leadership. One clear example was the Gulf war in 1990, when Iraq invaded Kuwait to obtain Kuwait's rich oil fields and expand its influence over the region.

### **C. IRAN AND GULF SECURITY**

Iran is the big neighbor that is the main security concern of the Gulf States that are separated by the waters of the Arabian Gulf. The degree of susceptibility to regional tension and the eventual eruption of conflict is seen even in the manner in which Iran and other Gulf states cannot agree as to the name of the shared Gulf. On one hand, Iran recognizes it as the Persian Gulf, while on the other hand, "the Arabian Gulf" is the name appreciated by other states in the region. The relationships between Iran and the Gulf States are composite and multi-dimensional, despite the historically peaceful relationship between them. Iran's political ambitions and the unpredictable geopolitical situation of the region could escalate the tensions and push Iran to destabilize the region. Nationalism, ideology, economy, and history are all pieces of the puzzle.<sup>61</sup>

The assertiveness of Iran in the Gulf region has not only caused distress among regional allies, but also the United States, which has a major economic interest in the region. Historically, Iran has been known to provoke its regional allies as it did in 2004 when it claimed that Qatar was going too far in producing more natural gas than had been

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<sup>60</sup> Brauch et al., *Facing Global Environmental Change: Environmental, Human, Energy, Food, Health and Water Security Concepts*, 427–435.

<sup>61</sup> John Peterson, *Defending Arabia* (New York: Taylor & Francis, 1986).

agreed upon, from a field shared by the two countries. Only three years after these allegations, Iran continues to claim Bahrain as a part of its territory, rather than as an independent state.<sup>62</sup>

Iran has repeatedly upset Bahrain by stressing that it has sovereignty over it. The capture of fifteen British sailors by Iranian authorities in 2007 sparked memories of the U.S. embassy, which was captured and where many were held hostage. This act also showed that Iran was out to humiliate its enemies and would go to many lengths to disregard international law and fulfill its ambitions. In 2008, Iran went ahead and opened a maritime office on UAE's occupied island, Abu Musa. In addition, Iran has continued to increase its military bases along the Strait of Hormuz and sources indicate that the entrance to the Sea of Oman has been made impenetrable by heavy Iranian military presence.<sup>63</sup>

Iran is looking for a new era of power and hegemony in the region. Iran considers its influence today in Iraq as a base for greater influence in the region, and the United States can do nothing about it. The United States has changed its mission in Iraq from combat to training Iraqi forces, and the number of U.S. troops has been reduced.<sup>64</sup> On the horizon, there is the chance of a power vacuum in the region after withdrawal of American forces from Iraq. Iran will then exercise greater influence in the region. Added to this, Iran influences groups such as Shi'ites in Saudi Arabia, Bahrain, Iraq, and Yemen, which give it the ability to destabilize the internal stability in the Gulf States.<sup>65</sup>

Iran's nuclear program is the new variable that makes the puzzle more complex. The Gulf States are uneasy about Iran's nuclear program due to the fact that "Iran is using its civilian nuclear energy program as a cover to develop nuclear weapons"<sup>66</sup> as the

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<sup>62</sup> Knapp, "The Gulf States in the Shadow of Iran: Iranian Ambitions," 49–59.

<sup>63</sup> Ibid.

<sup>64</sup> Eli Lake, "U.S. Withdrawal Not End to Mission in Iraq," *The Washington Times*, August 18, 2010, <http://www.washingtontimes.com/news/2010/aug/18/us-withdrawal-not-end-to-mission-in-iraq/>.

<sup>65</sup> Council on Foreign Relations, "The Emerging Shia Crescent Symposium: Understanding the Shia," 2011, <http://www.cfr.org/religion-and-politics/emerging-shia-crescent-symposium-understanding-shia-rush-transcript-federal-news-service-inc/p10864>.

<sup>66</sup> Khaitous, "Why Arab Leaders Worry About Iran's Nuclear Program."

leaders in the region believe. Iran's nuclear program is the most vital component of Iran's race to achieve regional hegemony and this is an issue of major concern to the Gulf States. Iran is a regional power in the Middle East even without nuclear capabilities because of its geographic and demographic size, and there is no comparison between Iran's military capabilities and those of the Gulf States.<sup>67</sup> Therefore, Iran can destabilize the regional balance even more if it controls nuclear weapons. Many countries in the world share the concern about Iran's nuclear program with the Gulf States because of the way Iran is dealing with the international community. In June 2009, Mohamed El-Baradei, former International Atomic Energy Agency (IAEA) chief, commented that Iran's attitude is, "Don't mess with us; we can have nuclear weapons if we want them."<sup>68</sup>

#### **D. IRAN'S NUCLEAR AMBITION**

Nuclear risk was first experienced in World War II when bombs were exploded in Hiroshima and Nagasaki. From this event and henceforth, nuclear weapons have taken center stage on matters concerning national security and foreign policy agendas. There is a worrying trend in the increase of weapons technology, such as the manufacturing of nuclear bombs that could be used negatively as a political tool to overpower the opponent states by the nuclear-armed states. In the case of Iran, nuclear arms would be the tool used to impose its hegemony in the Gulf region. It is just a matter of time before Iran joins the nuclear club and enjoys its privileges.<sup>69</sup>

Iran's nuclear program goes back to 1959 when the shah purchased a research reactor from the United States. At that time, the program was initiated with good faith as it was aimed toward peaceful purposes. The program made steady progress with the help of Western countries. However, outside assistance was suspended following the Islamic Revolution in 1979 and the concern over Iran intentions. During the 1990s, Iran was known to be revitalizing its civilian nuclear programs, but the international concern rose after the revelation of Iranian program secret activities in 2002 and 2003, and that Iran's

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<sup>67</sup> Khaitous, "Why Arab Leaders Worry About Iran's Nuclear Program."

<sup>68</sup> Grieboski, "Iran's Nukes: ElBaradei and IAEA Admit Iran Poised to Have Nuclear Weapons."

<sup>69</sup> Kerr, *Iran's Nuclear Program: Status*.

ambitions had transformed beyond peaceful intent. In February 2003, inspectors from the International Atomic Energy Agency (IAEA) revealed the scope of two decades worth of covert nuclear activities, including uranium enrichment and plutonium separation.<sup>70</sup>

The International Atomic Energy Agency (IAEA) reported in June 2003 that Iran did not meet all of its requirements under the nuclear safeguards agreement following the Nuclear Nonproliferation Treaty (NPT). This became the source of sour relationships between Iran and the international community, as it had breached the fragile trust among countries. However, to maintain healthy and significant foreign relations, Iran befriended Russia and China to counterbalance the demands of the Western world.<sup>71</sup>

From Iran's point of view, its nuclear ambitions have no military motives and are only aimed at generating more electricity for domestic consumption by harnessing nuclear resources. According to Iran's authorities, this would go far in alleviating any shortages in power for running vital sectors of the country's economy. For instance, a nuclear reactor at Bushehr is being completed by a Russian contractor and reports indicate that Iran intends to build more reactors with the capacity to produce 20,000 megawatts in the next two decades.<sup>72</sup> Officials in Iran have been on the forefront claiming that Iran's nuclear programs are for peaceful purposes only. Sentiments opposing the idea of nuclear weapons have been heard from Ayatollah Khamenei, the Supreme Leader, who in 2008 said that, based on Islamic beliefs, it is illogical and unwise to build nuclear weapons.<sup>73</sup>

Similar sentiments were made by Hassan Qashqavi, the spokesperson of the Iranian foreign ministry who said that pursuing nuclear weapons does not feature anywhere in the defense doctrine of Iran. Even the President himself, Mahmoud Ahmadinejad, in 2009 called, the idea of accumulating nuclear weapons "political backwardness." Nevertheless, Iran has continued to be viewed as a major threat, not only

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<sup>70</sup> Kerr, *Iran's Nuclear Program: Status*.

<sup>71</sup> Ibid.

<sup>72</sup> Ibid.

<sup>73</sup> Ibid.

to the security of the Gulf region, but also to global security. The United States has been in the forefront casting doubts on the intentions of Iran's nuclear ambitions and several reasons have contributed to this attitude.<sup>74</sup>

Firstly, it is worth noting that there are huge similarities between the technologies used to produce nuclear energy and that used to create nuclear weapons. Therefore, discerning a program meant for nuclear power generation from one targeting the production of nuclear weapons has been a major challenge for the IAEA. Furthermore, civilian programs may coexist with nuclear programs. Suspicions about the motive behind Tehran's nuclear ambitions have also been caused by past interactions with the IAEA in which Tehran has interfered with the mandate of the agency to carry out its nuclear inspections in Iran. For instance, some Iranian officials have been accused of providing inaccurate statements and concealing vital information about the actual status of the country's nuclear program.<sup>75</sup>

The community of nations does not believe Tehran's claim that Iran's nuclear program is intended solely to provide civilian nuclear energy power and serve research purposes. In September 2009, the discovery of the second secret uranium enrichment plant near the city of Qom in Iran deepened the suspicion about Iran's nuclear ambitions. Western fears were confirmed when the IAEA released a comprehensive report in February 2010 about Iran's potential for generating a nuclear weapon. The report includes additional fuel enrichment and plans to develop a missile warhead. The possibility of the presence of nuclear weapons caused agitation in the bordering countries.<sup>76</sup>

Iran's nuclear ambitions are likely to make various member countries of the Gulf Cooperation Council (GCC) take precautionary measures in terms of arming themselves against a security threat from Iran. For instance, in response to being aware of Iran's purportedly sinister intentions, Saudi Arabia is believed to have purchased Chinese

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<sup>74</sup> Kerr, *Iran's Nuclear Program: Status*.

<sup>75</sup> Ibid.

<sup>76</sup> Ibid.

medium range missiles called the SS-2. In addition, it is plausible to foresee Saudi Arabia making nuclear purchases. These would include a finished product or fissile materials for making a bomb. Such a move would only be prompted by the realization that Iran is out to make a nuclear weapon. Aside from such reactions by Saudi Arabia and other Gulf states, another major security concern would be the actions of the United States and Israel, who have made it clear that Iran's possession of a nuclear bomb would be a threat that cannot be tolerated.<sup>77</sup>

Therefore, Iran's nuclear ambitions have the potential to escalate regional tension and instability from the perspective of the repercussions of the Israeli and U.S. preemptive military actions. However, it is worth noting that following the inaccurate assessment of Iraq's possible possession of WMD programs by Western intelligence, the political cost of preemptive attack has become very high. Furthermore, even if the evidence of programs for nuclear weapons is present, there would be reluctance among nations in endorsing military action against Iran in the light of considerations of the chaos this would trigger in the Gulf region.<sup>78</sup>

Iran's nuclear program is affecting Iran's economy negatively. It has posed some threats to its investment and growth, as it is causing the country to have a politically uncertain status. This has been caused by the escalating tensions over the nuclear issue, and because of the lack of transparency in the way Iran deals with the international community about its nuclear program. Iran's economy is seen to be struggling because of its "bloated and inefficient state sector and an overdependence on the oil sector (which provides over 85 percent of government revenues)."<sup>79</sup> This has paved the way to the flourishing of an informal market and black market activities as well as shortages of goods. It has also contributed to further the failure of Iran to fulfill any economic progress. Widespread corruption has played a central role in the stalling of its private-

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<sup>77</sup> U.S. Government Printing Office, *Iran's Political/ Nuclear Ambitions and U.S. Policy Options: Hearings* (New York: DIANE Publishing, 2006), 66–68.

<sup>78</sup> *Ibid.*

<sup>79</sup> U.S. Department of State, "Iran," February 17, 2011, <http://www.state.gov/r/pa/ei/bgn/5314.htm>.

sector growth. It has become increasingly inefficient to subsidize food and petroleum imports. Even if Iran has seen increases in export earnings, it is still vulnerable to changeable oil prices.<sup>80</sup>

#### **E. THE IMPACT OF IRANIAN AMBITION AND THE GULF STATES' POSITION**

Within the Gulf region, the Gulf States' position on Iran's nuclear ambitions has been varied. Nevertheless, the various states clearly perceive the imminent unpleasant outcome of Iran's activities, which, no doubt, seem to aim at sparking a nuclear arms race in the region. Numerous impacts can be generated from Iran's nuclear ambition. The Gulf States, which are within the Iranian missiles' range, have reason to be nervous. Iran's nuclear capabilities will empower its hard-liner leaders and overstress the awareness of danger between Iran's neighbors. Moreover, Iran's nuclear program has increased the tension between Iran and the Gulf States, and has also led to an arms race in the region. The Gulf States have purchased U.S. weapons worth some \$123 billion, the largest arms deal in peacetime history.<sup>81</sup>

Furthermore, Iran's nuclear program has encouraged other countries in the region to acquire nuclear technology for peaceful use as a step toward keeping up with Iran.<sup>82</sup> Moreover, the purpose of a \$123 billion purchase of weapons by several Gulf States is to counter the mounting military might of Iran. The largest portion of the purchase was made by Saudi Arabia, which has ordered a weapons package worth \$67.8 billion. These include new F-15 jet fighters, 85 in number, in addition to another 70, which are to be upgraded. In addition, the first phase of Saudi Arabia's deal with the U.S. would be just the beginning, as the future would see the Saudi fleet being modernized and its missile and radar defense systems being upgraded.<sup>83</sup>

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<sup>80</sup> U.S. Department of State, "Iran."

<sup>81</sup> James Drummond and Roula Khalaf, "Gulf States in \$123bn US Arms Spree," *Financial Times*, 2010, <http://www.ft.com/intl/cms/s/0/ffd73210-c4ef-11df-9134-00144feab49a.html#axzz1b8iuSvLT>.

<sup>82</sup> U.S. Government Printing Office, *Iran's Political/ Nuclear Ambitions and U.S. Policy Options: Hearings*, 1.

<sup>83</sup> Alan Purkiss, "Gulf States Order \$123 Billion of U.S. Weaponry to Counter Iran, FT Says," *Bloomberg*, September 20, 2010, <http://www.bloomberg.com/news/2010-09-21/gulf-states-order-123-billion-of-u-s-weaponry-to-counter-iran-ft-says.html>.



Similarly, in response to the security threat posed by Iran in the Arabian Gulf, the U.A.E has signed a deal to buy \$35.6 billion worth of military kit. The deal includes “Thaad, a high-altitude missile defense system being built by Lockheed Martin Corp.”<sup>84</sup> More Gulf States have also devoted their resources towards strengthening their military capabilities, including Kuwait and Oman, which according to Purkiss, are likely to spend \$7.1 billion and \$12.3 billion, respectively, by the end of the year 2014. These amounts of money would go into installing new command-and-control-systems and replace and/or upgrade military aircraft.<sup>85</sup>

In addition, the Iranian nuclear program has a negative impact on the environment, where any accident at an Iran nuclear facility would result in an environmental disaster in the Gulf Region due to the fact that Iran mainly uses inefficient Russian technology. If there is leakage at any Iranian nuclear facility, this will cause radioactive ecological pollution in many parts of the world.<sup>86</sup> Even though the Gulf States have adopted a strategy of maintaining stable and secure positions from Iranian nuclear ambition, they are worried about any further unwelcome developments in the region. They are concerned about any hostile scenario in which Iranian nuclear abilities are attacked.<sup>87</sup>

In the Gulf States’ view, such violence is likely to trickle down to within their borders, whether in direct Iranian action against them and U.S. interests on their territory, or in a general regional destabilization. Furthermore, although the Gulf States may pursue a diplomatic solution to deal with the Iranian crisis, they are worried that it may affect their own interests. And although the Gulf States seek to limit Iran’s regional ambitions, they try not to announce it directly to avoid creating an Iranian counteroffensive against them. Therefore, public expressions repeated by the Gulf States focus on the recognition of Iran’s right to maintain peaceful nuclear technology, while calling for a regional ban

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<sup>84</sup> Purkiss, “Gulf States Order \$123 Billion of U.S. Weaponry to Counter Iran, FT Says.”

<sup>85</sup> Ibid.

<sup>86</sup> Khaitous, “Why Arab Leaders Worry About Iran’s Nuclear Program.”

<sup>87</sup> Kerr, *Iran’s Nuclear Program: Status*.

on Weapons of Mass Destruction, WMD. The Gulf States also support any diplomatic solution to the Iranian nuclear crisis, and urge Iran to cooperate with the International Atomic Energy Agency (IAEA) and the international community's demands.<sup>88</sup>

## **F. CONCLUSION**

The Arabian Gulf represents a significant part in the world because of its oil wealth. Oil prices are largely dependent on the security situation in the Gulf region. The Iranian-Arabian relations in the Gulf region have gone through different scenarios. The unwelcome Iranian activities toward the Gulf States and its questionable movements in the region contributed to the fragility of relations between the Gulf States and Iran. The controversial file of non-peaceful Iranian nuclear development, the Gulf States fears of Iran's expansionist ambitions, furtiveness, and support of Shi'ite opposition over the Gulf countries raised the tensions within the Gulf States and threatened the stability of the region.

Despite Iran's claims among its leadership's inner core that its nuclear programs are meant for peaceful purposes, its previous trend has cast many doubts as to the sincerity of its stated nuclear ambitions. Consequently, Iran has made other Gulf States focus on protecting themselves from the imminent threat posed by this trend. The purchase of huge consignments of weapons and aircrafts by Saudi Arabia, Oman, the U.A.E, and Qatar is just one sign of the rising tension in the region. In order to keep stability in the region, Iran's nuclear programs must be contained and closely monitored. At the same time, the greatest dilemma that the Gulf States are now facing is how to maintain good relations with Iran while at the same time steering dialogue to persuade it to keep its nuclear ambitions only for energy generation purposes. In other words, many Gulf States perceive that the threat of confrontation would trigger an actual crisis in the region.

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<sup>88</sup> Kerr, *Iran's Nuclear Program: Status*.

#### **IV. REGIONAL COLLECTIVE SECURITY UNDER THE GCC**

There is no quick fix to the Arabian Gulf security dilemma. The Gulf States have survived many crises during the last three decades that have led to the destabilization of the region. However, in order to guarantee their future security, the Gulf States must tackle the current security situation with long-term strategic plans. It is worth noting that Gulf security will neither be achieved by containing the threats posed by Iran alone, nor by relying on the military might of the various Gulf States. Rather, it is incumbent upon all the Gulf countries to develop a comprehensive security strategy on the basis of their interests and their capabilities. This strategy should also consider the interests of major powers such as the United States and other western countries that can play a key role in maintaining the security of the Gulf region.

Following the diminished role of Iraq as one of the regional actors in the maintenance of Gulf stability, the Gulf has seen a great regional imbalance. At the same time, the burden of ensuring regional security has been transferred to the United States. The Gulf States do not have the capacity to counter Iran's rising power. They also lack the capability to fill the power vacuum after the withdrawal of American forces from Iraq. However, the Gulf States can work hand-in-hand to enhance regional security through the Gulf Cooperation Council (GCC). Regional security was the motivation behind the establishment of the Council, which paved the way for the establishment of strategic cooperation and defensive arrangements. Regional security is one of the building blocks in the structure of the Gulf Cooperation Council. This means dealing with the humongous security challenges that face the region as a way of strengthening the essence of the Council. Currently, Iran's nuclear ambition represents a serious threat to regional stability.

This chapter argues that the Gulf States, through working in collaboration with the Gulf Cooperation Council (GCC) can mount a sufficient force to deal with the numerous security issues affecting the region, including Iran's nuclear threat. In this regard, the chapter portrays the GCC as a means, or an essential tool, that would promote the cooperation needed to regain regional balance and stability. The chapter will discuss

the engagement with Iran, sanctions, and the impact of a military solution. In addition, this chapter will give attention to the establishment and the role of the Gulf Cooperation Council and U.S. involvement in Gulf regional security. The chapter wraps up the discussion by outlining several recommendations on how Gulf States can improve the current situation and cease living in political and economic quagmire.

#### **A. THE GULF COOPERATION COUNCIL**

During the 1980s, the region experienced major developments: the withdrawal of the British army from the region, the Iranian Revolution, the Iran-Iraq War, and the Soviet invasion of Afghanistan. The events came hard, within a decade, moving the region toward a new era of challenges. Given the need to have a coordinated resistance against outside intervention, the Arab Gulf states realized that they had to react collectively to be able to achieve stability and security in the region. Because they shared a common culture and had similar socioeconomic and political structures, the Arab states were prepared to cooperate and establish an organization that would help them to coordinate and protect their common interests.<sup>89</sup>

On March 10, 1981 at Muscat, Oman, the Gulf Cooperation Council (GCC) was shaped. The first heads of state meeting was held at Abu Dhabi, UAE, on May 26, 1981. The organization's headquarters is in Riyadh, Saudi Arabia. The GCC was set up as a regional economic and defense organization.<sup>90</sup> The member nations of the GCC reflect "the historic, geographic, economic, cultural, political and strategic realities of the Gulf."<sup>91</sup> The creation of the GCC organization was primarily aimed at shielding the stability and ensure the security and progress of the region. The membership of GCC is currently made up of six states, most of them situated along the Arabian Gulf. This

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<sup>89</sup> Turki al Hamad, "Will the Gulf Monarchies Work Together?" *The Middle East Quarterly* IV, no. 1 (March 1997): 47-53.

<sup>90</sup> John E. Jessup, *An Encyclopedic Dictionary of Conflict and Conflict Resolution, 1945-1996*, (Westport, CT: Greenwood Press, 1998), 262.

<sup>91</sup> Tom Najem and Martin Hetherington, *Good Governance in the Middle East Oil Monarchies* (New York: Cengage Learning, 2003), 30.

membership includes the Kingdom of Saudi Arabia (KSA), Kuwait, Bahrain, Oman, United Arab Emirates (UAE) and Qatar, which are known collectively as the Gulf States.<sup>92</sup>

The coherence between the GCC countries enables them to achieve several fundamental aspects of their cooperation. These include adopting relatively common positions toward political issues, establishing policies built on principles of good-neighbourliness, avoiding interference in internal affairs, respecting the independence of each state over its territory and resources, and adopting the standard or principle of dialogue and peaceful methods of settling disputes. This collaboration gave the GCC a great deal of credibility as an international organization in this dynamic and vital region.<sup>93</sup> The GCC's deeply rooted religious and cultural ties help the member states to sustain connections with each other. At the same time, the ties facilitate networking and communication among the populations and create an association among the people of this region through homogeneous identity and values. The continuation of the GCC should help the region achieve the desired development and protection.<sup>94</sup>

At first glance, the goals or objectives of the GCC appear to closely mirror those of the European Union (EU). However, the gist of the GCC objectives is to foster very close ties among the Gulf States. The GCC was created not to become a redundant alliance based solely on economic ties, but also an alliance based on a common interest in matters of security. The key words that gave the impetus of forming this organization are “special relations,” “joint creed,” “similarity of regimes,” “unity of heritage,” and cooperation and coordination among these states that would translate into development and stability.<sup>95</sup>

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<sup>92</sup> Europa Publications Limited, *The Middle East and North Africa, Volume 50* (New York: Routledge, 2003), 1318.

<sup>93</sup> Haim Shaked and Daniel Dishon, *Middle East Contemporary Survey Vol. 8, 1983–84* (Tel Aviv: The Moshe Dayan Center, 1986), 387.

<sup>94</sup> Ibid.

<sup>95</sup> Country Studies, “Collective Security under the Gulf Cooperation Council, (n.d.), <http://countrystudies.us/persian-gulf-states/96.htm>.

## B. PENINSULA SHIELD FORCE

If there is one lesson the GCC has learned from the invasion of Kuwait in 1990, it is that the Gulf States should develop their military capabilities and capacity to protect its existence. In order to do that, the GCC formed its own security and defense alliance that is called Peninsula Shield Force (PSF).<sup>96</sup> Although this idea was conceived in the early 1980s, it was only realized after the evident ineffectiveness of the force during Operation Desert Storm, in which external assistance was essential. Iraq's invasion of Kuwait showed that Gulf States lacked the capability to mount an effective deterrence, even though they could afford to buy the best equipment and supplies for their armed forces.<sup>97</sup>

The function of the PSF is similar to the North Atlantic Treaty Organization (NATO), which is centered on common (regional) defense and cooperation among its members. It requires its members to come to the support of the other when the latter is attacked; such was the case of Kuwait. Its armed forces would conduct regular training exercises with each other to prepare themselves. In the beginning, the Gulf States saw both Iran and Iraq as grave threats. Nowadays, Iran ranks high on the GCC list of threats.<sup>98</sup>

During Operation Desert Storm, despite the defensive role given to them in safeguarding Saudi Arabia, the GCC states lacked significant resources, such as air defenses to stop Iraq's SCUD missile attacks. In fact, protection against such attacks was provided by the American air defense systems. Several GCC states have entered into separate agreements with the United States. The agreements range from purchasing military equipment to permitting U.S. forces to install pre-positioned equipment that would be ready to use should war break out again in the region. The PSF lacks sufficient manpower, as evidenced by the commitment of the members who can only send a

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<sup>96</sup> Kareem Shaheen, "Defensive Shield for the Gulf Since 1982," *The National*, March 11, 2011, <http://www.thenational.ae/news/uae-news/defensive-shield-for-the-gulf-since-1982>.

<sup>97</sup> Ibid.

<sup>98</sup> Will Fulton and Ariel Farrar-Wellman, "GCC-Iran Foreign Relations," *AIE Iran Tracker*, July 21, 2011, <http://www.irantracker.org/foreign-relations/gcc-iran-foreign-relations>.

brigade at the most. It is for this reason that it turned to other Arab League neighbors such as Egypt and Syria to augment its small forces during Operation Desert Storm.<sup>99</sup>

In 1991, Oman, as a member of the GCC countries, suggested that the number of military personnel in the Peninsula Shield Force should reach 100,000.<sup>100</sup> However, the concern at that time was about the manpower target and whether administrative and technical problems could be overcome. In December 2000, the GCC States adopted a joint defense agreement aimed at enhancing the collective defense capability. This was an agreement aimed at increasing the Peninsula Shield Force from 5,000 to 22,400 soldiers.<sup>101</sup>

Lately, the Gulf Cooperation Council's Peninsula Shield has developed a quick-reaction force consisting of 9,000 troops to be located in Saudi Arabia. The announcement came after the representatives of the GCC countries met in Qatar on January 30, 2008.<sup>102</sup> The aim of the new force is to assemble the various elements in the affected region during any crisis within the GCC member states. If the situation requires more force, the GCC countries will send more military units, which will be under the command of their respective countries. The collective security agreement outlines several aspects of military cooperation and joint projects. These include cooperation in terms of linking air operations centers and air defense forces by establishing a GCC-wide C4I system for air defenses. In addition, the agreement targets the launch of secure communications to link the armed forces of the countries of the Council.<sup>103</sup>

Overall, the agreement intended to unify the military concepts in the countries of the Council in a bid to increase solidarity and to facilitate the exchange of support. The GCC, as an organization, has indeed achieved significant progress in political and economic areas. However, the Gulf States need to improve the level of their cooperation

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<sup>99</sup> Glenn P. Kuffel, "The Gulf Cooperation Council's Peninsular Shield Force," *DTIC*, February 7, 2000, <http://oai.dtic.mil/oai/oai?verb=getRecord&metadataPrefix=html&identifier=ADA378521>.

<sup>100</sup> Country Studies, "Collective Security under the Gulf Cooperation Council.

<sup>101</sup> M. S. Vassiliou, *The A to Z of the Petroleum Industry* (New York: Scarecrow Press, 2009), 228.

<sup>102</sup> Riad Kahwaji, "GCC Creates Quick-Reaction Force," *Defense News*, February 4, 2008, <http://www.defensenews.com/story.php?i=3354407>.

<sup>103</sup> *Ibid.*

and put the defense issue at the top of the list on their agenda. Because of the uncertainty about the future of the Gulf region and the Middle East in general, the Peninsula Shield Force should be the first line of defense against any threat before calling on support from the various Gulf States' allies. Therefore, strengthening the Peninsula Shield Force remains paramount.<sup>104</sup>

### **C. THE UNITED STATES' INVOLVEMENT IN GULF REGION SECURITY**

The Gulf region is at the heart of the United States and Western countries' interests as it is one of the most important oil producing regions in the world. Since the British withdrawal from the region in 1970, the United States has been playing a vital role in guaranteeing the security of the Gulf Region and ensuring that the flow of oil is not interfered with. Many approaches were taken by the United States to establish and maintain stability, or some degree of stability, in the region. After the withdrawal of the British, former U.S. President Richard Nixon moved to fill the power vacuum in the Gulf region. Nixon applied the twin-pillar policy to develop both Iran and Saudi Arabia's military capabilities to maintain American interests in the region and to avoid any further military burden.<sup>105</sup> At the time, the United States was facing numerous challenges as it was actively involved in the Vietnam War and the two powers, the Soviet Union and China, threatened its interest in the Gulf.<sup>106</sup>

The main goal of the twin-pillar policy was to hold back the Soviet expansion in general and to contain Iraq, given that the USSR was backing Saddam Hussein's regime. "By the mid-1970s the single pillar of Iran, under Shah Reza Pahlavi, had become the policeman of the Gulf, while the United States maintained a modest military presence in the region."<sup>107</sup> The political scene totally changed after the Iranian Revolution of 1979, where the United States lost the shah as an important ally. Following this turn of events,

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<sup>104</sup> Augustin Sankt and Christian Koch, "The GCC as a Regional Security Organization," Konrad Adenauer Stiftung, November 10, 2010, <http://www.kas.de/wf/en/33.21076/>.

<sup>105</sup> Joseph Kostiner, *Conflict and Cooperation in the Gulf Region* (Berlin: VS Verlag, 2009), 142.

<sup>106</sup> Douglas J. Murray and Paul R. Viotti, *The Defense Policies of Nations: A Comparative Study* (Baltimore: JHU Press, 1994), 53.

<sup>107</sup> Christopher C. Joyner, *The Persian Gulf War: Lessons for Strategy, Law, and Diplomacy* (New York: Greenwood Press, 1990), 129.



the situation for the U.S. was not getting any better. In fact, events were at a turning point in the relationship between the U.S. and Iran and the beginning of a long history of animosity.<sup>108</sup>

The overthrow of the Shah and the Soviet invasion of Afghanistan incited the Carter Doctrine, “which was a military commitment to protect the region against outside forces.”<sup>109</sup> The Carter Doctrine was a critical concept for the United States’ strategy over the Gulf region. The Carter Doctrine was put into practice in the Iraq-Iran war by “reflag,” the Kuwait Oil tanker and their protection by U.S. naval forces against Iran’s threats.<sup>110</sup> In light of the Carter Doctrine, the United States moved to protect its interests and liberate Kuwait and protect Saudi Arabia. In the aftermath of the Gulf war, the Gulf States signed military agreements with the United States. These included military deals to provide training to the Gulf States’ armies in addition to holding joint exercises. The agreements also included increasing the U.S. presence, with full access to the lands, seas and skies of the Gulf States. Iran perceived these military treaties as a counterweight to its rising power.<sup>111</sup>

The U.S. also followed the strategy of “dual containment” during Clinton’s administration. The aim of the policy was to isolate Iraq and Iran. However, Clinton’s administration faced difficulties applying dual containment on the ground because of the lack of international support. At the economic level, dual containment ended up hurting the United States more than Iran. At the end of the day, Iran survived this new policy strategy and went ahead and enhanced its military capability.<sup>112</sup> Following the September 11, 2001, the Bush administration adopted the “Bush doctrine” with its pretext of a preemptive attack and spreading democracy or a new world order.<sup>113</sup> The major

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<sup>108</sup> Joyner, *The Persian Gulf War: Lessons for Strategy, Law, and Diplomacy*, 129.

<sup>109</sup> Kostiner, *Conflict and Cooperation in the Gulf Region*, 55.

<sup>110</sup> Farhang Rajaei, *The Iran-Iraq War: The Politics of Aggression* (Berkeley: University Press of Florida, 1993), 127.

<sup>111</sup> Jamal S. Suwaidi, *Iran and the Gulf: A Search for Stability* (New York: I.B.Tauris, 1996), 131.

<sup>112</sup> Anthony H. Cordesman and Ahmed Hashim, *Iran: Dilemmas of Dual Containment* (Boulder City: Westview Press, 1997).

<sup>113</sup> Mark Rigstad, “The ‘Bush Doctrine’ As A Hegemonic Discourse Strategy,” *Critical Review of International Social & Political Philosophy* 12, no. 3 (2009): 377–398.

consequence of this new policy was the elimination of Saddam's and Taliban regimes. This, in effect, had an advantage on Iran's fervent ambition to step several rungs up towards attaining regional dominance.

#### **D. A MEANS TO CONTAIN IRAN'S NUCLEAR AMBITION AND THE ROLE OF THE GCC**

The incessant efforts to acquire nuclear weapons by Iran are based on the fact that Iran feels insecure as a country as it has experienced major external and internal threats. The events that led to the Iranian revolution in 1979, as well as the huge losses that Iran suffered during its war with Iraq, will always be memorable aspects that will keep making Iran determined to be militarily superior. Moreover, Iran considers the United States a major obstacle to its expansionist dream. This negative attitude of Iran towards the U.S. has a long history, but seems to have heightened after the U.S. invaded and occupied Afghanistan in 2001, and Iraq two years later. This invasion and occupation was, in the eyes of Iranian leaders, a U.S.-led campaign intended to ultimately bring about a regime change in Iran. Iran's feeling of insecurity has also been augmented by the 2009 protests that followed its presidential elections. These were interpreted by Iranian authorities as an attempt to topple the regime. Therefore, the overall picture of Iran's determination to develop nuclear weapons could better be visualized through the prism of its enmity with the U.S.<sup>114</sup>

Nevertheless, Iran's nuclear weapons are not a guarantee to its security; on the contrary, it is an invitation to enter into an arms race, which is not for the good of the region and would affect the security and economic development of the whole region. The highest priority for the Gulf States is to work with the international community in making the Gulf region free from weapons of mass destruction (WMD) by all available means. In this regard, the international community developed two approaches to prevent Iran from carrying out its suspect nuclear program: engagement and sanctions. The first approach

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<sup>114</sup> Alireza Nader, "Iran and a Nuclear-Weapon-Free Middle East," *Arms Control Association*, September 2011, <http://www.armscontrol.org/print/5013>.

aims at engaging with Iran through international organizations such the United Nations (UN), the International Atomic Energy Agency (IAEA), and the European Union (EU).<sup>115</sup>

Alternatively, the international community has also established a platform for negotiation through several world powers: Russia, China, France, Great Britain, and Germany. The goal of these approaches is to prevent Iran from achieving its uranium enrichment program and to accept the deal to get enriched uranium from another party under the direct supervision of the IAEA. In addition, it is a way of ensuring that the program meets the standards set by the IAEA such that it will not pose any threat to either Iran's citizens or the security of the Gulf region.<sup>116</sup>

So far, these proposals have not been accepted by Iran and it remains determined to carry on with its plans. It is worth noting that the Gulf States have not taken an active role in such negotiations between the international community and Iran, as they ought to. Using all means of looking at the issue, the Gulf Cooperation Council countries are supposed to be the main players in all the decisions that will be made regarding Iran's nuclear program. In other words, any concessions made by Iran or the Western countries ought to emanate from discussions in which the GCC member countries have been involved. If anything, GCC countries would be the first to suffer if a decision is reached where only military action can lay the issue to rest. This would normally result if all possible peaceful approaches have been exhausted without success.<sup>117</sup>

It is also worth noting that in the event of such a conclusion to the issue, the U.S. would need the support of the GCC countries in executing military strikes against Iran. Therefore, it is only logical that GCC countries take on an active role in order to facilitate a lasting peaceful solution and encourage Iran to cooperate more with the international community. Consequently, any comprehensive peace agreements will be beneficial, not

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<sup>115</sup> Gregory L. Schulte, "Stopping Proliferation Before It Starts," *Foreign Affairs* 89, no. 4 (2010): 85–95, <http://www.foreignaffairs.com/articles/66452/gregory-l-schulte/stopping-proliferation-before-it-starts>.

<sup>116</sup> The New York Times, "Iran's Nuclear Program," November 22, 2011, [http://topics.nytimes.com/top/news/international/countriesandterritories/iran/nuclear\\_program/index.html](http://topics.nytimes.com/top/news/international/countriesandterritories/iran/nuclear_program/index.html).

<sup>117</sup> Mahmoud Habboush, "GCC Has a Big Stake in US-Iran Relations," *The National*, January 9, 2009, <http://www.thenational.ae/news/uae-news/gcc-has-a-big-stake-in-us-iran-relations>.

only to the GCC member states, but also to the whole Gulf region. It will be difficult if not impossible to find comprehensive peaceful solutions to Iran's threat to peace if the international community sidelines the interests of the GCC countries.<sup>118</sup>

In the meantime, the GCC member states have continued to encourage and support the ongoing negotiations and dialogue between Iran and the international community. The GCC countries believe that although these negotiations seem to have sidelined them, they have the potential to prevent the escalation of tension and misunderstandings in the Gulf region.<sup>119</sup> Moreover, an open dialogue with Iran can offer a peaceful means to limit Iran's behavior. Such limits are really in the interest of the security of both sides. Furthermore, dialogue and negotiation with Iran are ways in which the GCC countries, along with Western countries including the U.S. can influence Iranian public opinion.<sup>120</sup>

The negotiations have the potential to ultimately send the message to the public and the government opposition in Iran that the international community is not out to express hostility to Iran. Rather, it is out to seek cooperation and mutual understanding, which will be instrumental in promoting the interests of all the parties involved.<sup>121</sup> The Gulf Cooperation Council welcomed international efforts to pursue a peaceful solution through diplomatic means. The GCC called for work on a political settlement that would remove doubts over the nature of the Iranian nuclear program. The Gulf States emphasized the right of all countries to have peaceful nuclear energy within the context of international agreements, and based on regulations of the International Atomic Energy Agency and with the agency's supervision.<sup>122</sup>

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<sup>118</sup> Habboush, "GCC Has a Big Stake in US-Iran Relations."

<sup>119</sup> Ibid.

<sup>120</sup> Anthony H. Cordesman, Vivek Kocharlakota and Adam Seitz, "Strategic Competition with Iran: The Military Dimension," *Center for Strategic and International Studies*, August 13, 2010, <http://csis.org/publication/iranian-strategic-competition>.

<sup>121</sup> Ibid.

<sup>122</sup> Xinhua News Agency, "GCC Calls for Peaceful Solution to Iran's Nuclear Issue," December 15, 2009, [http://news.xinhuanet.com/english/2009-12/15/content\\_12652469.htm](http://news.xinhuanet.com/english/2009-12/15/content_12652469.htm).

Iran's isolation from the rest of the world as well as the ongoing sanctions against it has adversely affected its economy. Today, Iran is in a mess, domestically, suffering from weak and slow growth, declining industry, and a high unemployment rate. There are some options available to the GCC countries to give Iran security guarantees, as well as economic and trade advantages. For example, GCC countries, under the supervision of the U.S. can increase their ties with Iran by increasing their investments in Iran's faltering economy. This will open new negotiation channels regarding Iran's nuclear program. Furthermore, geopolitically, Iran and the Gulf States share common interests in the Gulf region's stability, especially in the stability of the oil supply and oil prices. This should allow more opportunities for long-term cooperation with Iran.<sup>123</sup>

#### **E. THE ROLE OF THE GCC ON THE SANCTIONS AGAINST IRAN**

The UN and international entities imposed sanctions on Iran in an attempt to force Iran to comply with international pressure over its activities and its nuclear program. Sanctions included military exports to Iran, and the transfer or sale of combat tanks and armored vehicles, warships, missiles or missile systems to Iran. The sanctions also touched on investments in oil, exports of petroleum products, gas and petrochemicals, banking and insurance transactions, and economic isolation.<sup>124</sup> The latest reports show that there is a steady and remarkable impact on Iran due to these global sanctions. The International Energy Agency (IEA) reported that "Iran is facing serious domestic problems over its ability to manage increased fuel demands with contracting supply." In addition, Iran is facing difficulties in accessing the financial services it requires to generate its economy and can lose up to \$60 billion in oil investments.<sup>125</sup>

Stuart Levey, a financial expert, said to the House Committee on Foreign Affairs that "With great regularity, major companies are announcing that they have curtailed or

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<sup>123</sup> Michael Ryan Kraig, "Realistic Solutions for Resolving the Iranian Nuclear Crisis," *The Stanley Foundation*, April 2005, <http://www.stanleyfoundation.org/publications/pab/GSI05pab.pdf>.

<sup>124</sup> U.S. Department of the Treasury, Office of Foreign Assets Control, "An Overview of O.F.A.C. Regulations Involving Sanctions Against Iran," (n.d.), <http://www.treasury.gov/resource-center/sanctions/Programs/Documents/iran.pdf>.

<sup>125</sup> Jewish Press International, "Officials to House Committee: Iran Sanctions Having an Impact," December 3, 2010, <http://www.jewpi.com/officials-to-house-committee-iran-sanctions-having-an-impact/>.

completely pulled out of business dealings with Iran.” He added, “As has been widely reported, Iran’s leadership appears to have underestimated the severity and effects of the global financial measures, giving rise to internal Iranian criticism and finger-pointing.”<sup>126</sup> In addition, according to William Buns, the Undersecretary of State, the sanctions have hindered the progress of the Iranian nuclear programs “while making it harder for Iran to continue its destabilizing activities in the region.”<sup>127</sup> In addition, the Iranian civil aviation sector is the most affected by the sanctions. Boeing and Airbus represent the main spare parts suppliers for Iran civil aviation, and with the new sanctions, both companies stopped supplying Iran with spare parts. Since then, Iranian airlines are deprived of modern aircraft, relying on the used Russian aircraft, which are often broken.<sup>128</sup>

Some countries, especially those who have commercial interests with Iran, decline some of these sanctions to protect their interests. Iran has global trade ties and has a leading role in energy production. This makes it difficult to isolate Iran internationally. For example, China and Russia want to maintain relations with Iran to have access to the country’s oil. Sanctions are strengthening Iran’s ties with Russia and China, giving them opportunities to import more oil while Iran’s trade ties with Europe shrink.<sup>129</sup>

Within the Gulf region, the increasing cooperation between the GCC countries and the UN/U.S. policies to isolate Iran economically have been a major obstacle in Iran’s diplomatic and economic efforts to improve its ties with the GCC countries over the last ten years. Economic diplomacy represents an essential pillar of Iran’s strategy toward the GCC countries during the last decade. Iran was trying to improve its value with the GCC countries as an economic partner by increasing and developing its volume of investment and trade with these countries in the region. In addition to this deliberate

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<sup>126</sup> Jewish Press International, “Officials to House Committee: Iran Sanctions Having an Impact.”

<sup>127</sup> Ibid.

<sup>128</sup> Varun Vira et al., “Sanctions on Iran: Reactions and Impact,” *AIE Iran Tracker*, November 1, 2011, <http://www.irantracker.org/us-policy/sanctions-iran-reactions-and-impact>.

<sup>129</sup> Ali Sheikholeslami, Anthony DiPaola, and Alaric Nightingale, “Iran Sanctions Leave China, Russia as Winners in Trade,” *Bloomberg*, August 8, 2010, <http://www.bloomberg.com/news/2010-08-08/china-embracing-iran-raises-reliance-ship-costs-as-un-sanctions-take-toll.html>.

policy, Iran was forced to depend more on trade with the Gulf States, especially the UAE, as an outcome of the escalating sanctions. Currently, the difficulties Iran faces in trading with Europe have forced Iran to rely more on trading with the GCC countries.<sup>130</sup>

Iran sanctions have also had a large impact on the GCC countries such as the United Arab Emirates, which represent a vital transshipment point to export and re-export goods to Iran. The UAE is the largest trade partner in the region with Iran, and home to the largest Iranian community in the region. It also hosts thousands of Iranian businesses. In an effort to comply with the UN Security Council sanctions decision, the UAE has indicated that it will regulate its role as a financial and trading lifeline for Iran. The UAE central bank has frozen dozens of accounts belonging to individuals targeted by U.N. sanctions.<sup>131</sup>

Dubai, a major trade partner with Iran in the region, has yielded to the pressure by the United States, persuading the federal government in the capital, Abu Dhabi, to forbid any goods or items bound for Iran that could have dual military and civilian uses.<sup>132</sup> Yet, such regulations and strict rules in the trade exchange have affected trade relations between Dubai and Iran. The sharp decline in the trade between Iran and the UAE, particularly Dubai, has affected Dubai's economy. Regarding this issue, Morteza Masoumzadeh, the Vice President of the Iranian Business Council, said, "Over the past six months our company's business has gone down by 60 percent," and he added, "There is a severe impact on trade between the UAE and Iran due to the current sanctions, particularly on the banking sector."<sup>133</sup>

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<sup>130</sup> Nader Habibi, "The Impact of Sanctions on Iran-GCC Economic Relations," *Scribd*, November 2010, <http://www.scribd.com/doc/41073751/The-Impact-of-Sanctions-on-Iran-GCC-Economic-Relations>.

<sup>131</sup> Al Arabiya News, "UAE Freezes Four Iranian Bank Accounts: Report," February 27, 2011, <http://www.alarabiya.net/articles/2010/09/07/118721.html>.

<sup>132</sup> Acil Tabbara, "Dubai Trade in the Frontline of Iran Sanctions," *Middle East Online*, June 11, 2010, <http://www.middle-east-online.com/english/?id=39508>.

<sup>133</sup> Martina Fuchs, "Sanctions Squeeze Dubai's Trade with Iran," *Iran Focus News & Analysis*, November 30, 2010, [http://www.iranfocus.com/en/index.php?option=com\\_content&view=article&id=22314:sanctions-squeeze-dubais-trade-with-iran&catid=31:economy&Itemid=46](http://www.iranfocus.com/en/index.php?option=com_content&view=article&id=22314:sanctions-squeeze-dubais-trade-with-iran&catid=31:economy&Itemid=46).

The amount of trade between the GCC countries and Iran was limited until 2000. Beginning in 2000, the importation and exportation between the GCC countries and Iran has grown steadily. GCC exports to Iran enjoyed an interest growth, starting with \$1.3 billion in 2000 and reaching \$13.4 billion in 2008. Iran's exports to GCC countries increased as well, from \$630 million in 2000 to \$2.62 billion in 2008. In 2009, the statistics show a decrease in the volume of trade between the GCC countries and Iran as a result of the sanctions on Iran.<sup>134</sup>

Following the concerns about the Iranian nuclear program and the possibility of losing U.S. trust and support by not supporting the sanctions on Iran, the GCC countries started to cut down the trade volume with Iran. As a result, the 2010 statistics show a decline in the trade relations between Iran and the GCC countries. By considering how the events have progressed over the years, signs indicate that all GCC countries will continue supporting sanctions on Iran as long as the nuclear program issue remains unresolved, whether diplomatically or militarily. According to the UAE Foreign Minister, Shaikh Abdullah Bin Zayed Al Nahyan, the UAE will treat the international sanctions against Iran with respect as long as a diplomatic solution to Iran's nuclear issue remains elusive. Furthermore, every country is bound to respect UN resolutions.<sup>135</sup>

#### **F. THE NEGATIVE IMPACTS OF A MILITARY SOLUTION IN THE REGION**

The sanctions on Iran have only helped to slow down Iran's nuclear program, but cannot stop it. Efforts by the U.S. and its allies to build obstacles in the face of Iran's ambitions are facing resistance from Russia, India, Turkey and China, which are rushing to expand their economies by snatching up the investment opportunities in Iran. The actions by these countries have been noted, regardless of the sanctions imposed by the U.S. For instance, all four countries have signed agreements and announced investment deals in Iran's gas and oil fields. From the general assessment of the economic

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<sup>134</sup> Nader Habibi, "The Impact of Sanctions on Iran-GCC Economic Relations," *Scribd*, November 2010. <http://www.scribd.com/doc/41073751/The-Impact-of-Sanctions-on-Iran-GCC-Economic-Relations>.

<sup>135</sup> John Cherian, "Gulf Concerns," *Frontline* 28, no. 1 (January 1-14, 2011), <http://www.frontline.in/fl2801/stories/20110114280105600.htm>.



punishment on Iran, reports show that even though these sanctions have inflicted damage on Iran, there are no signs that Iran's government is willing to cooperate with international demand as a way of getting relieved of the sanctions' pressure.<sup>136</sup>

Furthermore, the U.S. and its allies from the West have studied the military options against Iran. The impacts of a military option could go beyond the predictable negative results. A group of researchers analyzed the possible consequences that taking a military action against Iran would precipitate. They found that regardless of the fact that the military strike would destroy the nuclear program and its facilities, Iran would have several methods to respond to the attacks. Firstly, the experts indicate that Iran would cut the lines of production and export of the Gulf oil and move swiftly to act upon the Shi'ite insurgents in Iraq to fight against the invading forces. Iran would also call upon its allies in Lebanon to attack Israel, since it is a major ally of the United States.<sup>137</sup>

In addition, the military option against Iran may actually increase Iran's determination to rebuild its nuclear program and develop it rapidly to gain nuclear weapons. If this point is reached, the whole direction of the war would see a dramatic shift in terms of magnitude and the number of countries involved. At the end of the day, the issue would become more complex and difficult to resolve as the involved countries suffer huge losses. These considerations underpin the fact that the issue of Gulf security, in general, and that of Iran's nuclear threat, in particular, do not have a quick fix. Moreover, the GCC countries are very much aware that any military operation against Iran would cause the tension bubble to burst, resulting in untold suffering of their people. On this issue of a military option, it is worth bearing in mind that the GCC countries host large numbers of U.S. military, given that they have made several agreements with the U.S. to cooperate in various military aspects.<sup>138</sup>

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<sup>136</sup> Kevin Drum, "Iran Sanctions Not Working," *Mother Jones*, August 9, 2010, <http://motherjones.com/kevin-drum/2010/08/iran-sanctions-not-working>.

<sup>137</sup> Jo-Anne Hart, "Perceptions and Courses of Actions toward Iran," *Military Review* 85, no. 5 (2005): 9–21, <http://merln.ndu.edu/archive/MilitaryReview/hart.pdf>.

<sup>138</sup> Lynn E. Davis, Jeffrey Martini, and Alireza Nader, *Iran's Nuclear Future* (New York: Rand Corporation, 2011), 83.

These hosted U.S. forces include the 5th Fleet that has its base in Bahrain and the U.S. Central Command with its military base in Qatar. Therefore, the GCC states are concerned about any decision made in favor of the military option against Iran as they would be implicated in terms of retaliatory attacks being targeted on them. This possibility is not only supported by some GCC countries hosting U.S. military, but also by past experiences. Iran is historically known to target the Gulf States during conflicts in which these countries have not been directly involved, a good example being the Tanker War during Iran's attempt to expand far and wide during the Iran-Iraq War. These considerations justify the concerns of the GCC states that, in the event of military strikes on Iran, they would pay the biggest price. In this regard, it is unlikely that the GCC countries would support such an initiative.<sup>139</sup>

It is noteworthy that during the last two decades, the stability of the Gulf region has been badly shaken by wars. The fact that war has been a frequent phenomenon in this region has elicited concerns over the possibility of another war erupting. As a result, an arms race has been triggered in the region with some of the Gulf States spending billions of dollars on the purchase of military equipment and weapons. This fact illuminates the extent of the chaos that would result from the use of military force to persuade Iran to relinquish its nuclear ambitions. Moreover, oil production and supply will be affected as 40 percent of this oil goes through the Straits of Hormuz.<sup>140</sup> Therefore, a military attack on Iran would not only cause economic havoc in the Gulf region but also on the entire global economy. To add insult to injury, the region's stability would be subject to the progress of the Iranian nuclear crisis. In other words, it would narrow the options available for attaining regional stability and all eyes would focus on the state of Iran's nuclear program.<sup>141</sup>

Consequently, there should be a better solution than the military option or imposing more sanctions on Iran. Countries such as Russia, China and Turkey have

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<sup>139</sup> Davis, Martini, and Nader, *Iran's Nuclear Future*, 83.

<sup>140</sup> House of Commons, Foreign Affairs Committee, *Global Security: Iran, Fifth Report of Session 2007–08, Report, Together with Formal Minutes, Oral and Written Evidence* (London: The Stationery Office, 2008), 159.

<sup>141</sup> *Ibid.*

announced that the diplomatic solution should have positive results, and should lead to reasonable agreements in the end. China, for example is of the opinion that more sanctions on Iran could minimize chances for a diplomatic settlement. Mr. Yang, China's Foreign Minister said, "To talk about sanctions at the moment will complicate the situation and might stand in the way of finding a diplomatic solution."<sup>142</sup> Therefore, the GCC countries should follow the same path of diplomacy towards creating stability in the region and avoid any unfortunate end.

In any case, if a successful and unbiased military solution is to be achieved, the GCC countries will have to unanimously support the United States. However, they can only do so as a last resort. This is a tricky decision considering its effect not only on the population of Iran, but on the entire region. Striking Iranian nuclear facilities could have severe effects similar to those experienced in Hiroshima and Nagasaki, as the nuclear program is located in a densely populated area of Tehran. However, this would not suppress military intervention, should the need arise, as allowing Iran nuclear proliferation would be more severe than the effects of disarming Iran. The Gulf States' support of a U.S. military solution could make Iran feel intimidated and force it to give in to international obligations. However, the military option should be the last resort when all other options absolutely fail.

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<sup>142</sup> World.Dawn.Com, "Iran Sanctions Talk Will Derail Diplomacy: China," February 4, 2010, <http://archives.dawn.com/archives/102877>.

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## V. CONCLUSION

### A. SUMMARY

The Arabian Gulf represents an important part in the world because of its wealth of natural resources, such as oil and gas. The security of the region is of great importance to the entire world and any further chaos in the Gulf region has the potential for shaking the global economy by causing an escalation in oil prices and triggering turbulence in the international market. The security of the Gulf region is directly related to the stability of the area, which comes by avoiding conflicts in the region and minimizing the level of tension between Iran and the Gulf States.

The region has experienced several wars over the last couple of decades and tensions and conflicts have no end in sight. During the last three decades, three major wars have been fought in the region with the resultant impact of reshaping the geopolitical scene. Regional conflicts have led to the rising of Iran as a State that intends to establish dominance in the region following the fall of Iraq. In the eyes of the United States, Iran is an obstacle, not only to the Gulf's political and economic stability, but also to its interests in the region. The situation cannot be anticipated to improve after the U.S. totally withdraws its presence from Iraq.

Iran's expansionist tendencies have disrupted its relationships with its neighbors over the course of history. This was particularly obvious in the aftermath of the Iranian Revolution in 1979 when Iran became overly eager to export its revolution and spread. However, the Iran-Iraq War halted Khomeini's dream. Nevertheless, the expansionist dream was revived after the next two wars were fought in the region. The fall of the Saddam regime significantly changed the geopolitical stage in the region and enabled Iran to advance in its position. Iran is now looking forward to a new era of power. Currently, Iran's activities and its political rhetoric have raised tension in the region.

Iran continues to destabilize the region by intervening in the Gulf States' internal affairs and using its great influence to control the Shi'ite factions in the region, which causes instability within the Gulf States. Concerns about Iranian expansion ambitions

were heightened after Iran announced its nuclear program. This announcement also generated serious security concerns within and without the Gulf Region. Iran's nuclear program alarmed not only the Gulf States, but also the international community.

The Gulf States' major concern is that Iran's nuclear program will be the tool through which it will expand its influence and achieve its ambitions to dominate the region. Furthermore, Iran's nuclear program has already had several impacts on the region. It has sparked an arms race in the region that has been characterized by the Gulf States committing huge budgets towards enhancing their military capabilities. They are doing this both as a deterrent against Iran's ambitions as well as a way of getting prepared for any future conflict in the region. The economy of Iran has suffered a major blow after the imposition of severe sanctions aimed at discouraging it from developing its nuclear program any further. Iran has been at loggerheads with the IAEA after violating the set standards and providing misleading information regarding its nuclear program. In fact, the former chief of the International Atomic Energy Agency, Mohamed El-Baradei is on record for describing Iran's attitude as "don't mess with us, we can have nuclear weapons if we want them."<sup>143</sup>

Currently, the Gulf States rely on the U.S. to deter Iran and protect the region. However, the withdrawal of American forces from Iraq will leave a power vacuum in the region and Iran will establish a new era of hegemony in the region. Therefore, the Gulf States should adopt sufficient approaches to deal with Iran. The Gulf States should adopt a comprehensive policy based on their common interests to contain Iran. The Gulf Cooperation Council is a unified force that can be actively involved in the negotiations towards a Gulf region that is free from tension.

The GCC member countries should strive to unify their political positions and work in collaboration with the international community to put more pressure on Iran to stop its nuclear program. Moreover, the Gulf States need to improve their collective military capability through the Peninsula Shield Force (PSF) in order to play a more

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<sup>143</sup> Grieboski, "Iran's Nukes: ElBaradei and IAEA Admit Iran Poised to Have Nuclear Weapons."

active role in protecting the region with the support of the U.S. This does not prevent the establishment of dialogue with the Iranian leadership to find appropriate solutions for all pending issues through the collective framework of the Gulf Cooperation Council.

## **B. RECOMMENDATIONS FOR THE GULF STATES' FUTURE**

The future of the Gulf States depends on their ability to maintain regional stability and security. This goal requires comprehensive strategies, both on the regional and international levels. The Gulf States sustainability requires full-scale reforms in economic, political and social areas as well as in the military. The Gulf region made it obvious that political stability cannot be separated from economic stability. The ongoing tension between Iran and the Gulf States affect the region's social and economic conditions, and consequently, disrupt development efforts. During the past two decades, conflicts have re-shaped the region by driving it into some sort of cruel circle where security, defense and a desire for arms has precluded the distribution of resources and the efforts necessary for fulfilling modernization and an overall development agenda. It is undisputable that an urgent resolve to avoid fueling tension and destabilization is needed.<sup>144</sup>

A huge gap has emerged between the Gulf States and the world in terms of the general development standards. The gap in terms of technological advancement between the Gulf States and the developed countries has left the Gulf States to rely on imported ready-made technologies. This shows that the Gulf States do not yet have the capacity to produce their own technologies. This can be attributed to the fact that the Gulf States did not adopt development strategies, and still has the problem of relying mainly a foreign labor force. In this regard, the first thing to do is for the Gulf States to develop their domestic technology industries.<sup>145</sup>

In order to retain economic, political and social stability, the GCC countries should take several measures. At the domestic level, they should modernize the

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<sup>144</sup> Zeev Maoz, Emily B. Landau, and Tamar Malz, *Building Regional Security in the Middle East: International, Regional and Domestic Influences* (New York: Routledge, 2004), 40.

<sup>145</sup> Kristian Coates-Ulrichsen, *Insecure Gulf: The End of Certainty and the Transition to the Post-Oil Era* (New York: Columbia University Press, 2011), 102.

establishment of the economy by boosting and encouraging private initiatives and assuring market freedom and movement of internal and external investments. Secondly, Gulf States should strive to improve their growth in gross domestic product (GDP), while at the same time, maintaining an acceptable income rate. In addition, the respective governments ought to privatize certain public sector projects as a way of expanding and encouraging the growth of the private sector. The creation of jobs should feature at the top of the agenda, given the high rate of unemployment amidst a burgeoning population. In addition, various Gulf States should try to develop local talent instead of relying on foreign expertise, which only encourages repatriation of the income earned.<sup>146</sup>

Improving the overall infrastructure is also critical for every GCC member country since this would promote long term investment. At the international level, the GCC countries should implement policies that will open the local markets to international trade. There should also be more practical steps towards attracting foreign direct investment. In addition, Gulf States should consider adopting a common strategy such as the establishment of the Gulf common market. The Unified Economic Agreement of the 1980 can be activated in the perspective of the economic incorporation strategy. There should also be the creation of a flexible and clear mechanism to tackle the trade measure that influences the interests of GCC trade partners.<sup>147</sup>

On the political front, Gulf States should consolidate their internal politics by expanding the opportunities for their citizens to be more actively and effectively involved in making political decisions. This is essential in neutralizing external influences. On the regional level, the Gulf States have to adopt a common foreign policy and formulate a strategic and global vision based on its collective interest. Reliance on foreign powers to provide protection during crises has negative implications. Therefore, it is important to strengthen the Peninsula Shield Force.

The formation of the Peninsula Shield Force marked the beginning of an integrated collective action. These included joint exercises, unification of the concept of

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<sup>146</sup> Coates-Ulrichsen, *Insecure Gulf: The End of Certainty and the Transition to the Post-Oil Era*, 102.

<sup>147</sup> Italian Industry & Commerce Office in the UAE, "The GCC Economic Agreement & Customs Law," (n.d.), <http://www.iicuae.com/externals/altamimi/GCCEconomicAgreements.pdf>.



management, weapons systems, and the establishment of joint arms industries as steps in strategic joint action.<sup>148</sup> As a first step, Gulf States should carry out their commitment of providing the required manpower from their home bases and develop a deployment mechanism of forces when needed. They should also accelerate joint military projects like the wide GCC C4I and security communications lines. Greater emphasis should be on the integration of the weapons systems of the Gulf States' armies and coordination over future arms deals to serve the strategic dimension of collective Gulf security.<sup>149</sup>

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<sup>148</sup> Shaheen, "Defensive Shield for the Gulf Since 1982."

<sup>149</sup> Country Studies, "Collective Security under the Gulf Cooperation Council."

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