The Gulf Monarchies Beyond the Arab Spring. Changes and Challenges

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INTRODUCTION

The international agreement on Iran’s nuclear programme between the P5+1 (Britain, China, France, Russia and the United States, plus Germany) and Iran on 14 July 2015 was reached while Saudi Arabia, Egypt and four of their other Gulf Cooperation Council (GCC) allies were engaged in a large-scale air campaign codenamed Operation Decisive Storm against the Houthis in Yemen – a conflict which resulted in more than 5,200 deaths as of 29 September, and more than 21 million people (80 percent of the population) in need of humanitarian assistance and with no access to safe water. This sequence of events has taken place while manipulation of the sectarian card has underpinned policy responses to the Arab Spring in the region and only heightened tensions between Iran and Saudi Arabia. Moreover, conflicting dynamics have been at play within the GCC since 2011. Fundamental divergences over the Muslim Brotherhood issue, and the post-Arab Spring Middle East in general, led to increasing tensions between Qatar and Saudi Arabia, the UAE and Bahrain. However, all the GCC monarchies have shown strong cohesion in dealing with internal peaceful protests, including on the occasion of the military intervention in Bahrain in 2011.

In this context, this chapter analyses the relationship between the Gulf monarchies and Iran after 2011, which has been marked by a regional struggle for influence between Saudi Arabia and Iran. This confrontation has plunged West Asia (and in particular, Yemen, Iraq and Syria) into the situation it is in today, and is also characterised by notable divergences of views and (political and economic) interests among the GCC states when dealing with Iran and the latter’s future role in the region.

The GCC was created in 1981 with the aim of “achieving unity” and formulating common regulations in fields including economics, customs, commerce, education and culture. The fact that the six monarchies share similar political systems and international allies and have survived similar challenges to their rule (Arab nationalism, socialism and revolutionary Islamism, to mention only a few) has been the most solid cement keeping the GCC alive. However, deep-founded divisions and power imbalances within the council led to it being largely unproductive over the first three decades of its existence. One of the best illustrations of this has been the single currency. The Gulf Monetary Council was established on 27 March 2010, but progress towards monetary integration has been negligible: Oman left in 2007 and the UAE stormed out of the project in 2009. Even on security issues, structural divergences of views have impeded the emergence of a common line. While Saudi Arabia (and more recently Qatar) has been funding Islamist groups and militants abroad since the 1980s, this has been a cause for concern in other GCC capitals, which are worried about a long-term boomerang effect on their own internal stability. More recently, Saudi Arabia, the United Arab Emirates and Bahrain have accused Qatar of interfering in their domestic affairs and supporting local Muslim Brotherhood cells.

At the beginning of 2011, when it became clear that protests would not only take place in Egypt...
and Tunisia but in the Gulf too, all the GCC ruling families agreed that they did not intend to go beyond what they fundamentally considered a red line, i.e. keeping the centre of political power (encompassing the executive and the legislative power) as their personal prerogative closed off from contestation. The potential scenario of a regional unbalancing of power driven by a lack of support from external allies (the overthrow of Hosni Mubarak in Egypt was often used as an example) led the GCC countries to temporarily set aside their differences and to find solutions together. All the GCC countries (even those which did not send troops) supported the Peninsula Shield intervention in Bahrain in 2011. The Bahraini authorities worked desperately to depict the uprising as a sectarian movement. This was done by not only blaming Iran for its supposed interference in the island’s internal affairs, but also by targeting activists on a sectarian basis. All the GCC rulers signed up, explicitly or implicitly, to the narrative that Iran was behind the protests. Obviously, this blame game served the purposes of the GCC’s ruling families, which by branding the protests as an exogenous product sought to avoid having to face indigenous grievances. In addition, the GCC countries coordinated financial aid to help Oman and Bahrain cope with the Arab Spring (an aid package worth US$ 20bn) in March 2011.

However, this support for its weakest links (Oman and Bahrain) was not the first step towards a strengthening of the ties between the GCC countries that Saudi Arabia may have hoped. In late 2011, King 'abd Allah of Saudi Arabia put forward a plan to create a Gulf Union which would cooperate on foreign policy and defence, as well as on trade and currency. The idea was supported by Bahrain – but only Bahrain. The other states all have had objections, due not only to their fear that such a structure could increase Saudi ambitions to dominate the smaller GCC states but also to their divergent priorities in foreign policy. While Qatar gave support to the Muslim Brotherhood, infuriating Saudi Arabia, strong reservations about the union were voiced in Kuwait in the name of preservation of the country’s parliamentary system, and in the UAE. Oman went even further and in November 2013 declared that it would not prevent the upgrading of the GCC into a union of six countries but would “not be part of it” if it were to happen.3

DIVERGENCES OF VIEWS TOWARD IRAN

While the creation of the GCC had its raison d’être as a reaction to the Islamic revolution in Iran and the Iran-Iraq war, overall a heterogenic combination of shared interests and shared concerns, suspicion and familiarity, ideological and geopolitical contrasts and pragmatism leaves the GCC with a confused attitude vis-à-vis Tehran. The approach of a number of GCC rulers remains marked by Iran’s foreign policy of exporting the Islamic revolution in the 1980s and suspicion (varying over time) of Tehran’s interference in the Gulf monarchies’ domestic politics in support of local Shi’i minorities. While this perceived threat posed by Iran to the GCC countries’ internal stability does not impede some common narrative about Iran, it is not shared to the same extent and in the same way by the monarchies, which explains their different attitudes toward Tehran. While Saudi Arabia and Bahrain have been the states in the GCC least open to Iran’s recent tentative

3 This was the second such statement by Oman, following the Minister Responsible for Foreign Affairs Yusuf bin ‘Alawi’s clarification in June 2012 that “the GCC union does not exist” and “subsists only among journalists” (H. al-Hina’i and E. al-Shidi, “Yusuf bin ‘Alawi: “La yujad ittihad”… wa-l-lajna “intahat” [Yusuf bin ‘Alawi: “The Union Does Not Exist”… and the Committee “Ended”], ‘Uman, 3 June 2012: 13).
international rehabilitation – viewing the United States’ rapprochement with Iran as a zero-sum game which could impact their own partnership with Washington – Oman has been the most open. The multidimensionality in the relations between the GCC monarchies and Iran is best exemplified by the UAE’s relationship with Iran.

Because of Dubai’s regional role as a re-export hub and its massive Iranian business community, the UAE was the second most affected country, after Iran itself, by international sanctions against Tehran. Between 2009 and 2014, business between the countries plunged by 83%. On the other hand, Abu Dhabi, which has branded Iran a threat to stability and national security since Tehran’s seizure in 1971 of the three islands of Abu Musa and Greater and Lesser Tunbs, has for long been one of the most intransigent vis-à-vis the concessions made in the nuclear negotiations. In 2010, the UAE ambassador to Washington, Yusef al-‘Otaiba, publicly endorsed the possibility of military action against Iran. Following the 2009 financial crisis and the rescue of Dubai by a $20 billion bailout from Abu Dhabi, Dubai had no other choice than to rigorously comply with sanction measures on commercial transactions and smuggling with Iran.

Of all the GCC members, Saudi Arabia and Bahrain demonstrate the most wariness and distrust toward Iran and the possibility of ending Tehran’s isolation. To this is added the rivalry since 1979 between monarchic Saudi Arabia and republican Iran for the political-religious leadership in the Muslim world and for regional hegemony in the post-Arab Spring Middle East. Saudi and Bahraini leaders frequently refer to the crucial role played by Iran in the early 1980s in organising the political arm of the Shirazi movement in the Gulf monarchies, and in particular to the plot against Bahrain’s ruling dynasty in December 1981 by the Islamic Front for the Liberation of Bahrain. In 2008, according to State Department cables released by WikiLeaks, King ‘Abd Allah urged the United States to strike in Iran and spoke of the need to “cut off the head of the [Iranian] snake.” During the 2011 popular peaceful protests in Bahrain, the Iranian card, and Iran’s alleged local supporters like the al-Wifaq political society, were used as a foil to convince both the Sunnis and secular Shi’a in Bahrain and the international community that the current regime, despite being authoritarian, was the lesser of two evils. This went with the development of a very anti-Iranian and (anti-Shi’i) rhetoric in many Saudi and Bahraini, but also Kuwaiti and Emirati, media.

The Shi’a in Bahrain and Saudi Arabia have long been perceived as having a historical experience of discrimination and deprivation of social opportunities, while the situation of their co-religionists in the other Gulf monarchies offers a very different picture. In Kuwait, the United Arab Emirates and Oman, wealthy Shi’i families play a prominent role in the economic and financial systems of the state and even enjoy top political positions. These three regimes have been less inclined than their Bahraini and Saudi counterparts to see Iranian Trojan horses in their domestic Shi’i minority. Shi’i groups in Kuwait, Oman and the UAE have been invaluable allies of the rulers throughout the twentieth and

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4 More than 10,000 firms in the emirate have Iranian ownership, according to Dubai’s Iranian Business Council. Ethnic Iranians account for 15 percent of its population (L. al-Nahhas, “Iran Merchants in Dubai Eagerly Await Sanctions Relief,” Agence France-Presse, 14 July 2015).


6 All the GCC countries support the UAE’s claim on the islands.


8 “Saudi King Abdullah and Senior Princes on Saudi Policy Towards Iraq,” US Diplomatic Cable 08RIYADH649_a (available at: https://wikileaks.org/plsd/cables/08RIYADH649_a.html).
twenty-first centuries, and have vested interests in maintaining the existing political order.

At the other end of the spectrum, Sultan Qaboos of Oman has always considered that there is no long-term alternative to peaceful coexistence between the two shores of the Gulf. Oman did not cease diplomatic relations with Tehran after the Islamic Revolution in 1979 and from the creation of the GCC was hostile to any transformation of the organisation into an anti-Iran coalition. Not only has Muscat contended that the Iranian government in its current form is here to stay but it has also rejected the idea that Iran poses a fundamental threat to the region. The sultanate considers that it has no reason not to believe Iran's assurances that its nuclear programme has purely civilian purposes. As a consequence, according to Omani officials, political and military threats posed by Iran to the GCC states can only be deterred by cooperation and de-escalation. Oman also played an important role in facilitating the conclusion of the Iran-P5+1 nuclear deal in November 2013. When this was signed, the US media revealed that secret meetings between US and Iranian officials had taken place in Muscat since March 2013.

The Omani attitude towards Iran is compounded by their sharing of the sovereignty of the Strait of Hormuz, through which approximately one-third of the world's sea-borne trade in crude petroleum passed in 2014. In August 2010 the two countries signed a defence co-operation agreement in which in particular they agreed to hold joint military exercises and to increase their exchange of border intelligence and information. Under this security pact, the Iranian and Omani navies held joint military exercises in the Sea of Oman in April 2014 for the fourth consecutive year. In Tehran in October 2014, the defence ministers of the two countries signed a new memorandum of understanding intended to tackle drug and human trafficking and to serve as a framework for closer military cooperation in the future. In May 2015, Oman's Minister Responsible for Foreign Affairs Yusuf bin 'Alawi and his Iranian counterpart Mohammad Javad Zarif announced the countries had demarcated a 450-km section of their maritime border that had not previously been defined.

Sultan Qaboos's eternal gratitude for the Shah's decisive military effort during the Dhofar war has also clearly been a crucial factor here. No other state in the region (apart from Jordan) played a comparable role in helping Sultan Qaboos at that time. Last but not least, Oman's increasing dependence on Iran for gas has given it a particular interest in maintaining good relations. A 25-year gas deal valued at around USD60 billion has been signed, according to which Iran will supply ten billion cubic meters of gas annually to Oman via a 350km pipeline linking southern Iran to the port of Sohar.

Like Oman, Qatar's policy towards Iran has been determined by the consideration that it has no interest in presenting Iran as the sole source of regional tensions and that “maintaining a healthy relationship with Iran […] is of paramount strategic importance.” This is explained by the sharing of the North Dome/South Pars field, the world's largest gas field, the exploitation of which has been crucial to Qatar's prosperity for the last twenty years. Qatar's public welcoming of the Iran-P5+1 nuclear deal in July 2015 has its roots in its long-term vital strategic interests in keeping a friendly relationship with Tehran, even though

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until recently it has been devoid of substantial cooperation. Another factor explaining Qatar’s desire to maintain a cordial relationship has to do with the fear that tensions with Iran may induce Sunni-Shi’i frictions inside the country, although the Shi’a, which represent 10 percent of Qatari nationals, have no past record of participation in opposition movements and enjoy religious freedom. The creation of a Joint Free Economic Area in the Iranian region of Bushehr was announced in July 2014 and the two parties insisted on their readiness to invest in linking the ports of Bushehr in Iran and al-Ruwais in Qatar.

With a large Shi’i minority (estimated at 20-25 percent of its population) historically composed of merchant classes close to the ruling family, but also a significant presence of Sunni political groups and individuals suspected of funding jihadism in Syria and Iraq, Kuwait sees no point in making an enemy of Iran either. While Kuwait has had to be more receptive to Saudi fears regarding Iran than Oman and Qatar have been, the Kuwaiti Emir’s visit to Iran in May 2014, the first such by a Kuwaiti ruler since 1979, was interpreted as an effort to mediate between Tehran and Riyadh. On this occasion, Kuwaiti officials suggested that “Gulf countries’ links with Iran should be on a bilateral level, not as a bloc,” which is something welcomed by Iran but that Saudi Arabia wants to avoid like the plague. President Rouhani and Emir Sabah issued a joint statement in which they “expressed their satisfaction over the march of bilateral relations” and described the visit as a “turning point in the relations between the two nations,” following the signing of several trade and security agreements and memoranda of understanding.

**THE SAUDI CLAIM FOR REGIONAL HEGEMONY**

On the occasion of the Camp David summit with the GCC countries in May 2015, US President Barack Obama worked hard to reassure his allies over the Iranian nuclear deal, since the possibility of a grand bargain at the expense of the Arab monarchies was a cause of concern in various GCC capitals. The conclusion of an agreement on the Iranian nuclear issue indeed conceals a great deal of anxiety, in Riyadh in particular. Together with Israel, Saudi Arabia is the country that most actively tried to delay the talks and lobbied against the agreement. The Saudi leadership, together with the Bahraini one, fears that loosening sanctions will enable Tehran to become more confident in the regional arena and push its influence – in a word, to challenge Saudi Arabia’s sphere of influence in the Gulf and wider West Asia. However Iranian foreign policy has no longer anything to do with its foreign policy of the 1980s which concentrated on exportation of the Islamic Revolution.

A key determinant of Iranian foreign policy after the Islamic Revolution – and to a large extent, until now – has been its resistance to the United States and to its allies in the Middle East. In order to achieve these goals, Iran has been providing direct military and financial support to allied groups or parties, either because they have been sympathetic to Iran’s geopolitical goals (e.g. Bashar al-Assad’s regime in Syria, Hezbollah in Lebanon and Shi’i militias in Iraq) or because they have opposed Iran’s enemies (e.g. Hamas). However, the regime of international sanctions imposed on Iran has had a significant impact on its foreign policy. Despite its revolutionary rhetoric, it has been governed by pragmatic more than ideological considerations. Mirroring the feeling experienced in various GCC capitals toward Iran, a key driver of Iranian foreign policy has been the perception of a threat to the regime posed by the United States and its allies in the name of the country’s national interest but also

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13 “Kuwait, Iran Vow Joint Work to Develop Ties,” *Kuwait News Agency (KUNA)*, 2 June 2014.
out of diplomatic isolation. As Mehran Kamrava explains, “Iranian foreign policy has been reactive at best and filled with empty but unwelcomed rhetoric at worst.” In particular, frequent provocative and absurd statements emerging from Tehran only fuel regional tensions by feeding into the narrative of Iran’s imperialistic ambitions, and are in return used to stoke more poisonous rhetoric. More generally, Tehran takes great delight in relaying information related to the harsh repression that has been taking place against the Bahraini opposition and Saudi activists from the Eastern Province, and in vocally condemning the Bahraini and Saudi governments’ handling of protests. However, in a context where the velayat-e faqih doctrine has long ceased to be a guiding star, this strategy of adding fuel to the fire has the advantage of maintaining much ambiguity about its actual capacity for influence. Bahrain and Yemen are certainly not Syria and Lebanon; the al-Wifaq society, and even the al-Wafa’ movement in Bahrain, are certainly not Hezbollah. Despite its desperate efforts to portray itself as a regional mastermind, because of its diplomatic isolation Iran’s political appeal is out of proportion to what it may have been in the 1980s, and its nuisance capacity is probably more imagined than real.

Yemen, where Iran’s actual role has been anything but obvious, has been the perfect example of this. Claims that the Houthis were linked to Iran can be traced back to 2009, when the Saudi forces suffered humiliating setbacks during their military incursion into Yemeni territory to fight the Houthis, despite the United States’ unambiguous scepticism about these allegations. While Iranian officials denied interference in the war, the Iranian media were not shy at celebrating the Houthis’ “heroic resistance” – thereby implicitly confirming the accusation of Tehran’s support but, more importantly, presenting Iran as a key player at little expense. Even in 2015, as Gabriele vom Bruck explains, the Iranian influence in Yemen is “trivial. The Houthis want Yemen to be independent, […] they don’t want to be controlled by Saudi Arabia or the Americans, and they certainly don’t want to replace the Saudis with the Iranians. I don’t think the Iranians have influence in their decision-making. It’s not a relationship like that between Iran and Hezbollah.” The last International Crisis Group report on Yemen also points out that the Houthis “are less dependent on Tehran than Hadi and his allies are on Riyadh, but on today’s trajectory, their relative self-sufficiency will not last long. They are already soliciting Iranian financial and political support.”

In order to legitimise the 2015 military intervention, Saudi Arabia has tried to frame it as an Arab defence front against Persian expansionism, and also as a Sunni-Shi’i confrontation (even though Pakistan – despite being a strong Saudi ally – and Turkey refused any involvement in the war, while Egypt was not eager, to say the least, to

15 As exemplified by regular claims from more or less senior Iranian officials that Bahrain should be the fourteenth province of Iran.
16 Literally “the guardianship of the jurists,” this doctrine in Shi’i Islam is the current political system in Iran and gives political leadership to the jurist in Islamic law.
19 International Crisis Group, “Yemen at War,” Middle East Briefing no.45, 27 March 2015.
20 Despite the fact that Algeria, Tunisia, Lebanon, Syria, Iraq and Oman, among others, refused to participate in the coalition.
enter the conflict). However, beyond Iran’s actual or imagined involvement, the goal of the Saudi-led military intervention is instead to maintain the continuity of authoritarian governance in the region by actively repressing the forces that threaten to undo the status quo in a weak Yemen. By emphasising the security issues, most of those present at the Arab League Summit in March 2015 were mostly eager to turn the page on the Arab Spring and its calls for structural political changes.

**CONCLUSION**

Beyond this common understanding among GCC rulers that cohesion must prevail in a time of internal peaceful protests, as exemplified by the signature in November 2012 of a GCC security pact strengthening cooperation and mutual assistance in security matters, structural political divergences on strategic interests remain. While Riyadh writers and leaders continue to promote an image of Saudi Arabia as the Big Sister of the other monarchies, this unwelcome Saudi tutelage has been something that the smaller GCC monarchies (except Bahrain, to some extent) have been resisting. This contributes to explaining why – even though most Gulf regimes remain wary of Iran – Kuwait, Oman, Qatar and even the UAE all want an improvement in relations, and are aware that they have much to gain from a nuclear agreement. Not only would any chance of an Iranian nuclear weapon be put off, but so would Iran’s temptation to exploit and exacerbate regional tensions. Iran’s reintegration into the international community would hopefully prepare the ground for long-term resolutions of crises like those in Iraq and Syria which need a combination of all regional and international parties, and the collateral impacts (like ISIS) of which are vital threats for all the GCC monarchies. Last but not least, a nuclear deal would make new human, security and business exchanges and cooperation between the two shores of the Gulf possible again.

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21 The pact, which has been ratified by all the regimes except Kuwait so far, allows the hunting down of those who are outside the law or the system, or who are wanted by party states, regardless of their nationalities, and the taking of necessary measures against them. It also allows the integration of the signatories’ security apparatuses to provide support during times of security disturbances and unrest in a signatory state. Since January 2015, at least three Kuwaiti opposition figures, social media activists and heads of political movements have been detained at the request of the Saudi authorities (cf. M. al-Rasheed, “Kuwaiti Activists Targeted under GCC Security Pact,” *al-Monitor*, 20 March 2015).
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