

Mahboubeh Sadeghinia

SECURITY ARRANGEMENTS in the PERSIAN GULF

**With Special Reference
to Iran's Foreign Policy**

Geopolitics
International Affairs
Durham Middle East Studies

ITHACA
P R E S S

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Published by
Ithaca Press
8 Southern Court
South Street
Reading
RG1 4QS
UK

www.ithacapress.co.uk
[www.twitter.com/Garnetpub](https://twitter.com/Garnetpub)
www.facebook.com/Garnetpub
www.garnetpub.wordpress.com
www.thelevant.wordpress.com

Ithaca Press is an imprint of Garnet Publishing Ltd.

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First Edition 2011

ISBN-13: 978-0-86372-398-8

British Library Cataloguing-in-Publication Data
A catalogue record for this book is available from the British Library

Jacket design by Garnet Publishing
Typeset by Samantha Barden

Printed in Lebanon by International Press:
interpress@int-press.com

To my children, Sadegh, Abbas and Zeinab

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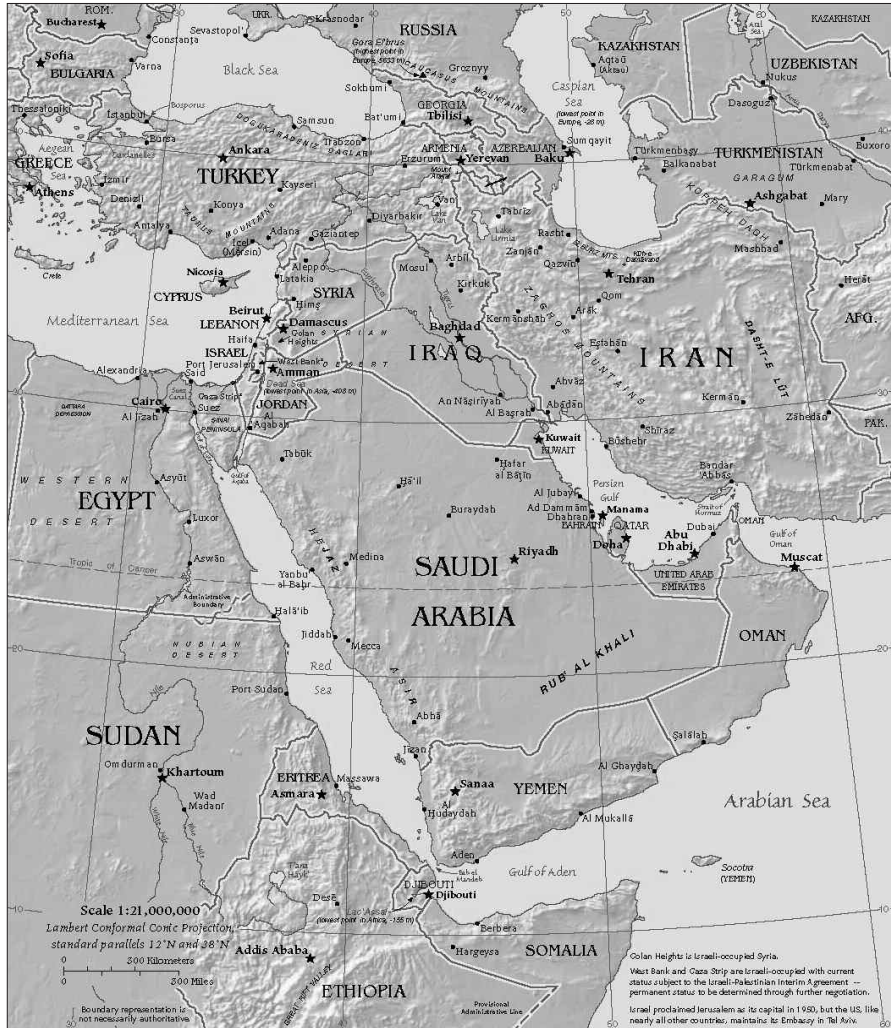
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Map of the Middle East and its sub-region of the Persian Gulf



Source: University of Texas Libraries

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Abbreviations

AP	Asian-Pacific
APEC	Asia-Pacific Economic Cooperation
bbl/d	Barrels per day
CBM	Confidence-building Measures
CIA	Central Intelligence Agency
EIA	Energy Information Administration
EU	European Union
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GME	Greater Middle East
ICJ	International Court of Justice
IAEA	International Atomic Energy Agency
IEA	International Energy Agency
IMF	International Monetary Fund
IR	International Relations
IRGC	Islamic Revolutionary Guard Corps
IRI	Islamic Republic of Iran
IRP	Islamic Republic Party
mb/d	Million barrels per day
ME	Middle East
MENA	Middle East and North Africa
MODAFL	Ministry of Defence and Armed Forces Logistics
MOU	Memorandum Of Understanding
NATO	North Atlantic Treaty Organisation
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of Petroleum Exporting Countries
PG	Persian Gulf
RDF	Rapid Development Force (US)
RRF	Rapid Reaction Force (EU)
SANG	Saudi Arabia National Guard
SAVAK	National Security and Information Organisation (Iran)

SIS (Britain)	Secret Intelligence Service
TCF	Trillion Cubic Feet
UAE	United Arab Emirates
UN	United Nations
US	United States of America
USSR	Union of Soviet Socialist Republics
WMDs	Weapons of mass destructions
WTO	World Trade Organisation
WWI	First World War
WWII	Second World War

Definitions

- 1) The **Persian Gulf**, a semi-enclosed sea in the Southwest Asian region, is in the inferior folds of the southern Zagros Mountains and is an extension of the Indian Ocean that is situated between Iran and the Arabian Peninsula. Eight countries with a coastline on the PG are Iran, Iraq, Kuwait, Saudi Arabia, Bahrain, Qatar, United Arab Emirates and Oman.
- 2) **Security system** has been defined, as Michael Kraig expresses it, “to create a stable and peaceful structure of relationships that allows every state to meet its minimum security needs and develop its economy and political institutions without at the same time increasing the level of threat toward its neighbours”.¹
- 3) Regularly, terms such as **international system**, **international political system**, **international politics**, **international affairs**, and **world politics**, have been used as synonyms for **international relations (IR)**.
- 4) **Geostrategy** has been defined as a subfield of geopolitics which refers to foreign policy based on geographical factors and a desire for the control of foreign geographic resources. As Zbigniew Brzezinski explains, “Geostrategy is the geographic direction of a state’s foreign policy. More precisely, geostrategy describes where a state concentrates its efforts by projecting military power and directing diplomatic activity.”² Therefore, geostrategic region has been used to define those geographical locations with such features.
- 5) **Hegemony** is defined as power, control or influence exercised by a leading state over other states.³ It is a concept that has been used as

a strategy of the US, based on: an imbalance of power and interests, the use of both offensive and defensive threats, and a network of friends and allies who greatly share the US' foreign policy goals.

- 6) **Geopolitics** in a simple way means studying the role of geography in politics, or as Pirouz Mojtahed-Zadeh notes, it “deals with the geographical dispersion of power in the world and the study of structural relations among them”. Therefore, geopolitical region refers to those geographical locations with such affect. See Pirouz Mojtahed-Zadeh, *Security and territoriality in the Persian Gulf* (Richmond, Surrey: Curzon Press, 1999), 3.
- 7) In general a **balance of power** signifies parity or stability between competing forces; as a term in international law it also expresses intention to prevent any one nation from becoming strong enough to compel the others to obey its political agenda.
- 8) **Grand strategy** is military strategy at the level of movement and use of an entire nation-state or empire's resources.

Foreword

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

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

The study's hypothesis of cooperation as the only possible basis for a comprehensive strategy for peace and stability in this region has been substantiated by employing a variety of conceptual and analytical tools to understand the reasons for the failure of security models in the Persian Gulf and to confront the huge obstacles to a security system for this region. The relevance of this model is supported by the modern global political landscape, most especially the events that have occurred since the end of the Cold War, in addition to various successful cooperation models that are to be found in other regions of the globe, e.g. the European Union (EU). This is assisted by the unprecedented opportunity for regional cooperation and the conditions for the creation of new security arrangements in the Persian Gulf and beyond that have been created since the downfall of Saddam Hussein's regime in 2003, which was one of the major elements of insecurity in this region.

To this end, this study has analysed various security models in this significant geopolitical region of the world since 1962, with special reference to Iran's foreign policy. Particular reference has been made to Iran because of its geostrategic and geopolitical situation and because, as

the hegemonic power in the Persian Gulf, regardless of its political regimes, it has great national and security concerns and plays a determinant role in the peace and security of the region.

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

The bulk of the research for this monograph was completed in late 2007. To the extent practicable, the author has updated descriptions of major events and conditions described throughout the monograph through early 2009.

NOTES

- 1 Michael Kraig (Fall 2004), "Assessing Alternative Security Frameworks for the Persian Gulf", *Middle East Policy*, Washington: vol. 11, issue 3, cited in the site of *Gulf 2000* of Columbia University, NY, USA.
- 2 Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*. (New York: Basic Books, 1997), 40, cited in *Wikipedia*, http://en.wikipedia.org/wiki/Geostrategic#_note-1 (3 November 2007).
- 3 Oxford University Press, www.oup.com/uk/orc/bin/9780199281954/01student/flashcards/glossary.htm (accessed 11 June 2008).

Introduction

The Persian Gulf (PG) is one of the most significant geopolitical regions in the world as well as the main dominant energy source and gateway for global energy. This region is of vital significance to all littoral states as well as the entire world economy and political life. Considering such significance – which has caused the PG to be a worthy rival to outside powers, particularly the West, as well being the most unstable and chaotic of any world region – requires close scrutiny of the important geopolitical elements and security concerns and systems in this region.

Persian Gulf Security Arrangements, With Special Reference to Iran's Foreign Policy has employed a variety of conceptual and analytical tools to understand the reasons for the failure of security models in the PG and to confront the huge obstacles to a security system for this region. The perceptions of what constitutes a threat to regional security varies among the Arabs, Iranians and the ultra-regional powers, and all accordingly have different solutions to what they perceive as the problem. Nevertheless, regardless of the relevant parties' differences of opinion, all the consequent issues along with three decades of crises in the PG illustrate how urgent it is for the problem regarding regional security to be resolved.

The approach in this book chosen to provide a foundation for a discussion about the future shape of security arrangements in the PG focuses on historical analysis and is theoretical. It aims to address the need for a stable and peaceful structure of relationships that provides security for all individual littoral states, as well as assuring the interests of the external powers. The methodology adopted to conduct this research uses theories of geopolitics and of security, and draws upon the level of analysis framework in international relations to the foreign policies of select PG states and the forces that affected them. As it will be explained in the following chapters, it presents a conceptual framework of important works of literature related to the security issues of the PG.

The issue of security will be studied from a combination of different perspectives – political, social, military, economic, geopolitical

and international – all of which affect security in this region. This is the reason this research tries to study relations between these factors as different variables relevant to modelling security in the region.

The context of the discussion is the period 1962–1997, but some analysis is given of geopolitical and security developments since 1997 in order to support the analysis of the period of primary focus and to provide a warning about the impact of further policies of regional and non-regional players on the security of the region. The reason for focusing on this period of time is that it highlights the following points that are relevant to the study.

- 1) The fundamental and significant role of Iran in any security approach in this region: Iran's significant role in regional political evolutions and Tehran's national and security concerns, regardless of the nature of its political regime in the country at any one time. For this reason, throughout the entire study Iran's role in various events is given close attention. Following an empirical analysis of external threats and Iran's recent trends in its foreign relations, especially concerning the security of the PG in relation to key countries including the Great Powers and its PG neighbours, 1962 marks the beginning of Tehran's increasing interest in regional issues of the PG. The failures and successes in the period leading up to 1997 of Iran's policy towards the PG will be divided into three different phases of the pre- and post-revolution era and within both the bipolar and unipolar system of international system.
- 2) The prevailing application of the traditional policy is that "to dominate a region it is necessary to weaken regional powers": the crucial position of the PG in world politics, and the geostrategic situation of Iran, encouraged Britain and later the US to establish domination over Iran and the PG. For this reason Iran's efforts to establish power in the PG were totally unacceptable to and annulled by Britain. It severely vetoed every action, measure, or proposal by Iran to establish a navy for security in the PG. Moreover, the US only accepted Iran's superiority in the region when Tehran was acting as a US proxy. Instead, during their dominance these two major ultra-regional powers continued their military superiority in the region in order to prevent any other countries gaining control over the region and its mass energy resources, and

also to maintain their military access to the geostrategic region of the PG, thereby allowing them to control events in many other significant regions of the world. In addition, the old excuse given by Britain for preventing Iran from gaining power in the PG, i.e. its uncertainty about “what Iran’s intentions might be” – e.g. when Nasereddin Shah Qajar tried in 1865 to form a navy and his request for British help was rejected – was also used by the US, especially regarding Iran’s nuclear plans since 2003. This important historical political fact is highly suggestive of the strategy of the major powers in the region.

- 3) The increased militarisation in the region, together with the belief that for political survival or to ensure strategic interest, a back-up military power is a necessity. The US’ direct military involvement in the PG has resulted in competing reactions from emerging powers with interests in this region viz., China, the EU and Russia. This is to secure their strategic interests by gaining extensive access to PG security and adopting a greater geopolitical role in this waterway, and also because of their deep concerns over US permanent hegemony in the ME/PG. The US military presence has also stimulated popular discontent in the host countries, particularly against Arab regimes. This situation has resulted in increasing militarism, whether in the form of extending the military presence and power of different regional and non-regional parties, directly or indirectly, or in the form of terrorist attacks.
- 4) The importance of a proper relationship between the US and Iran for any durable security approach in this region. The study argues that establishing peace and security would be impossible without such a relationship between these two major players. In addition to the need to construct comprehensive multilateral coalitions, the argument is made that it is important to recognise the significance of the relationship between major regional and non-regional powers in order to achieve a durable and long-term security situation in any region. In this regard the study focuses particularly on the major regional and ultra-regional powers with the most influence over any security approaches; the major topic of analysis is the behaviour of Iran and the US. This study is necessary owing to the failure of all security models in the PG during the time period of this study. Also, the vast and extended regional and global consequences of

regional crises combined with the increasing complexity of methods of competition, specifically the more frequent resort to military solutions with more sophisticated weapons rather than to diplomacy or socio-economic cooperation. Hence, under such circumstances, achieving even remotely stable security is increasingly difficult.

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

This study has taken advantage of a great variety of secondary sources of historical, analytical data, as well as some primary documents such as interviews and also various Iranian Foreign Ministry documents. Moreover, detailed primary source material accumulated from the author's experiences during 1980–2003 as a journalist and also political researcher in Iran has been followed up through discussion with the key actors. In addition to advice, comments and the assistance of prominent scholars in the field of PG issues such as Anoush Ehteshamin, Keith McLachlan, Richard Schofield and Mahmood Sariolghalam, I had the opportunity to take advantage of honest and friendly talks, discussions and interviews with different high-ranking Iranian authorities as well as many elites and scholars in the Arabian Peninsula who assisted me, these being an important factor in helping me to gain a better and deeper understanding of various issues and concerns in the PG. I also had the opportunity to travel to most of the region's countries and to live from 1985 to 1987 in Bandar Abbas, capital of Hormozgan Province on the southern coast of Iran, which occupies a strategic position on the narrow Strait of Hormuz and is the location of the main base of the Iranian Navy. Having the opportunity to visit and study various areas, and talk and socialise with the inhabitants of Hormozgan in my several visits to different cities and villages, as well as to the islands – including Abu Musa, Hormuz, Larak, Qeshm and Hengam – helped me to better understand the lifestyles and original and natural interrelations between the inhabitants of the southern

and northern side of the PG. It also assisted me to gain a clearer comprehension about the geographical dimensions of various islands in respect to their significant location regarding security issues in such a geostrategic waterway.

Geopolitical approach

This study focuses on debates surrounding geopolitics to provide a more comprehensive understanding of the significance of the PG as a sub-system of the ME and its impact on the politics of the region. The intention is not to discuss different kinds of geopolitical schools of thought as power knowledge but rather to highlight the effect of the natural geographical location of the PG on power struggles in international politics. A further aim is to examine the foreign policy goals of the Great Powers and to be able to predict more accurately political developments in the region. One of the outcomes of this study is to emphasise the necessity of having a geopolitical vision of the regional states in the PG to be able to understand their significant situation in balance-of-power politics and to be able to take advantage of various opportunities resulting from geopolitical developments in their best interests as well as that of the region's security and stability. Geopolitical discourse typically provides us with an explanation of relationships between geography, power and international relations. Here, the idea of geopolitics as a key to develop a security model in this region is drawn from many geopoliticians' definitions, such as those of the two prominent scholars referred to below.

Gearóid Ó Tuathail

The conventional understanding today is that geopolitics is discourse about world politics, with a particular emphasis on state competition and the geographical dimensions of power.¹

Ezzatolah Ezzati

Geopolitics means understanding the realities of geographical environment to achieve power, through being able to involve in great level of global games and to secure national and vital interests. In other words, geopolitics

means knowledge about relationships within a geographical environment and discerning their effect on the political fate of nations.²

Non-regional states' geopolitical intention

Emphasis on debates enclosing geopolitics is to be found throughout the whole study to support the discussion about the rivalries and foreign policy goals of the Great Powers in the region, in particular the US in regard to the significance of Iran's geopolitical situation. What is obvious is that, despite various concepts of geopolitics in different historical periods and structures of world order in the twentieth and twenty-first centuries (viz. imperialist geopolitics, Cold War geopolitics, new world order geopolitics, environmental geopolitics, and anti-geopolitics; including definitions ranging from geopolitics as an unproblematic description of the world political map to a culturally and politically varied way of describing, representing and writing about geography and international politics – critical geopolitics), as Ó Tuathail notes, geopolitics as a shape of “power/knowledge”, which was obviously responsible for many chauvinist, racist and imperialist ideologies in the first half of the twentieth century, and which supported oppressive European colonial empires that assumed a white supremacy hypothesis and imperialist interventionism (a process which resulted in WWII), did not disappear after WWII. Geopolitics is still a very popular discourse, especially in respect of the later years of the Cold War, where it has been used to explain the global rivalry between the US and the USSR for control over the states and strategic resources and wealth of the world, and the basic and dynamic theoretical role of geopoliticians to politicians to extend such power/knowledge.³

An important point is that geopolitical debates are still being used as both theory and practice, just as they were during the Cold War. Compared to the imperialist geopolitics of the beginning of the twentieth century when physical geography had a determining influence on foreign policy and global strategy, in Cold War geopolitics geography was entwined closely with ideology in descriptions of US–Soviet antagonism. So, as Ó Tuathail notes, “The very geographical terminology used to describe the world map was also a description of ideological identity and difference.” During the Cold War, the West was more than a geographical region and US leaders viewed their state as leading the “free world” with democratic regimes and the highest standards of

civilisation and development, in a crusade against “evil”. The USSR was never simply a territory, but was represented by the West as a constantly expanding threat. The continuity of this geopolitical debate and how US statesmen conceptualised the role of their state in world affairs, which intensified after 11 September 2001 (9/11), can be seen through the US terminology used. Instead of “the evil empire” used by Ronald Reagan to describe the USSR, George W. Bush’s terminology for the official enemies of the US in 2002 was the “axis of evil”, an axis which includes Iraq, Iran and North Korea. As Ó Tuathail notes,

Hostility to collective action against the long term degradation of the planet by the occupants of the White House is not new (...). What is new, from their point of view, is the global war against terrorism that began when terrorists attacked the World Trade Center and Pentagon (...) a new post-September 11 era that marked the end of the post-Cold War era. The US president declared the United States at war and the phrase “global war on terror” became so ubiquitous within the US government that it earned a bureaucratic acronym: GWOT. (...) [The] illegal action [of invading Iraq in 2003] and the general unilateralism of the Bush administration produced a significant rift in transatlantic relations. (...) But GWOT and the Iraq war has been good for certain groups within the United States. The US Department of Defense budget is at a record level and it remains the most powerful bureaucracy within the US state. US defense contractors, some with strong ties to the White House, are cashing in on the swelling appropriations. And, despite dangerously low popularity ratings, George W. Bush was able to use his self-appointed status as a “wartime president” to win a close re-election battle in November 2004. Bush’s Republican Party also made electoral gains, leaving it in control of both the Congress and White House. GWOT, in short, has been very good for the GOP (the Grand Old Party, the nickname for the US Republican Party).⁴

In the context of this geopolitical discourse, it is not unlikely that Washington has a plan invade Iran, as the other “axis of evil” state. In this respect, the work of geopoliticians such as Mahan (1890), Mackinder (1904) or Spykman (1944) about geopolitical significance of the ME/PG region and, particularly, the great influence of their theme of imperial expansionism in a variety of ways on the Great Powers’ geopolitical expansion, have been briefly presented to enrich the subject of study.

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

Nicholas John Spykman’s great influence on US policy since WWII advocated that the US should adopt policies that would promote American influence in the marginal crescent, which he called “the rimland”, or at least try to keep the USSR away from controlling or seizing them. He believed the rimland is more important than Mackinder’s heartland and also argued that the balance of power in Eurasia directly affected US security. The rimland’s defining characteristic is that it is an intermediate region, lying between the heartland and the marginal sea powers. It includes the European Continent (except the USSR) and Central Asia, Iran, Iraq, Saudi Arabia, Afghanistan, India, the southeast of Asia, China, Korea and Siberia. He noted that all these lands as the amphibious buffer zone between the land powers and sea powers must defend themselves from both sides, and therein lie their fundamental security problems. Spykman believed that whoever controls the rimland rules Eurasia, and whoever rules Eurasia commands the world. Evidence of the vital geographical location of the rimland for Washington is seen in the US military strategy at the end of the twentieth century. As Ezzati notes, the US has three defence positions in the world: first the USA, second Western Europe and third the PG.⁵

However, Drysdale and Blake’s opinion in 1985 regarding lack of validity in the ideas of the heartland (Mackinder) and rimland (Spykman), and the struggle between land power and sea power to secure control of the marginal states in the modern world for different reasons – including more developed military technology – except for the ME rimland, is still credible, as the ME still has a key strategic role in the global power struggle, besides concerns over access to its energy resources.⁶

The view of Saul Bernard Cohen, who suggested a more dynamic and less controversial scheme of world geostrategic regions, will also be

drawn upon. The general view of the geopolitical world that Cohen provides is more dynamic than the previous model of a bipolarised world because of his concerns about the emergence of “second order” powers in the world political hierarchy system, e.g. Europe, China and Japan, and also regional powers such as Iran, Nigeria and India with the potential for regional authority and infiltration. In contrast to Mackinder, who surveys the globe as a “closed” political space,⁷ Cohen believes that the space is not united strategically, but a fundamentally divided world is a composition of a number of separate areas and so the overall picture of the geopolitical world is a multiple power-node world with many overlapping areas with influence. Similar to the others, in his theory the ME is defined as a crucial contact zone between Eurasia and the maritime world.

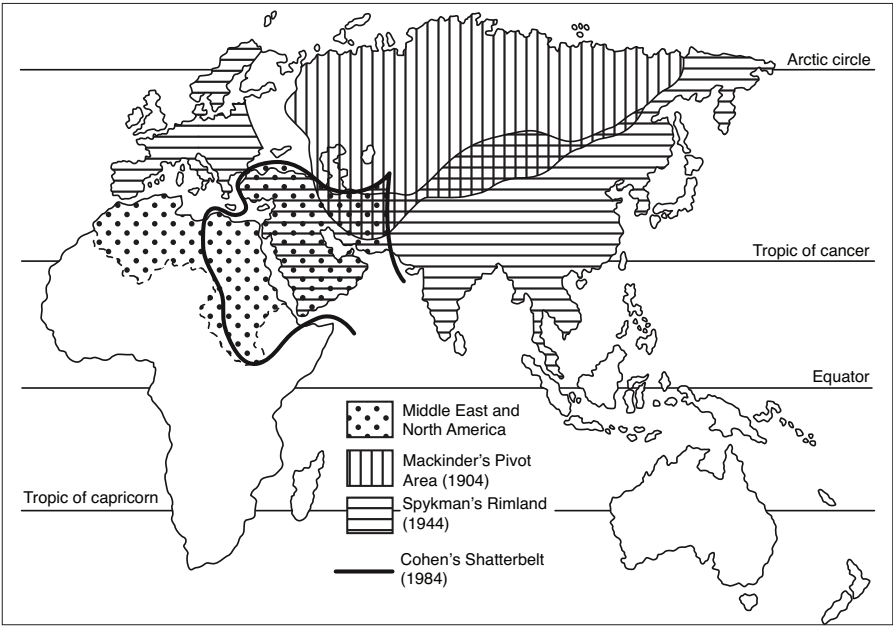
Interestingly, Iran’s situation in various geopolitical theories as shown in Figure A is very significant. This situation arises because of the country’s connection to free seas through the PG and Oman Sea. In addition to Iran’s passage situation, its northern parts are embedded in the heartland in addition to Iran’s plateau, which is positioned in the rimland’s heartland.

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

A recent model of the emerging world order has been discussed by the American neoconservative political scientist Samuel Huntington (1993), namely the “clash of civilizations” as a dominant factor in future global politics. While emphasising the continuation of nation-states’ position as the most powerful actors in world politics, he also claimed that culture will be the dominant source of conflict and an element in divisions between nations and groups of different civilisations in the future. In his opinion the most fundamental of such clashes is the conflict between the West and the Rest of the World.⁸

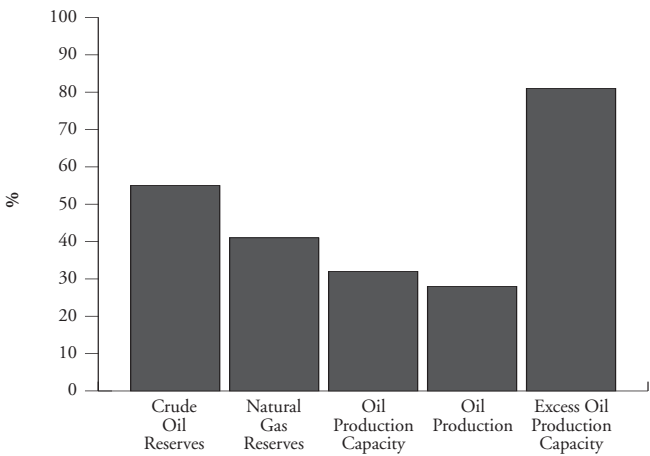
Emphasising the importance of democratic organisations and institutions of authority, especially the military, he believes that organisation was the path to political power, and so notes that “in the modernizing world he controls the future who organises its politics”, criticising *détente*

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



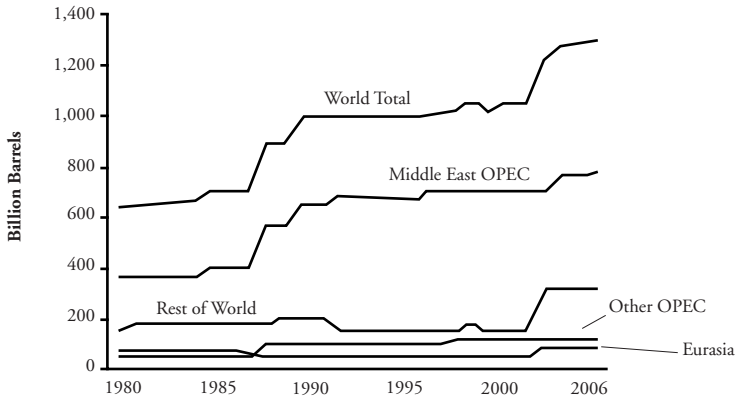
Source: Drysdale and Blake⁹, by permission of *Oxford University Press, Inc.*

FIGURE B
Persian Gulf's oil and gas as a percentage of world (2006)



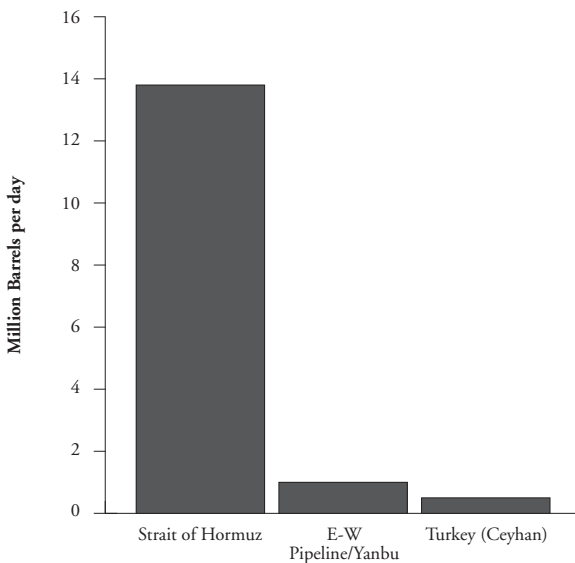
Sources: *Oil and Gas Journal* and *EIA Short Term Energy Outlook*

FIGURE C
World crude oil reserves, 1980–2006



Source: 1980–1993: “Worldwide Oil and Gas at a Glance”, *International Petroleum Encyclopedia* (Tulsa, OK: PennWell Publishing, various issues); 1994–2006: *Oil & Gas Journal* (various issues)

FIGURE D
Persian Gulf oil exports by route, 2002



Source: EIA Fact Sheet in <http://www.eia.doe.gov/cabs/pgulf2.html>

FIGURE E
Flow map of world crude oil, regarding the Strait of Hormuz, 2010



Source: Kemp and Harkavy, *Strategic Geography and the Changing Middle East & EIA* (Energy Information Administration)¹⁰

Note: This flow map of world crude oil illustrates well the global importance of the PG region for petroleum. It also shows the strategic importance of the Strait of Hormuz as a chokepoint.

policy and supporting US military build-up since President Carter, Huntington's imperial and militarism vision, despite the end of the Cold War, was not changed and so he remarked that the emerging world "is likely to lack the clarity and stability of the Cold War and to be a more jungle-like world of multiple dangers, hidden traps, unpleasant surprises and moral ambiguities".¹¹

According to the new post-Cold War geopolitical world picture of Huntington, three principal American strategic interests were: perpetuating the primacy of the US as the global power, which meant watching carefully Japan's goal of attaining economic dominance and their strategy of reaching such ambition; impeding the emergence of any political and

military hegemonic power in Eurasia; and asserting substantial US interests in the PG and ME. Despite vast disagreement with his theory as a remarkably simplistic thesis, Ó Tuathail notes,

It is significant, nevertheless, as an example of how neoconservative intellectuals of statecraft are endeavoring to chart global space after the Cold War. What is most interesting about this act of geopolitics is how it uses the assumptions, goals and methods of Cold War strategic culture to re-territorialize the global scene in a way which perpetuates the society of security and politics as *Kulturkampf*.¹²

Huntington's post-Cold War strategic debate, as Ó Tuathail also notes, due to its aim of maintaining the US as the premier global power, should be based on "renewing its Western civilization from within and actively containing, dividing and playing off other civilizations against each other". The other point that Ó Tuathail remarks on is that Huntington's model describes a world of potential and actual Cold War threats against the US. However in his new debate concerning the "clash of civilizations", his major concerns regarding the necessity of renewal of the society of security within the "West" instead of Japan focuses more on a new danger, which is:

a "Confucian-Islamic connection" which features a militaristic Chinese economy exporting arms to Islamic states who are determined to seek nuclear, chemical and biological weapons capabilities. "A Confucian-Islamic military connection has ... come into being, designed to promote acquisition by its members of the weapons and weapons technologies needed to counter the military power of the West. (...) A new form of arms competition is thus occurring between Islamic-Confucian states and the West." (...) Huntington's response, amongst other things, is to call for a moderation in (...) [military] reduction of Western military capabilities and for the West to "maintain military superiority in East and Southeast Asia".¹³

Therefore, Ó Tuathail concludes that "Huntington's thesis is not about the clash of civilizations. It is about making global politics a clash of civilizations."¹⁴

Regarding Huntington's perception of the potentially rough conflict between Western and Islamic civilisations as a defining feature of an evolving world order, as Kemp and Harkavy note, "[T]he Middle East

(including the Caspian Basin region) has now assumed the role of the strategic high ground, a key strategic prize in the emerging global system at the juncture between the twentieth and twenty-first centuries.”¹⁵

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

Regional states’ geopolitical perspectives

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

However, as long as the ME/PG is a disparate region lacking a single geopolitical perspective, the intention of this study is to gather all PG states’ attention towards this important element in their strategies. Lack of attention to their geographical location will cause more geopolitical problems. The topography of this part of the world has affected its peoples’ regional and not global geopolitical perceptions; also long-standing divisions and traditional contentions between regional states have caused them to focus on regional rather than global dangers. Hence, as long as

the ME/PG political regimes do not support geographical integration or recognise the existence of a mosaic of related and imbricated geopolitical spheres in this region, there will not be any possibility of security and stability there. But, as Ezzati notes, if the countries in the Fertile Crescent, from east of the Mediterranean through the PG and sea of Oman (Jordan, Iraq, Syria, Lebanon, Arabian Peninsula and Iran) – which, owing to their significant geopolitical situation, have for centuries comprised a region of rivalries and so been a cause of insecurity – were able to take advantage of their geographical contiguity and establish free movement within this region, then stability and security would return to these territories. Therefore, besides external threats and interferences, other reasons which involve their domestic and regional threats and problems are major reasons why the PG states have regional geopolitical perspectives rather than global views. Because of this significance, three chapters of this study (Chapters 6–8) are dedicated to the foreign policy approach of littoral states. In addition, the borders between these states have been left as *de facto* boundaries in a way each state looks at its neighbouring states as its own complementary.

Chapter 5 is dedicated to territorial and boundary disputes between the littoral states as a major source of instability in the PG. However, only if such a fragile region were able to take advantage of a single geopolitical perspective would it be able to sort out most of its political, social, economic and military problems. For the PG states it is a necessity to look at this region as a whole, not as divided states and groups of individuals ranged against the other states or groups. Having a geopolitical perspective would provide better understanding and recognise the geopolitical significance of this region from the non-regional players' views too.

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

Second, all the models not based on the major geopolitical realities of this region were so preoccupied with superpower rivalry that they ignored the role of humans in their equations. Such ignorance, as Drysdale and Blake note, was present whether regarding the deeply complex and relevant regional geopolitical relationships or the geopolitical

perspectives of the people.¹⁶ This study's security model appreciates the role of peoples' communication.

Third, it has an inclusive vision which considers the interests of all regional and ultra-regional parties whose security and interests are somehow related to this region. The theories outlined above, in contrast, had different expansionist visions deriving from their own countries' political interests, regardless of the regional states' security concerns and national interests. In this regard, as Ó Tuathail also notes:

Geopolitical experts are never detached but embedded in economic, political, racial and sexual relations of power (as Mackinder certainly was). They do not see objectively but within the structures of meaning provided by their socialization into certain (usually privileged) backgrounds, intellectual contexts, political beliefs and culture. They do not see "the real" but see that which their culture *interprets* and *constructs* as "the real." Their so-called "laws" of strategy are often no more than self-justifications for their own political ideology and that of those in power within their state. Their production of knowledge about international politics, in other words, is a form of power which they wield to serve their own political ends.¹⁷

Considering this significant geopolitical position of the PG required close scrutiny of the important geopolitical elements and security concerns and systems in this region. Therefore, the geopolitical elements, especially oil and gas, and their impact on the ultra-regional powers' politics has been studied (through Chapters 1 and 2 to 4) to yield a clearer understanding of different security models in the region with respect to all regional and ultra-regional players' interests and security concerns.

Foreign policy approach

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

arguments of scholars such as Steven Spiegel (UCLA political science professor and author), Theodore Couloumbis and James Wolfe about the significance of finding links between the insights derived at the various levels and from different actors and units of analysis to be able to identify what Couloumbis and Wolfe note as, “different pieces of a multidimensional puzzle” which at the end could be able to “put these pieces together into a general theory of interaction, a theory that has both descriptive and predictive powers”,¹⁸ this study discusses all three levels of the PG states’ foreign policies and the forces that have affected them, including the systemic level (the interaction between states) and the debate that occurs at the domestic and individual levels (see Chapters 6 to 8). These chapters also draw upon social analysis, to provide an analysis of the situation in PG states with regard to their social backgrounds and belief systems. They also draw upon elite theory to provide an analysis of power relationships or policy-planning networks in PG states’ societies, as well as their different definitions of security and national interests.

Besides issues of particular importance to other countries, this study makes especial effort to evoke the perspective from which the PG states themselves view their problems and choose their domestic and foreign policy priorities in respect to their legitimate strategic concerns which arise from their geographic, social, and historical context. This is a fundamental factor which motivates states’ political behaviour to ensure each state’s security, territorial integrity, national cohesion and approach to the sources of wealth essential to develop its economy and political institutions effectively and independently. What is usually missing from many analyses in the West, specifically in Washington, is that security in the PG will be very heavily influenced by how they understand the regional states’ perceptions of threat as well as their national security issues. Therefore, Chapters 6–8 focus on the PG littoral states using the following framework: 1) political history; 2) political system; 3) internal threat; 4) external threat to stability of PG states. Although non-Western scholars including Iranians, such as Rouhollah Ramazani, Shahram Chubin, Sepehr Zabih, etc., have paid more attention to the regional states’ concerns and their role in any security arrangements in the region their studies left a gap, filled by the present study, with respect to the vital role of the two strongest regional and global powers with some interest in the region in establishing a long-term multilateral security

approach and ensure peace and security in that region, as a principal. The study has emphasised the need for an appropriate relationship between these two regional and non-regional powers (in this study, Iran and the US) to assure a more stable region and security for all players.

Security approach

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

The differences and similarities between these security theories are indicated in this study by referring Kraig as follows: proponents of traditional realpolitik consider international security to be a balance of interests based on a rough balance of power, whereas the more recent US strategic model is based on an imbalance of power and interests (hegemony) and on the use of both offensive and defensive threats. According to neo-liberals, the cooperative model can be considered as a balance of interests based upon mutual reassurance. However, despite the similarity of realpolitik and cooperative in that both strategies advocate the importance of brokering a balance of interests, they differ in their preferred model of guaranteeing this balance. The realpolitik theory relies to a great extent on implicit military and economic threats (and temporary alliances to build up power), while the cooperative theory relies on promises and reassurances as firm and impenetrable factors.

Nevertheless, both of these schools are quite different to the evolving US hegemony strategy, which is increasingly focused on establishing a unitary and dominant value system based on a network of friends and allies in keeping with US foreign policy objectives. The hegemonic approach assumes no possibility for competitors with different goals and values, while the realpolitik and cooperative security models believe that each nation-states' national interests should be guaranteed at some minimal level. In addition, the cooperative school of thought shares some of its theoretical assumptions with realism, e.g. requiring a set of geopolitical circumstances. For instance, both assume that the primary actor is the sovereign state and that such states will be domestically stable, immune from the sort of domestic turmoil evident in Iran's 1979 revolution, and therefore the mutual agreements ordering relations would remain stable.¹⁹

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

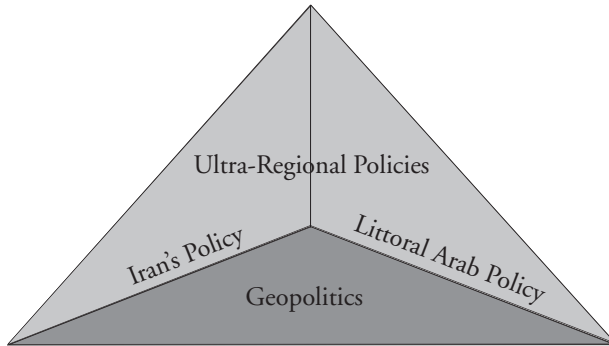
A number of key research gaps have been highlighted regarding security in the final conclusion, which has resulted in an alternative security model in the PG. The Pyramid Security Model could be a solution to the highly volatile situation in the PG, because in addressing major security issues this model is based on the geopolitical realities, as well as the political and economic concerns, of all regional and ultra-regional parties. It is also able to avoid the typical problems that arise for models based on a competition for power between states with conflicting national interests and agendas, like Russell's,²⁰ as it does not base a balance of power on such confrontational foundations.

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

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

Choosing geopolitics as the base of the new model stems from the need to emphasise a convergent element among the PG states for ensuring the long-term functionality of a security model, as an element which can assure and remove the fear of bigger states by smaller states. This is due to the fact that geopolitics is the most fixed and firm feature of the region, with an impact on every single nation-state's interests and national security. Emphasising the region's geopolitics shows that every state, as a part of this geopolitical region, like pieces of a puzzle, has a unique and non-ignorable place in the security system. Irrespective of their size, all states have a similar, though unequal, weight.

FIGURE F
The Pyramid Security Model



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

Hence, by increasing the geopolitical position of the region, every member state will benefit. By emphasising geopolitical elements, especially socio-political and economic power, rather than military power, it is possible to minimise the significance of smaller states' fear of bigger states. This would in turn lessen the possibility of any states withdrawing from the model because of any sudden ideological or political changes. Therefore, the pyramid is immune to any significant internal changes to

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

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

Besides the regional perception of the importance of cooperation models and the significance of the US–Iran relationship, this study emphasises the significance of the role of other ultra-regional players, especially emerging powers like the EU and some key states in the AP (viz. China, India and Japan) to construct a more sustainable PG security system. Through their strategic interest in the PG, especially their growing dependency on PG energy supplies which exceeds that of the US, their close ties with the region by a network of economic and political linkages and their deep concerns over US permanent hegemony in the ME/PG, which have resulted in their recognition of a need to adopt a greater geopolitical role independently of Washington, it is possible to create a counterbalance to the US hegemony in the PG in benefit of developing a multilateral security regime (mainly explained in Chapters 2 and 3).

The second mechanism the Pyramid model introduces is a fourth element to previous categories of the important, interlocking elements

needed to establish a workable, legitimate and authoritative security model in the PG. An appropriate international political environment with a proper international security system's structure is added to a further three elements: an inclusive and multilateral approach; a balance of power, preferably through arms control negotiations among all three regional key players; and domestic developments and reforms in the littoral states. Such stress is also important because many scholars, such as Kraig; perceive an external contribution to improve the security situation within the region as important, owing to the fragility of domestic politics and interregional relations in the PG.²¹

The importance of this model stems not only from the role that states have in its architecture and their effect on its functionality, but also that some consideration is given to the role of people (even sub-national groups), their interactions, as well as their satisfaction. Its emphasis on reforms will encourage positive competition among all littoral states to upgrade their weight in this security framework via greater civil development, rather than military power or territorial size. This is true for ultra-regional players too; in particular, by contributing towards the regions' development they can upgrade their role in this region.

NOTES

- 1 Gearóid Ó Tuathail, "General introduction; thinking critically about geopolitics". In Gearóid Ó Tuathail, Simon Dalby, and Paul Routledge (eds), *The geopolitics reader* (US and Canada: Routledge, 2006), 1.
- 2 Ezzatollah Ezzati, *Geopolitic dar Gharn-e Bist-o Yekom* [Geopolitics in the Twenty-first Century] (Tehran: SAMT, 1380 Solar Calendar [2001]), 7.
- 3 Ó Tuathail (edition: 1998), op. cit., 1, 24.
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- 5 Ezzati, op. cit., 18–19.
- 6 Alasdair Drysdale and Gerald Blake, *The Middle East and North Africa: A political geography* (New York: Oxford Press, 1985), 27.
- 7 Ó Tuathail (1998), op. cit., 16.
- 8 Samuel Huntington (summer 1993), "The clash of civilizations?", *Foreign Affairs*, 22–49.
- 9 Drysdale and Blake, op. cit., 26.
- 10 Figure cited from Geoffrey Kemp and Robert Harkavy, *Strategic geography and the changing Middle East* (Washington, D. C.: Brookings Institution Press, 1997), 118.

- 11 Gearóid Ó Tuathail, "Samuel Huntington and the 'civilizing' of global space". In Ó Tuathail (et al) (1998), op. cit., 170–171, cited from Samuel Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968), 8.
- 12 Ibid., 171, 173.
- 13 Ibid., 174.
- 14 Ibid., 175.
- 15 Kemp and Harkavy, op. cit., 7–8.
- 16 Drysdale and Blake, op. cit., 28.
- 17 Ó Tuathail (1998), "Introduction: thinking critically about geopolitics", op. cit., 17.
- 18 Theodore Coulombis and James Wolfe, *Introduction to international relations: Power and justice* (New Jersey: Prentice-Hall, Inc. 1990), 19–31.
- 19 Ibid.
- 20 Richard Russell (winter 2005) "The Persian Gulf's collective-security mirage", *Middle East Policy Council*, vol. XII, no. 4, 81.
- 21 Michael Kraig (Fall 2004), "Assessing Alternative Security Frameworks for the Persian Gulf", *Middle East Policy*, Washington: vol. 11, issue 3, cited in the site of *Gulf2000* of Columbia University, NY, USA.

PART I

GEOPOLITICS OF THE PERSIAN GULF

Geography and resources of the Persian Gulf

The significant geographical location of the Persian Gulf

Introduction

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

Initially the importance of the PG lay in the trade of merchandise such as pearls, spices and silks. Later, from the end of the fifteenth century to the eighteenth century, different European trading companies belonging to the Portuguese, British, French, Dutch and Russians, who realised that the domination of this region was critical to their colonial policies in the East, sought to establish footholds and trading monopolies in this waterway. Since earliest times, the geographical location of the PG as the sub-system of the ME, which was recognised as the centre of the old world, has given this waterway its importance as the heart of the old world, as the great trade routes of the old world had to pass through this region. The region was considered a vital passage between Asia and Europe, despite the link that had been provided by the Suez Canal between the Red Sea and the Mediterranean.

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

and refining of oil and also led to the appearance of large and sophisticated oil tankers in this waterway.

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

The Persian Gulf from global geopolitical perspectives

There have been various attempts amongst geopoliticians to provide the most comprehensive geopolitical models of inter-state relationships in the global hierarchy system. Their efforts have enabled politicians to tilt the geopolitical weight of power in favour of their own interests by gaining access to the new geographical locations and by enhancing their power and influence relative to their rivals. Following the ideas of the American historian A. T. Mahan about sea power in international strategy and its importance for controlling waterways and straits due to a scansorial process of trade and business between states, the US strengthened its maritime forces. Controlling the seas was the first necessary condition for global power. The British geographer Halford Mackinder, who started almost all discussions of global geopolitical perspectives, restated the importance of land power as a response to Mahan's views. As Drysdale and Blake explain,

Mackinder's basic thesis was that the inner area of Eurasia is the pivot region of world politics. With its abundant resources, it is also beyond the reach of the maritime powers (...) this pivotal area was surrounded by a marginal crescent, which encircled the Middle East [including the Persian Gulf]. If the pivot state should ever gain control of the marginal lands, thus gaining access to the sea, "the empire of the world would then be in sight".¹

Mackinder expressed his views in his 1904 thesis "The geographical pivot of history". According to Hans Morgenthau, Mackinder was the first person who expressed space as the basic conception of geopolitics

and emphasised geography as an absolute factor that determines the power, and hence the fate of nations. Morgenthau adds: "According to geopolitics, it is a law of history that peoples must expand by 'conquering space' or perish, and that the relative power of nations is determined by the mutual relation of the conquered spaces."² Mackinder, who believed that the 'World-Island' was organised of three continents of Europe, Asia, and Africa, around which the lesser lands of the world were grouped, concluded that, "Who rules East Europe commands the Heartland: Who rules the Heartland commands the World-Island: Who rules the World-Island commands the World."³ On the basis of this analysis, Mackinder predicted the emergence of Russia, or some other nation, which would control this territory as the dominating world power. In Mackinder's view, with the land-based power competing for authority in a marginal crescent to which the maritime powers have approachability, the Mediterranean and the ME were key regions in the conflict. Drysdale and Blake point out that, "The U.S. policy of post-World War II containment [of Communism], according to which alliances and bases were established within the Eurasian marginal crescent, was designed to prevent the outward expansion of this heartland power, the U.S.S.R."⁴

According to this view, the pivot region, which in 1919 was named the Heartland, comprised a great part of Russia, Iran, and the western part of China and Mongolia, all of which extended to near maritime boundaries. In 1943 Mackinder emphasised the importance of having links to free seas as well. Most criticism of Mackinder's thought was concentrated on the Heartland concept and the effects of new technology upon strategy, such as a land power's access to an ocean-going fleet, intercontinental ballistic missiles and developed strategic air forces. Other criticisms of the Heartland concept came about because of his underestimation of the resistant power of peninsular states, particularly those in alliance with the US, and upon the details of the Soviet Union's strength within the Heartland. However, his thesis was true regarding the ME, at least until the collapse of the USSR. In this region, as Drysdale and Blake noted in 1985, the US was concerned about any territorial expansion by the Heartland power, whereas the USSR deeply feared US influence in borderland states regarded as vital to Soviet security.⁵

Nicholas John Spykman, who named the marginal crescent "the rimland", believed that whoever controlled the rimland ruled Eurasia, and whoever ruled Eurasia commanded the world. His basic thesis focused

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

Saul Bernard Cohen, an American geopolitician, moved away from Mackinder’s Heartland-Rimland theory and suggested a rather less controversial scheme of world geostrategic regions in which the ME, along with Egypt, Sudan, and part of Libya, are characterised as “the Middle East shatter belt”. Cohen defined a shatter belt as “a large, strategically located region that is occupied by a number of conflicting states and is caught between the conflicting interests of the Great Powers”. He recognised only two such regions: the ME and Southeast Asia.

Cohen looked at the world in terms of being “geostrategic” and “geopolitical” regions, and believed that the space is not united strategically, but is fundamentally divided between a number of separate areas. His framework for geopolitical analysis is distinguished between divisions with global extent known as geostrategic regions, and divisions of a regional extent, which were called geopolitical regions. Cohen (1963) in his *Geography and politics in a world divided* explains that, “The geostrategic region is the expression of the interrelationship of a large part of the world in terms of location, movement, trade orientation, and cultural or ideological bonds.” According to this definition, he goes on to say, “control of strategic passageways on land and sea is frequently crucial to the unity of geostrategic regions”. The geopolitical regions were subdivisions of each “geostrategic region” and had a tendency to be relatively contiguous in terms of some norms of politics, economy, and culture. According to his definition “the geostrategic region has a strategic role to play and the geopolitical region has a tactical one”.⁶

Cohen believes in only two geostrategic regions, each dominated by two of the Great Powers. He calls them “the Trade-Dependent Maritime World”: the Maritime Ring of the USA; and “the Eurasian Continental World”: the Russian Industrialised Triangle. He subdivides geostrategic regions into various geopolitical regions, and between the two geostrategic regions he introduces two distinct geopolitical regions as shatter belts

– the ME and Southeast Asia. According to Cohen, these two geopolitical regions are politically fragmented, with both geostrategic regions having “footholds” there. “Shatter belts evolve from both internal fragmentation and external pressures.”⁷ Drysdale and Blake also note that the ME is a definite contact zone between Eurasia and the Maritime World in Cohen’s scheme of world geostrategic regions. According to them, Cohen’s theory has two infirmities with respect to its application to the Middle East and North Africa (MENA), namely:

First, the global perspective tends to obscure the infinitely complex and pertinent geopolitical relationships within the region itself. In reality a mosaic of related and overlapping geopolitical spheres exists. Second, global geostrategic models are so preoccupied with superpower rivalry that the geopolitical perspectives of the people of the region are distorted or ignored altogether. A better grasp of these perspectives might cause external powers, particularly the United States, to rethink their policies in the region.⁸

The general view of the geopolitical world that Cohen provides seems more dynamic than the previous model of a bipolarised world, due to his concerns about the emergence of “second order” powers⁹ in the world hierarchy system. This is one of the advantages of his model for a world political hierarchy system.

The ME as a highly divided area of almost no strategic, political, cultural or economic homogeneity, in Cohen’s consideration, is mentioned as a shatter belt where great variations lead to great diversities in its character as a geopolitical region.

Although the ME is a contact zone between Eurasia and the Maritime World, it is not a unit geopolitical region and it includes a variety of geopolitical regions with different basic geopolitical objectives. As a sub-region of the ME, the PG represents a congruent perimeter in itself. The PG includes nations varying in some cultural aspects, but with similarities in economic, political and strategic interests. Although, according to Drysdale and Blake, there has not been a similar and singular view of geopolitical perspective of the ME states, including the PG, but a variety of views conditioned by history, political ideology and geographic location. In other words, people’s real geopolitical preoccupations are mostly regional and not global, since their long-standing political differences and traditional rivalries dominate relationships between states.

They give an example of the Arab states' fear of the USSR or the US, which is only half as strong as their fear of Iranian military and ideological expansionism. The Iran–Iraq War served to concentrate minds on regional dangers, and the Gulf Cooperation Council (GCC) was formed as a regional response.¹⁰

In sum: geographical location put the PG at the heart of the old world; its political environment was created by each power that came to dominate it, especially during most of the nineteenth and twentieth centuries by Britain and since that time by the US.

This, together with the economic shift from fishing and trade to the oil industry that has occurred since the first half of the twentieth century, has shaped the distinctive environment that is the geopolitical region of the PG. Therefore, it is obvious that any regional or non-regional crises and chaos in this region would affect all continents of the world, especially Asia and Europe. On the other hand, according to the impact of major evolutions in international relations on the geopolitical position of different regions, the geopolitics of the PG also has been changed during previous centuries. Pervasive wars, the collapse of empires, the expansion of capitalism and state socialism, the establishment of international organisations, great revolutions and the transition of balance to a bipolar system and its later tailspin, have all had considerable impact on the importance of the geopolitical position of the PG.

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

Persian Gulf oil and gas

Introduction

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

Michel Collon (2001)¹¹

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

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

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

The political geography and geopolitics of oil and gas

Oil has been the cause of many political geography issues in the PG as well as in the entire oil-rich region of the ME. In fact, oil has transformed the political and strategic map as much as the economic one: it is the reason for the existence of some Middle Eastern boundaries and countries, particularly in the PG. The ownership of oil fields and the control of oil transit routes continue to be a significant factor influencing the geographic distribution of wealth and balance of power within this region. Competition between the Great Powers to access them continually increases. Moreover, oil-related boundary and hydrocarbon exploitation issues increasingly complicate contemporary inter-state links.¹²

The oil deposits in the world are geographically very concentrated, and the PG as a sub-system of the ME contains the single most important oil region in the world (see Figures 1.1 and 1.2). The existence of much of the ME's oil within a few large fields has a bearing on two issues: the distribution of wealth and power; and the emergence of regional and international policies. As Drysdale and Blake note, this is because of the following points.

- 1) The ME's main oil reserves lie in the PG in the area between Iran and the Arab zone. Saudi Arabia, Kuwait, Iran and Iraq together

have about 80 per cent of the ME's oil reserves, which is two-thirds of the world's reserves – in other words, more proven reserves under their soil than in the rest of the world combined.

- 2) Low costs of oil exploration as well as easy oil transition to the global market from the PG has very much attracted the world's attention, and especially that of the Great Powers, to this geopolitical region.¹³

For these reasons the security of oil supplies from the PG is very significant for the developed world.

During the twentieth century the importance of oil caused many political, social and economic cataclysms in both oil-producing and oil-consuming countries. The dependence of oil-producing countries on oil income, as well as the economic development of industrial and developing countries, made the oil market extremely political. The oil

FIGURE 1.1
The oil corridor



Source: *Asian Times Online*

FIGURE 1.2
Major oil fields of the Middle East



Source: *Middle East Map Gallery* (2000), <http://maps.unomaha.edu/Peterson/funda/MapLinks/SWAsia/gallery.html>. Courtesy of Encyclopaedia Britannica

market has been the most complex and involved market effecting political events and changes in the whole world, as it has been impossible to make accurate economic decisions in the oil market without regard for political factors and similarly impossible to take political strategic decisions without attention to the oil market. Any fluctuation in oil prices has caused heavy damage to finance, economy, employment and social stability in the oil-producing countries. Indeed, the high speed with which crude oil prices soared has threatened people's daily lives in oil-consuming countries and thus brought social unrest and turmoil in some countries. Consequently, it has affected the basis of sustainable growth of the global economy.

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

The strategic position of oil

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

During the twentieth century, oil has caused a rapid technological change with regard to transportation, and changed both military and commercial significance regarding types of war and weaponry. Consequently it has had a radical impact on the rise and fall of the political powers. As Kemp and Harkavy observe:

Because of the rapidity of the shift from coal to oil to fuel ships, this period of the early twentieth century provides a particularly good example of how the power of an empire can be eroded by lack

of access to a vital resource. Britain became increasingly dependent upon one of its major industrial rivals, the United States. Equally important it demonstrates how quickly a hitherto backward region such as Mesopotamia can assume great strategic importance in a relatively short time.¹⁴

From the end of WWII and since the emergence of the bipolar system, oil has become involved in superpower rivalries, because the most important objectives of the West in the PG have been to contain Soviet influence and protect a stable access to oil. At the same time, the Soviet Union has attempted to increase its political and security influence in this region, specifically through unaligned and anti-West countries.

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

In addition, the tension over the Iranian government's decision to nationalise oil demonstrated the vulnerable position of individual Middle Eastern governments confronting a united front of giant companies which had exclusive control of all stages of oil operations, including an optional setting of the oil price. The establishment of the Organisation of the Petroleum Exporting Countries (OPEC) in 1960 by five countries – Iran, Iraq, Saudi Arabia, Kuwait and Venezuela – was one device that responded to the attempts of oil-importing countries that also affected the global oil market.

The location of more than 75 per cent of the proven reserves of oil in the world away from the main industrial countries' territories has made this element not only a fundamental economic product but also a product with political aspects. The failure to discover new major oil reserves in its main domains, and the approaching maximum production levels in existing oil reserves – e.g. Alaska and the North Sea, which decrease the proven reserves of the US both absolutely and proportionately – together with the failure of innovative policies in the 1970s to develop alternatives and reduce dependence on the PG in order to diminish the dependence of the West on PG oil, have had a significant impact on world demand for energy. Kemp and Harkavy point out that, "In more recent times access to Persian Gulf oil has been the prize and that factor has profoundly influenced strategic planning by the major powers. (...)

Similarly, advances in military technology have had a most significant impact upon strategic access problems.”¹⁵

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

NOTES

- 1 Alasdair Drysdale and Gerald Blake, *The Middle East and North Africa: A political geography* (New York: Oxford Press, 1985), 23.
- 2 Hans Morgenthau, *Politics among nations: The struggle for power and peace*. Revised by Kenneth Thompson (New York: Alfred A. Knopf Inc., 1985), 178.
- 3 Halford Mackinder, *Democratic ideal and reality* (New York: Henry Holt and Co. 1919), 150.
- 4 Drysdale and Blake, op. cit., 23–27.
- 5 Ibid., 27.
- 6 Saul Cohen, *Geography and politics in a world divided* (New York: Random House, 1963), 62, 229.
- 7 Ibid., 231.
- 8 Drysdale and Blake, op. cit., 27–28.
- 9 The emergence of new world powers such as Europe, China and Japan, and also regional powers such as Iran, Nigeria and India, with potentiality for regional authority and infiltration.
- 10 Drysdale and Blake, op. cit., 28.
- 11 Michel Collon (2001) Monopoly-US-British Imperialism. *The Four Winds*, <http://www.fourwinds10.com/news/05-government/C-fraud/04-US-gov/2003/05C4-12-07-03-monopoly-us-british-imperialism.html> (18 April 2004; can no longer be accessed).
- 12 Keith McLachlan, “Hydrocarbons and Iranian policies towards the Gulf States”. In Richard Schofield (ed.), *Territorial foundations of the Gulf states* (London: UCL Press, 1994), 236; also Drysdale and Blake, op. cit., 313.
- 13 Drysdale and Blake, op. cit., 313–318.
- 14 Geoffrey Kemp and Robert Harkavy, *Strategic geography and the changing Middle East* (Washington, D. C.: Brookings Institution Press, 1997), 37.
- 15 Ibid., 25.

The European Union and Persian Gulf energy security¹

Introduction

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

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

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

The European Union challenges

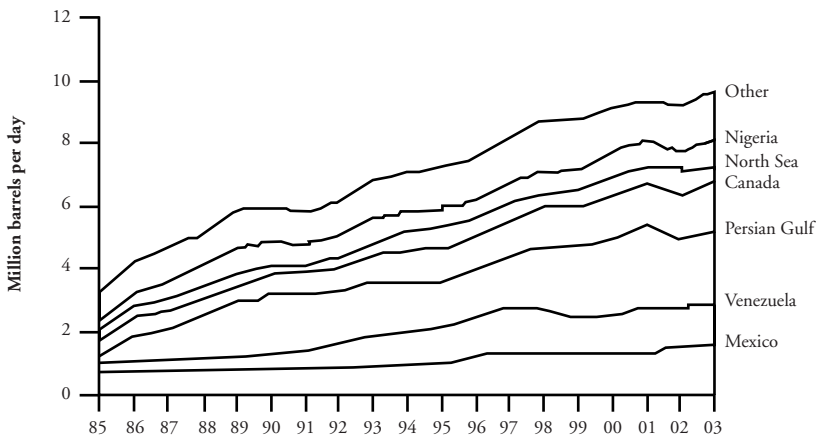
In 2003 the PG, as the main dominant energy source and gateway for global energy in the future, had about 27 per cent of the world's oil production, while holding 57 per cent (715 billion barrels) of the world's crude oil reserves. Besides oil, the PG region also has huge reserves (2,462 trillion cubic feet – TCF) of natural gas, accounting for 41 per cent of total proven world gas reserves.²

The 1970s' oil shocks developed the concept of "energy security", and with the Soviet withdrawal from Afghanistan, *glasnost*, the end of

the Cold War, and also the crisis of the Iraqi invasion of Kuwait in 1990, US security policy found a great opportunity to be stabilised in the region.

Such great geopolitical changes of regional security, along with the “Desert Storm” operation in 1990–1991, paved the way for the “Bush doctrine” and his “new world order” on the basis of US hegemony and provided the possibility of US control and access to oil reserves of the southern littoral states of the PG; extended to Iraq since its occupation in 2003. Although the US has formed its importing energy strategy on decreasing dependency on the PG and has safeguarded almost 58 per cent of its total oil demand from supplies in Canada, Venezuela, Nigeria and Mexico, Washington has increased its presence in the region and its efforts to control the area’s oil vent pipe. The US, by its military superiority and by applying a unipolar security system in the region, could also impart the geopolitical consequences of growing demand for the abundant and low-priced oil and natural gas of the PG as a critical prerequisite for Japanese and EU growth, and increasingly for the industrial growth of Asia and much of the developing world. In addition, with domestic production in decline the US will become ever more dependent on imports from the PG³ (see Figure 2.1).

FIGURE 2.1
US crude oil imports by source



Source: Energy Information Administration, (EIA), <http://www.eia.doe.gov/emeu/cabs/usa.html>

Furthermore, the EU – like the US – faces the steady increase of AP demand for oil and gas from the PG, which is already more than that of Europe and the US merged together. This is, according to Kemp and Harkavy, “a most significant statistic and one that will have a profound impact on the geopolitics of the region”. Certainly it will have a major impact on EU and US energy security policies.⁴ The vital interest of the AP regarding a sufficient and safe energy supply from the ME/PG, which will be studied in the next chapter, has increased the concerns of Western countries, including the EU, dependent on this region’s energy.

Energy supply policy

The EU was shaped as the European Economic Community (EEC) to improve economic and political integration within Europe. Its foundation was based on compacts about energy matters – the European Coal and Steel Community – established after WWII. Hence energy, as a political priority for this union since its inception, has played a major role in its existence and plans for the future. Western Europe shifted from native coal to cheaper imported oil after WWII. According to the Energy Information Administration (EIA), EU members possess only about 0.6 per cent of the world’s proven reserves of oil and 2 per cent of the world’s natural gas reserves. However, the EU holds 7.3 per cent of proven coal reserves. In 2001, the EU produced 4.1 per cent of the world’s crude oil, 9 per cent of the world’s natural gas, and 11 per cent of the world’s coal (see Table 2.1 for further details and source).

According to the EIA, in 2001 the EU consumed 16 per cent of the world’s total energy consumption whilst the US consumed 24 per cent (see Figure 2.2).

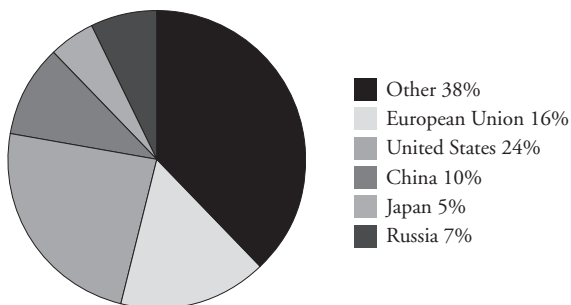
The EU, which consumes 18 per cent of total world oil consumption, is responsible for less than (about) 4 per cent of world production⁵ and also consumes 16 per cent of the world’s natural gas. “Under current patterns of energy production and energy use, the European Union is consuming limited reserves at a rate that compromises the availability of energy to future generations and threatens the local and global environment.”⁶ (See Table 2.2.)

TABLE 2.1
Energy supply indicators, EU and accession countries

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

Sources: *Energy Information Administration (EIA)* and *Oil & Gas Journal*

FIGURE 2.2
World energy consumption, 2001



Source: EIA

TABLE 2.2
Total primary energy consumption by energy type
(percentage of total consumption), 2002

	OECD Europe	EU-15	EU-25*
Petroleum	40.7	43.1	38.4
Natural gas	22.7	23.5	22.6
Coal	16.3	13.5	18.5
Net nuclear electric power	12.6	13.9	14.4
Net hydroelectric power	6.4	4.4	5.8**
Other	1.4	1.5	0.3

Source: *EU's Parliamentary Assembly*, <http://assembly.coe.int/Documents/WorkingDocs/Doc05/EDOC10458.htm>

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

The EU's dependence on energy imports has been increasing constantly, while European oil production, especially from the North Sea fields, is dropping. The EU imports 50 per cent of its energy requirements,⁷ and with central and eastern European countries joining the Union, imports will become more significant. According to a report published by the European Commission, two-thirds of the EU's total energy requirements will be imported by 2020.⁸ The former EU Commissioner for Energy, Loyola de Palacio, anticipated that the EU will import 90 per cent of its oil and 70 per cent of its natural gas by that year.⁹

Most of the EU's oil needs have historically been supplied by the ME. In 1992 almost 4 mb/d – more than 25 per cent of total ME oil production – were exported to the European continent.¹⁰ In 1999, OPEC countries supplied 43 per cent of EU oil, 30 per cent of this coming from the PG.¹¹ The Energy Commission's Green Paper of 2000 expects OPEC to cover as much as half of the EU's energy needs by 2020, compared to about 40 per cent at present.¹²

A similar dependence has developed with regard to gas. In the next decades, gas use will increase most rapidly due to environmental concerns and the phasing out of much of the EU's nuclear energy capacity.¹³ Europe uses natural gas for 22 per cent of its energy needs, with over 90 per cent of its total gas imports coming from just three

sources – Russia, Norway and Algeria, Russia contributing 25 per cent of Europe's natural gas imports.¹⁴

Russia's increasing geopolitical importance as a source of different energies – oil, natural gas and electricity – and its position as the largest energy supplier outside of OPEC has encouraged Moscow to ensure its position as a major energy exporter to Europe and dominant force in Europe's markets, as well as to support its domestic and foreign policy objectives. Hence, the geopolitical dimension of the EU's growing dependence on gas and oil imports is considerable. According to an EU official report,

Future imports of fossil fuels will tend to come from increasingly distant places with obvious price consequences (...) Such a situation [especially for those countries which are completely dependent on a single gas pipeline linking them to a single supplier country] naturally makes many European countries vulnerable to supply shocks, price oscillation, transport costs and other risks.¹⁵

In such a situation, as indicated earlier, "The EU does not yet have all the means possible to change the international market. This weakness was clearly highlighted at the end of 2000 by the strong increase in oil prices."¹⁶ The oil shocks of the 1970s demonstrated the largely negative impact on Europe's economy and society that interruptions to supplies and fickle energy prices can have. The determinant impact of high oil prices on economic growth and inflation as well as unemployment in the EU also affected Europe's economic competitiveness. Although such circumstances caused changes in energy markets aimed at reducing dependence on oil, it did not affect the rise in fossil fuel demand over previous decades and is not expected to act in this way for the foreseeable future.

Strategy for security of energy supply

To tackle the two major challenges facing the EU, i.e. volatility of oil prices and its growing dependence on imported energy, the Energy Commission's White Paper in 1995 emphasised the importance of a secure energy supply as a prerequisite for the EU's successful economy. The White Paper also identified environmental protection and improving the competitiveness of European businesses as two more of its three main

objectives. It stressed the significance of proper economic and political ties with oil- and gas-producing countries. So, in the geopolitical sense, the EU was seen as needing to variegate its energy supplies and suppliers as well as its energy resources.

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

To achieve the aims of the White Paper, the EU's need to develop a strategy aimed at enhancing its energy security in the mid and long term was highlighted (emphasised later in the Green Paper of 2000) by means of:

- the progressive substitution of oil by alternative sources of energy and their technological tools
- an effective demand policy to decrease the energy intensity of EU economies and disconnect the relation between energy consumption and economic growth with respect to a more prominent integration of energy policy among the EU members
- maximising environmental protection, including energy efficiency, energy saving and climate protection, specifically in domestic activities with respect to the Kyoto Protocol aims of reducing greenhouse gases
- to stabilise the needs of energy supply policy with the EU's economic, political and environmental goals, via intervention in the internal market and proper ties with oil- and gas-producer countries for greater market diversification, better market transparency and adequate supply pacts, and also the greater possibility of affecting the international market
- power to control any challenges to energy supply policy before they emerge as a crisis. The EU Brussels agreement of 22 November 2004 to create a rapid reaction force (RRF) of a number of units each made up of 1,500 troops, to be deployed at short notice in conflicts around the world with a focus on crisis-management, humanitarian relief and peace-keeping tasks independently of NATO is apposite in this regard.

The European Union and Persian Gulf security

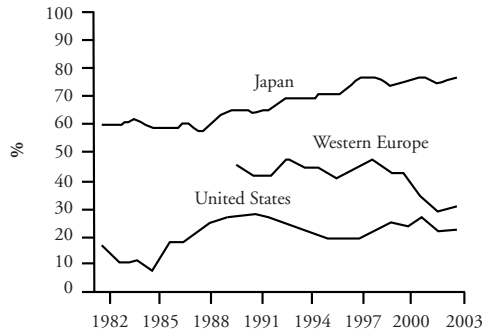
The European Union energy supply policy has encouraged the EU to consider an extensive access to PG security and adopt a greater geopolitical role in this waterway. The EU's major concerns in this regard are:

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

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

There is no consensus on foreign policy among the members of the EU and each member pursues its own national interests, although "there is still a lingering fear in Europe that the United States will embroil European countries in conflicts that do not involve threats to their vital interests".¹⁷ In addition, the EU, which is even more dependent on the PG's energy than the US, will continue over the next decade to use the PG as its dominant source of energy supplies, the source to which the AP region will also turn to fill its burgeoning energy demands (see Figure 2.3). Consequently, the perception is likely to arise that a serious interruption of PG oil supplies would cause severe economic and financial dislocation as well as political and social instability in the developing world, and this in turn could generate pressure for Western military action.¹⁸ This will mean more US military presence and control over energy routes.

FIGURE 2.3
Net oil imports from the PG as a percentage of total net oil imports



Source: Energy Information Administration (EIA), <http://www.eia.doe.gov/cabs/pgulf2.html>

The significance of the PG's huge natural gas reserves at 41 per cent of total proven world gas reserves has increased the geopolitical importance of the PG. Enumerating the reserves of the Caspian Basin (about 340 TCF), which raises the figure to nearly 55 per cent, would further satisfy EU security perspectives (see Table 2.3).

Natural gas, which is regarded as the preferred fuel for electricity production in the EU, is becoming an increasingly important source of energy. The EU has more problems with its gas needs than oil. Europe's growing preference for natural gas, along with the reducing reserves in the North Sea, will give an added encouragement to political efforts already under way to strengthen ties with other major suppliers. Russia and North Africa are the main gas suppliers of the EU but studies of the European Commission predict that the Union's share of energy from foreign sources will rise from about half in 2000 to two-thirds by 2020, confirming the significance of the diversity of gas suppliers for the EU.¹⁹

Other EU concerns regarding its diversity of gas suppliers, besides the geopolitical advantages of Russia over the EU's markets and the EU's deep dependency on Russia's energy, is uncertainty concerning the unstable political, economic and social situation in North Africa. Preventing any disruption in gas supplies caused by, or the cause of, any possible turmoil

or conflict in this area would require increasing European preparation and military planning (especially among NATO's southern European members) "to assemble a European-led force and to request NATO support for an emergency response".²⁰

TABLE 2.3
Caspian Sea region oil and natural gas reserves

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

Sources: *Oil and Gas Journal*, *Energy Information Administration*, http://www.angelfire.com/dragon/asif/Caspian_Sea_Region.htm

Notes: *proven reserves are defined as oil and natural gas deposits that are considered 90 per cent probable; **possible reserves are defined as oil and natural gas deposits that are considered 50 per cent probable; ***only the regions near the Caspian are included // BBL = billion barrels, TCF = trillion cubic feet

Consequently, the EU has strengthened economic and political ties with all littoral states of the PG to ensure the continuation of its oil and gas supplies. Since the 1980s, bilateral trade relations between EU and GCC countries have changed from a negative trade balance to a positive one in favour of the EU. The GCC is the EU's fifth largest export market, while the GCC is the fourteenth biggest source of imports for the EU.²¹

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

Iran, which contains the world's second largest natural gas reserves and around 10 per cent of the world's total oil resources, and with its geostrategic location as an entrance to the ME and Central Asian energy suppliers, has great potential to satisfy the political and economic needs of the emerging global powers, including the EU.

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

Hence, the bilateral trade of the EU with Iraq that was interrupted from 1991 to 1996 was once again cultivated following the start of the UN oil-for-food programme in 1997. The EU became the second main trading partner of Iraq with 33 per cent of Iraq's foreign trade, after the US with 42 per cent. According to the European Commission, in 2001 the EU, accounting for 55 per cent of Iraq's imports to its market, imported mainly energy products from Iraq, which accounted for 99.9 per cent of its imports from that country. This figure contained 2.5 per cent of the EU's total energy imports, with Iraq being its ninth highest energy supplier.²²

Concerning Iran, Europeans, as Hollis affirms, "see this country as such a significant and powerful player in the Gulf that to attempt to exclude it from a say in regional affairs is to court antagonism".²³ The EU has successfully mediated Washington–Tehran disputes, preventing these from emerging as crises, e.g. Iran's nuclear activities – even since 2005 when such activities have become a serious international matter.

EU investments in Iranian projects like the development of South Pars (which, ranking as the world's largest offshore gas field, is Iran's largest energy project, and already has absorbed approximately US\$20 billion in investment) have confronted a series of unacceptable choices for the US: whether to impose sanctions on these firms and face big risks in its relations with its allies or to ignore their activities and face weakening international support for Washington's efforts to isolate Iran. According to the European Commission, despite the ongoing question of Iran's nuclear programme having a serious negative impact on bilateral trade relations, the EU is still Iran's largest trading partner, accounting

for almost a third of its exports. In 2007, EU exports to Iran were 10 billion, and its imports from Iran were 13.8 billion. According to the European Commission, close to 90 per cent of EU imports from Iran are energy related whereas this rate was about 80 per cent in 2005 (mainly oil products), representing 3.8 per cent of total EU imports of energy products. Iran ranks as the sixth highest supplier of energy products for the EU, having held seventh position in 2005.²⁴

The European Commission's advice for securing the EU's gas supply by new long-term contracts for imports from third countries and, as mentioned in documents of the Parliamentary Assembly of the Council of Europe, to diversify its energy supplies and suppliers in the geopolitical sense, is for the EU to:

[expand] the energy mix in individual countries, [develop] a closer energy partnership with the Caspian Sea region (...) and [strengthen] its long-term energy co-operation with Russia. To support an eastbound partnership (primarily in natural gas but also in oil), major investments in network and interconnection infrastructure, as well as in new transit facilities, are needed for transport from, for example, the Caspian Sea to other parts of Europe.²⁵

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

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

Conclusion

The EU, which faces the geopolitical effects of its growing dependence on external energy, specifically gas as a preferred energy source, has tried to variegate its fossil fuels supplies and suppliers. While the PG will remain the main source of EU energy supplies in coming decades, the EU, in order to reduce its dependency on energy supplies – especially natural

gas from Russia and North Africa – has developed its economic and political ties with all littoral states of the PG to ensure future oil and gas supplies. In addition, the EU as an emerging global superpower is “deeply concerned about the US ‘new order’ in the ME”,²⁶ and is not interested in the US plan of “The Greater ME” (GME), which is designed for US permanent hegemony in this region. The EU’s difference with the US in dealing with the ME countries, which is rooted in their hidden rivalry to control the strategic region of the ME with its major energy reserves, has become particularly obvious with regard to Iran.

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

NOTES

- 1 This chapter was first published in *Journal of Middle Eastern Geopolitics*, vol. 1, no. 2, 2005, 59–73. It has subsequently been amended and updated.
- 2 Energy Information Administration (EIA), <http://www.eia.doe.gov/emeu/cabs/pgulf.html> (24 October 2005; can no longer be accessed).
- 3 Michael Klare (2003), “The Bush/Cheney energy strategy: implications for U.S. foreign and military policy”, Information Clearing House, <http://www.informationclearinghouse.info/article4458.htm> (accessed 2 October 2004).
- 4 Geoffrey Kemp and Robert Harkavy, *Strategic geography and the changing Middle East* (Washington, D. C.: Brookings Institution Press, 1997), 120.
- 5 *Ibid.*, 119.
- 6 INTUSER, “EU energy supply policy”, <http://www.intuser.net/ufes34.php> (8 November 2004).
- 7 EUROPA, <http://europa.eu.int/scadplus/leg/en/lvb/l27037.htm> (17 November 2004), <http://europa.eu.int/comm/energy/library/commen.pdf> (7 November 2004; can no longer be accessed).

- 8 *ELA*, <http://www.eia.doe.gov/emeu/cabs/euro.html#Table2> (can no longer be accessed).
- 9 *Metering International, Newsletter 1* (4 September 2002). EU energy policy focuses on reducing consumption (Europe), http://www.metering.com/bits/newsletter1_4Sep2002.htm (17 November 2004; can no longer be accessed).
- 10 *ELA*, <http://www.eia.doe.gov/emeu/cabs/euro.html#Table2> (can no longer be accessed); also Kemp and Harkavy, op. cit., 119.
- 11 *EUROPA*, <http://europa.eu.int/comm/energy/library/commen.pdf> (can no longer be accessed).
- 12 *The Report of the Committee on Economic Affairs and Development of Parliamentary Assembly*, Doc. 10458 (22 February 2005) Europe's growing energy vulnerability, <http://assembly.coe.int/Documents/WorkingDocs/Doc05/EDOC10458.htm> (accessed 24 October 2005).
- 13 For details see (among many) <http://www.eu-energy.com/eurosaf-fin.pdf> (accessed 20 May 2008).
- 14 Ibid.
- 15 Ibid.
- 16 *EUROPA*, <http://europa.eu.int/scadplus/leg/en/lvb/l27037.htm> (can no longer be accessed).
- 17 Richard Sokolsky, Stuart Johnson, and Stephen Larrabee, "Persian Gulf security: Improving allied military contributions", *RAND*, <http://66.218.69.11/search/cache?p=europe+gulf+security+challenges&ei=UTF-8&fl=0&u=www.rand.org/congress/terrorism/phase2/persianguf.html&w=europe+gulf+security+challenges&d=K6o4VGFULnZP&icp=1&.intl=us> (24 October 2005; can no longer be accessed).
- 18 Ibid.
- 19 Ibid.
- 20 Sokolsky, Johnson, and Larrabee, op. cit.
- 21 Statistical information from *EUROPA*, http://europa.eu.int/comm/trade/issues/bilateral/regions/gcc/index_en.htm (7 December 2004; can no longer be accessed).
- 22 Ibid.
- 23 Rosemary Hollis, "Europe and Gulf security: a competitive business". In David Long and Christian Koch (eds), *Gulf security in the twenty-first century* (Abu Dhabi: The Emirates Center for Strategic Studies and Research, 1997), 75.
- 24 *EUROPA* http://europa.eu.int/comm/trade/issues/bilateral/countries/iran/index_en.htm (20 November 2005 and 15 December 2008; can no longer be accessed).
- 25 Also, *EUROPA*, <http://europa.eu.int/scadplus/leg/en/lvb/l27047.htm> (can no longer be accessed).
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Asian-Pacific region and Persian Gulf energy security¹

Introduction

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

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

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

Energy policy and security

The AP region, according to the data of 1999, imported some 60 per cent of its oil from the ME, compared with just 13 per cent imported by the US and 21 per cent by Western Europe. In the next two decades it is expected to become the biggest world energy consumer at 27 per cent of total world energy consumption, while the US is predicted to consume 25 per cent, Western Europe 18 per cent and Japan 5 per cent.

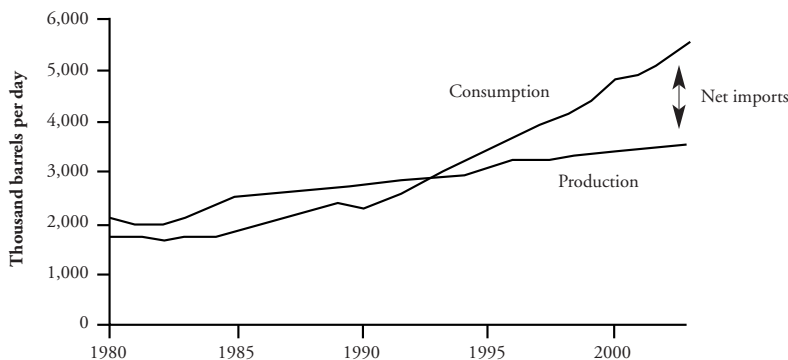
The PG, as the main dominant energy source and gateway for global energy in the future, together with the AP region's rapid economic development reflecting its great growth of population, has paved the way for a closer relationship with and mutual reliance between East and West Asia. This entrenched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

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

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

China, as the world’s most populous country and the second largest energy consumer after the US, is expected to keep its position as the largest oil consumer in Asia, its economy having increased twofold in size during the 1990s. China, as an oil exporter until 1993, now produces only for domestic use and according to some estimates its proven oil reserves could be depleted in fourteen years. “China’s oil demand is projected by EIA [July 2004] to reach 12.8 million bbl/d by 2025, with net imports of 9.4 million bbl/d [see Figure 3.1]. As the source of around 40% of world’s oil demand growth over the past four years, Chinese oil demand already is a very significant factor in world oil markets.”⁴ India, Japan and South Korea as well will continue to be major oil consumers in the AP in the next decades.

FIGURE 3.1
China’s oil production and consumption, 1980–2003



Source: Energy Information Administration

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

As Manning observes, Asia's growing dependence on the volatile region of the ME is "a growing concern for Asian governments that have viewed energy largely in strategic terms, as one of the 'commanding heights' of the economy and a matter of fundamental national security".⁵ Such a geostrategic disposition has confronted the AP region with serious challenges, as outlined below.

Economic challenges: The economic growth of the AP region, which has contributed towards regional stability and development since the end of WWII, has been facing the threat of reduction for two main reasons: 1) the rising levels of oil consumption and demand for energy at a greater rate than economic growth; and 2) the effect of oil-market volatility on the region, especially due to growing oil prices and its effect on the currencies.

The links between energy prices and financial markets confirmed in a July 2004 *Financial Times* article have profound implications for both energy security and the economics of the region.⁶ The Asian financial crisis of 1997–1999 came as a shock to both the economics profession and the international policy community. Besides its impact on Asian countries' economic growth rates and on their energy demand, it raised fears of a worldwide financial contagion. Analysis of the further link between price rises for oil and other commodities revealed the AP developing countries' greater vulnerability regarding the economic aspect of energy security. Although the danger of oil shocks is not the most urgent element of energy security, it could affect economic growth, regional currency markets and domestic purchasing power, which is where the danger for these economies lies. Social unrest and political instability has even threatened some AP energy-dependent states with significant economies. The forecast these factors suggest for energy security and economics in the AP looks disturbing.⁷

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

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

China's quiet shift to net oil importer status since 1993 has made Beijing an important actor in the increasingly competitive global oil and gas markets. AP energy security is closely connected to China's energy security.⁸ How China satisfies its huge energy needs will be one of the most important challenges over the next decade from regional and global perspectives.

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

Geopolitical aspects of Asian-Pacific energy needs from the Persian Gulf

The vital interest of the AP regarding sufficient and safe energy supplies from the ME/PG has increased the concerns of Western countries dependent on this region's energy, as Kemp and Harkavy explain:

[T]he growing needs of Asia pose a new problem, and the economic dimensions of the energy equation will have a very important security component. If the estimates of Asian energy requirements are of the right order of magnitude, it is clear that this Asian energy gap will have profound consequences for the global economy and the geopolitics of the Middle East.⁹

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

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

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

As Anoushiravan Ehteshami expresses it, “These trade and investment ties have given each of the two sides of the energy equation a large and equal stake in the economic stability and security of the other.”¹⁰

China is one of these key economic states that, since the end of the Cold War, has established closer economic, political, military and security ties with many ME and Asian countries, including the regional powers. So, Beijing's strategy in this region is an amalgamation of different concerns, but on a geo-economic rather than geostrategic base. Economic profit – i.e. trade and energy – are China's strategic interests in the ME/PG and oil is “the key to the geopolitical linkage between China and the Middle East”.¹¹ Hence, regional stability of the ME/PG is a vital political concern of Beijing. One of China's political achievements in this regard is the development of proper relations with major Middle Eastern adversaries in order to assure regional stability – e.g. Iran, Arab World and Israel – while at the same time cautiously acknowledging the US attitude in this arena to prevent any damage to its relations with Washington.

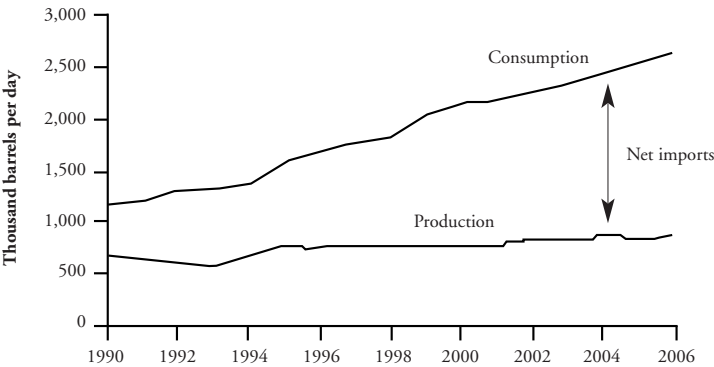
China's associations in the ME are, according to Rubin, driven by “economic goals rather than political ambitions”. In 1994 President Jiang Zemin stated that China should aid dissident countries like Iran, creating profitable relationships, and oppose the US “hegemony” on the ME as “there may be no room there for any Chinese economic foothold”.¹²

China, as a net oil-importer, has common interests with those of the oil-dependent West, and during the last two crises of Iraq in 1990 and 2003 has proved that “international stability furthering China's development is more important”.¹³ However, as a major importer of ME/PG energy it could face some clashes between its interests and its orientations with the West in the event of a further crisis, e.g. the Iranian nuclear programme. As Kemp and Harkavy note:

Unlike 1990, the key Asian countries might be less willing to accept American leadership in crisis management. (...) Similarly, if China and India become major importers of Middle East energy, they will likely have their own, more independent and possibly more confrontational, policies toward the region. There have been suggestions that China's embryonic blue water navy may eventually be deployed in the Indian Ocean in part to assure the security of oil supplies from the Gulf. (...) More speculative, but potentially very important, is the possible link between China's growing needs for Persian Gulf oil and its plans to develop a blue water navy with the capability of protecting its sea-lanes in the Indian Ocean and South China Sea and thereby posing a putative challenge to other maritime powers in the region, especially India and the United States. (...) It is impossible to imagine Chinese naval deployment in the Indian Ocean not soliciting a response from India.¹⁴

India has moved into sixth place in world energy consumption as one of three major powers in Asia, along with Russia and China, and is searching for a greater regional and international role. Although the Indian energy sector is mainly dependent on coal and oil accounts for about 30 per cent of India's total energy consumption, oil and gas as alternatives to the less efficient, more polluting coal energy are strategically important (see Figure 3.2).

FIGURE 3.2
India's oil production and consumption, 1990–2006*
 (*2006 is an estimate)



Source: *BA International Energy Annual*, 2004; *Short-term Energy Outlook*, January 2007

While India is facing declining oil production at home, approximately 75 per cent of its total oil-consumption requirements in 2006 were supposed to come from the volatile region of the ME.¹⁵ Therefore, secure energy supplies would be significant for the continuation of its recent economic proliferation and rise as an economic power.

In this regard India's growing blue water navy has been a proper response to its increasing dependence on routes of oil tankers from the ME/PG. The expansion of India's navy, like China's, has raised some challenges to American influence in the Indian Ocean and South China Sea.¹⁶

From an economic point of view, India and China – besides some of their different policies and interests with Washington – appreciate their relations with the US, while the US as the most significant global and external power within Asia could assist securing the region's security as a vital factor to the economies of India and China. Washington, as well as its economic interests in these two populous developing markets that account for 37 per cent of the world's population, has various common strategic interests with each of them.¹⁷ Interaction between these three internal and external Asian powers could affect the future stability and equilibrium of the AP region but there are some other issues that, for smooth interaction, must also be taken into consideration.

From a political perspective an objective harmonious interaction between the emerging powers of India and China with the third major regional power, Russia, would not please Washington because it would threaten US superiority and its world leadership and could lead to a multipolar world. Also, Chinese and Indian relations with Iran as an energy supplier and regional power in the PG increase Washington's unease. This is one of the most important strategic relationships since the end of the Cold War, which Ehteshami mentions as the growing military links between Asia's big three countries, China, India and Iran especially via Russia. "The growth of such relationships has also helped deepen Asian strategic interdependencies and create new opportunities for both cooperation and competition between the major continental Asian powers."¹⁸

US concerns about India, according to Guihong, are at the top of Washington's South Asia policy and come mostly from New Delhi's different strategy to match the emergence of China as a key world power and to cooperate, not compete, with it – especially in oil markets. The

US integrated military strategy for the Europe-Atlantic and Asian-Pacific regions perceives India in a geostrategic position in the Indian Ocean, he remarks. He also adds,

The United States is especially concerned about China's challenge to its world leadership, while India is especially concerned about China's future relationship with Pakistan. For India [as a developing country, whose priority is economic development], creating or joining an alliance against China does not suit its national interests.¹⁹

Japan, with poor domestic energy resources, has been significantly dependent on the PG for its crude-oil imports. Its extreme dependence on foreign oil was the result of a massive switch from coal after WWII. The PG's portion of total Japanese crude-oil imports was 82.1 per cent during the 1969–1973 period. After that, with Tokyo's efforts to diversify geographically the sources of supply of its imported oil, especially since the first oil crisis of 1973–1974, it decreased significantly, but during the 1984–1988 period it still needed 68.9 per cent.²⁰ Before 1973 Iran was the biggest oil exporter of the PG to Japan, followed by Saudi Arabia. But later the Iranian position was replaced by other littoral states of the PG, viz. Saudi Arabia and the UAE.

Japan is the other AP key economic state with heavy dependence on PG energy that prefers its independent security role from the US, though is harmonious with it. Political convergence has assured Japan of US military support, but since the end of the Cold War Tokyo has realised that reliance only on Washington is not enough. Economic goals are Japan's main interest in the PG, so Tokyo will not have a challenging role in the geopolitical evolution of this region. What Japan is looking for, as Simon asserts, is an independent security role, an appropriate AP regional role and an international political role.²¹ Under such circumstances energy is vital to the continuation of the economic growth of Japan.

Japan has been trying its best to reduce its dependency on the PG for its imported oil supply, but because of oil's indispensability and the country's long-term needs it has sought to establish relations of interdependence with the PG states rather than total trading. According to Ishida, while the Iran–Iraq war damaged the development of Japan–PG interdependence, peace in this region from Tokyo's point of view is an absolutely necessary precondition to achieving bilateral economic and cultural relations. Consequently as he states:

Japan has always refrained from providing the Gulf with weapons in exchange for oil: in other words, Japan has sought to implement its oil strategy in the Gulf without arms deals. Japan is confident that this policy will be very helpful in keeping the Gulf peaceful.²²

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

Iran and emerging Asian Great Powers' interdependency

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

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

The US' attempt to dominate the world's energy sectors and the growing influence of Western powers in those regions, especially in the ME/PG (with two recent wars in the PG) and Central Asia during the last decade, along with NATO's eastern expansions, have caused larger developing countries such as China and India as well as Russia economic and political concerns. Consequently, the Asian key power countries have tried to establish strategic and long-term ties with key energy producer countries in the region, especially Iran. Iran, in return, has succeeded in weakening the various US embargos and strengthening its regional position in the power balance. As Ehteshami remarks:

[T]he spreading of American influence to this region [Central Asia], on the doorstep of so many of its competitors in Asia, could be a

costly venture. Any real gains by the United States will more than likely accelerate the pace of security cooperation between China, Russia and Iran.²³

In this respect *China* signed a significant energy agreement with Iran, named the “Agreement of the Century” in 2004, worth an estimated US\$200 billion over 25 years, during which China will purchase Iranian oil and gas and help to develop Iran’s Yadavaran oil field in the western border of the country. According to *The Washington Post*, “Economic ties between two of Asia’s oldest civilizations (...) have broad political implications. Holding a veto at the UN Security Council, China has become the key obstacle to putting international pressure on Iran.” From a political and economic perspective the two countries also share concerns over the growing presence of US and other Western troops in Central and South Asia; hence they have considered cooperation in Central Asia in the energy sector. As *The Washington Post* cites (quoted from Ali Sabzevari who wrote in the Iranian newspaper *Keyhan International*), “Politically, the two countries share a common interest in checking the inroads being made by NATO in Asia. (...) The presence of outsiders does not bode well for peace and security.”²⁴

India, by signing a similar but smaller agreement with Iran in January 2005, also joined the Iran–China “Agreement of the Century”. According to this agreement, which was worth US\$20 billion and will reach US\$40 billion over a 25-year period, Iran will export 7.5 million metric tonnes of liquified natural gas annually, starting in 2009. India will also invest in the development of Iran’s biggest onshore oil field, Yadavaran, along with the Chinese company Sinopec as the operator of the field with a 50 per cent share and the National Iranian Oil Company with a 30 per cent share. Indian participation in Yadavaran, where estimates suggest up to 3 million barrels of crude oil, will be about 20 per cent (or 60,000–100,000 barrels per day). Jufair oil field is the other area where India will invest in Iran’s soil.²⁵

The Indian gas-imported supplies will go through a US\$4.5 billion pipeline from Iran via Pakistan. The agreement for starting technical estimates to establish the 2,775 kilometre pipeline was achieved after 12 years of political tension between India and Pakistan despite, according to some Western presses, US efforts to isolate Iran regionally by pressuring Islamabad not to enter into an energy deal with Tehran at this juncture.

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

Kharrazi also emphasised that the “conclusion of an agreement amongst Russia, India and Iran regarding the construction of [the] International North-South Transport Corridor is a major example of close regional cooperation (...) [and the] creation of [an] East Corridor connecting Uzbekistan, Iran, Afghanistan, is an indication of cooperation between New Delhi and Tehran”.²⁶

Furthermore India, in its long-term energy scheme, has made it clear that it views Iran and Russia as two significant partners for its importing of energy.

Russia, as an important Eurasian power that has strategic motives for a much wider relationship with Iran in the post-Cold War, and like Tehran, having regional geopolitical concerns and desire for a multipolar international order to challenge the hegemonic influence of the US, appreciates Iran’s position in Asia’s security. Therefore, Russia has ignored the US policy of Iran’s containment since the 1980s, and along with China and India has strengthened its military cooperation with Tehran, Iran being very keen to build up its defence potential with their help. Moreover as Kemp and Harkavy state:

Iran plays an important role vis-à-vis its neighbors in all directions. Its relations with Russia have political, military, and economic overtones and, indeed, Russian-Iranian decisions on the future of the Caspian Sea may be determinative for many of the oil agreements that will be worked out with Azerbaijan, Turkmenistan, and Kazakhstan in the future.²⁷

Russia, despite US objections, is the only Iranian foreign partner assisting in the construction of its nuclear power stations.

Iran’s astute strategic policy in the region has even caused concern among some other regional countries, especially those with

energy-importing needs. According to a Turkish analyst, Ertan, Iran's significant agreements with China and India have increased Tehran's power and influence in Asia, which should be a matter of concern to all countries, including Turkey. He also stresses that these agreements have had an enormous impact on shaping the energy policy of Beijing and New Delhi and "will definitely influence the global energy-politics as well, even before the details have been examined".²⁸

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

These difficulties are highlighted by the impressive way that Iran is rapidly forging links with other major global players. (...) These agreements [with China and India] supplement existing close cooperation between Iran and Russia. They demonstrate how Iran's political leadership is systematically developing long-term links with key states. The economic benefits are evident but the political implications, given Iran's current tense relationship with the US, may be even more important. These benefits make it well nigh impossible for the US to organise effective economic sanctions against Iran, should it try to do so.²⁹

Japan, as well, has been increasing its investments in Iran under its policy of seeking overseas equity in oil projects. Japanese consortiums have signed different multi-billion dollars agreements with Iran for oil and gas development projects, viz. the huge onshore Azadegan oil field, two major oil fields of Soroush/Nowrooz located offshore, about 50 miles

west of Kharg Island, the operational refinery of Arak, and the onshore natural gas of South Pars.

Japan, as the third largest oil consumer (after the US and China), and apart from its interests in the PG, has also been seeking equity stakes in the Caspian Sea region and the Russian Far East as alternatives to Japan's strategic goal of reducing its dependence on ME oil imports. Despite the feasibility of accessing other major reserve regions, including Siberia and western China, political difficulties and economic costs for developing these regions continue to reduce the possibilities of choice. In addition, the Caspian Sea region, with its potential for becoming a major oil and natural gas exporter over the next decade, could save the importing energy states from total dependence on ME/PG energy. However, besides its reserves, which are much smaller than the PG's energy resources, a number of obstacles threaten the Caspian Sea region's energy capability, e.g. a shortage of suitable export infrastructure, disparity about new export routes, and sea-bordering disagreements between its five littoral states. Consequently, the geopolitical importance of the PG stays unique and, even in a scenario of Caspian states' success in solving their political and economic problems, Iran will remain a key regional player in further power relations in Asia. Finally, the geostrategic status of the PG and the state of Iran as a key player will increase under the circumstances of:

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

Simultaneously, there would be the potential for some political and economic contradictions, which could lead to tension in both regions of

the AP and the PG despite their global dimensions in relation to energy prices and security supplies. To avoid such potential conflicts, or even the occurrence of some kind of Energy Cold War between the East and the West, some analysts suggest that all parties should concentrate more on geo-economic parameters rather than geostrategic values. Salameh, a technical expert of the United Nations Industrial Development Organisation (UNIDO) in Vienna, believes that “potential conflicts can be resolved not by force but through markets and investment and also through the diversification of energy sources and the promotion of alternative energy development and use across the region”.³⁰ In addition, Edward Luttwak, emphasising the inefficacious traditional role of military forces, affirms that, in the absence of a bipolar world order armed forces only perform a residual role while geo-economics has become the essential, fundamental factor of the world order.³¹

Conclusion

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

In this respect the PG states, especially Iran, are working with all parties according to their national interests. AP energy security cooperation could also reduce regional energy tensions and promote cooperative regional security. However, the military attitude in the region will provoke conflicts as the littoral states of the PG have been forced to join the process under the current situation. Hence, as Kemp and Harkavy remark, “[W]hatever happens, the many sources of conflict in the Persian Gulf region will mean that security concerns and military planning will continue to go hand in hand with economic development and efforts at conflict resolution.”³² Under current geopolitical evolutions via the interdependency of East and West Asia, the formation of a new regional and international balance of power, the PG states, by recognising their significant regional position, should emphasise their energy policies more consistently and be more active rather than objective.

However, energy security in the PG will be very heavily influenced by how the regional and ultra-regional powers understand each others’

perceptions of threat as well as their national security issues, an important matter which will be studied in the next chapter.

NOTES

- 1 This chapter was first presented at the 16th International Conference on the Persian Gulf (18–19 September 2006). The conference was entitled “The Persian Gulf: An Emerging Security Structure” and was held in the Centre for Graduate Studies of the Faculty of Law and Political Science, University of Tehran. It has subsequently had some minor amendments.
- 2 Kent Calder (March–April 1996), “Asia’s empty gas tank”, *Foreign Affairs*, vol. 75, no. 2, cited in Robert Manning (spring 2000), “The Asian energy predicament”, *Survival*, vol. 42, no. 3, 73–88, http://www.cfr.org/content/publications/attachments/Manning_Energy_Article.pdf#search='Robert%20A.%20Manning%20asian%20energy%20predicament' (accessed 29 September 2006).
- 3 Manning, *ibid.*
- 4 From Energy Information Administration (EIA), Country analysis Briefs, China, http://www.cfr.org/content/publications/attachments/Manning_Energy_Article.pdf#search='Robert%20A.%20Manning%20asian%20energy%20predicament' (4 February 2005; can no longer be accessed).
- 5 Manning, *op. cit.*
- 6 Cited in Richard Giragosian (24 August 2004), “East Asia tackles energy security”, *Asia Times on line*, http://www.atimes.com/atimes/Asian_Economy/FH24Dk01.html (accessed 7 November 2004).
- 7 *Ibid.*
- 8 Details in Ji, GX (winter 1998), “China versus Asian Pacific energy security”, *Korean Journal of Defense Analysis*, vol. 10, issue 2, 109.
- 9 Geoffrey Kemp and Robert Harkavy, *Strategic geography and the changing Middle East* (Washington, D. C.: Brookings Institution Press, 1997), 129.
- 10 Anoushiravan Ehteshami, “Asian geostrategic realities and their impact on Middle East-Asia relations”. In H. Carter and A. Ehteshami (eds), *The Middle East’s relations with Asia and Russia* (London, USA and Canada: Routledge Curzon, 2004), 14.
- 11 Kemp and Harkavy, *op. cit.*, 130.
- 12 Barry Rubin (March 1999), “China’s Middle East strategy”, *Middle East Review of International Affairs (MERIA)*, vol. 3, no. 1, <http://meria.idc.ac.il/journal/1999/issue1/jv3n1a4.html> (accessed 20 April 2004).
- 13 *Ibid.*
- 14 Kemp and Harkavy, *op. cit.*, 130.
- 15 *Asia Times Online*, <http://www.atimes.com/atimes/China/FB07Ad05.html> (accessed 7 February 2004).
- 16 Keith Brasher (18 February 2005) “2 big appetites take seats at the oil table”, *The New York Times* [Newspaper online], <http://www.nytimes.com/2005/02/18/business/worldbusiness/18energy.html?pagewanted=1&adxnnl=0&adxnnlx=1108824803-E3sesbMYjrmP/x1qcNx82A> (accessed 19 February 2005).

- 17 For details see Zhang Guihong (2003), "U.S.–India security relations implications for China", *Faultlines: writings on conflict and resolution*, vol. 14, article 2, <http://www.satp.org/satporgtp/publication/faultlines/volume14/Article2.htm> (accessed February 2005).
- 18 Ehteshami, op. cit., 5.
- 19 Guihong, op. cit.
- 20 Statistical information are drawn out from Sekyu Renmei (The Petroleum Association of Japan), cited in Susumu Ishida, "Japan's oil strategy in the Gulf without arms deals". In Charles Davies (ed.), *Global Interests in the Arab Gulf* (UK: University of Exeter Press, 1992), 194.
- 21 Among many, see S. W. Simon (winter 1999), "Multilateralism and Japan's security policy", *Korean Journal of Defense Analysis*, vol. 11, issue 2, 79–96.
- 22 Ishida, op. cit., 189–190.
- 23 Ehteshami, op. cit., 17–18.
- 24 Robin Wright (17 November 2004), "Iran's new alliance with China could cost US leverage", *The Washington Post*, <http://www.washingtonpost.com/wp-dyn/articles/A55414-2004Nov16.html> (accessed 22 February 2005).
- 25 http://www.atimes.com/atimes/South_Asia/GA11Df07.html.
- 26 *IRNA*, 21 February 2005 in New Delhi.
- 27 Kemp and Harkavy, op. cit., 75.
- 28 Among many, see Fikret Ertan (25 January 2005), "Iran–India Energy Agreement", Istanbul, *Freepublic*, <http://www.freepublic.com/focus/f-news/1331738/posts> (accessed 21 February 2005).
- 29 Paul Rogers (20 January 2005), "A Bush administration buoyed by electoral success is extending its military ambitions to Iran and Syria", *Opendemocracy*, <http://www.opendemocracy.net/themes/article.jsp?id=2&articleId=2316#> (21 January 2005; can no longer be accessed).
- 30 Mamdouh Salameh (September 2003), "Quest for Middle East oil: the US versus the Asia-Pacific region", *Energy Policy*, vol. 31, issue 11, 1085–1091, http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6V2W-482X5WJ-1&_coverDate=09%2F30%2F2003&_alid=252767344&_rdoc=1&_fmt=&_orig=search&_qd=1&_cdi=5713&_sort=d&view=c&_acct=C000050221&_version=1&_urlVersion=0&_userid=10&md5=0fcb9669654c01128e9b91dcd7797618 (accessed 3 March 2005).
- 31 See, Edward Luttwak, (Summer 1990) "From Geopolitics to Geo-Economics: Logic of Conflict, Grammar of Commerce," *National Interest*, no. 20, 17–23. Also E. Luttwak, *The Endangered American Dream: How to Stop the United States from Becoming a Third-World Country and How to Win the Geo-Economic Struggle for Industrial Supremacy* (New York: Simon and Schuster, 1993), and V. F. Dorogin (May–June 2003), "Maritime activity and Russia's geo-economic revival", *Find Articles*, http://www.findarticles.com/p/articles/mi_m0JAP/is_3_12/ai_110620091/pg_1 (accessed 14 February 2005).
- 32 Kemp and Harkavy, op. cit., 131.

Threats to Persian Gulf energy security¹

Introduction

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

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

Energy security

Energy security in general is defined by three factors – viz. resource, traffic path and price. To achieve energy security, countries importing energy make preparations for more control over each one of these three factors for a longer time while simultaneously trying to reduce their vulnerability to threats of energy supply and dependable access with suitable prices. New security consideration for natural gas as the most favourable energy resource in the future on the one hand, and trends towards liberalisation of energy sectors and markets on the other, threaten the reliable market of energy-importing countries and cause concerns about the ability to supply them with a resource deemed vital to national security.

Although the regional oil producers have common concerns about energy security, they face different types of threats. On the one hand there are international economic sanctions on some littoral states, and

on the other there is the possibility of energy terrorism and attacks on the littoral states' energy infrastructures. Also, from some states' point of view, the presence of foreign forces in the region, as well as any domestic, regional or international crises, could threaten energy supplies. The collective impact these threats could have on regional and global economies may cause a comparatively slight disruption to energy production on a global scale but could dramatically increase world energy prices.

Ultra-regional perspective

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

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

[Our] energy security policy has two main goals. First, to ensure that our economy has access to energy on terms and conditions that support economic growth and prosperity. Second, to ensure that the United States and its foreign policy can never be held hostage by foreign oil suppliers.²

Hence, the stability of the PG as the most significant energy-supplying region remains certain and significant for the West's, and specifically the US', strategy. Besides its efforts to decrease dependency on PG oil, the great strategic interest of the US is the heavy dependence of its allies – viz. the EU and Japan – on energy imports from this region (as explained in the previous chapter); additionally, the impact of huge amounts of energy exports from the PG and Saudi Arabia swing production on remaining world oil prices comparatively low. Washington, by its military superiority and by applying a unipolar security system in the region, could also impart the geopolitical consequence of growing demand for the abundant and low-priced oil and natural gas of the PG as a critical

prerequisite for Japanese and EU growth, and increasingly for the industrial growth of Asia and much of the developing world. In Western analysis, threats to PG energy security are attributed to, e.g. as Kemp alleges, “the overt use of force by regional hegemons armed with weapons of mass destruction; domestic instability and terrorism within the Gulf states themselves; and conflict over the Caspian Basin’s promising energy reserves”.³

Since 1980, following the Soviet invasion of Afghanistan and the overthrow of the Shah in Iran, any threat to the long-term supply of oil from the PG has been responded to with any means, including military force. This doctrine was initiated by President Jimmy Carter and has remained US policy since then. After the US military intervention in 1987–1988 to protect Kuwaiti oil tankers during the Iran–Iraq war, Washington used its forces in 1990–1991 to drive Iraqi forces out of Kuwait. This was to prevent Iraq expanding its possession of oil reserves in Kuwait and as a response to the Iraqi threat on the Eastern Province of Saudi Arabia, which holds one-quarter of the world’s known oil reserves. The necessity of using military force against Iraq was explained by Secretary of Defence Dick Cheney, who stressed to the Senate Armed Services Committee on 11 September 1990 the importance of PG oil for the stability and prosperity of the American economy. He also emphasised the need to prevent Saddam Hussein from dictating the future of worldwide energy policy.⁴

US security relationships with the GCC states were simultaneously developed, and as Joseph Moynihan confirmed in 1997, it

serves three important and interrelated interests: the uninterrupted access to the petroleum resources of the Gulf; a potential military base of operations should a regional opponent of the Middle East peace process initiate hostilities against a peace process partner; and, third, the prevention of either Iran or Iraq from attaining regional political-military dominance in a strategically important area of the world.⁵

As Klare affirms, in early 2001 George W. Bush’s first priority in his foreign policy was not to prevent terrorism or to restrain the spread of weapons of mass destruction or any other purpose he has mentioned since 9/11, but to increase the flow of petroleum from foreign suppliers to US markets.⁶ To assure the continuance of oil imports to the energy market

from other parts of the world, especially the PG, the Bush administration's strategy was formed on the basis of increasing Washington's role by sending military power into areas of tumult, facing any risk of war or civil turbulence. Hence, despite the policy of "containment" of Iraq, by increasing its military forces in the PG region Washington paved the way for further US attacks in order to assure US domination on this significant energy-supplier region.

The US military invasion of Iraq in March 2003 relieved Washington of two main threats: first, by undermining one of the main regional powers in the PG, with 9 per cent of the world's proven oil reserves (after Saudi Arabia with 20 per cent and Iran with 10 per cent), and attempting to establish a pro-West regime to assure the West's long-term energy security; and second, by opening Iraqi territories to foreign investment, privileging American and European investors. In this respect, as Klare affirms, this invasion is also facilitating the US' interference "ever more assertively into the internal affairs of the oil-supplying nations and, in the process, exposing itself to an ever-increasing risk of involvement in local and regional conflict situations".⁷

The West's challenges for energy security in the PG

Since the 1980s, the West, specifically the US, has faced a number of challenges regarding its long-term energy security in general, and in the PG in particular, as outlined below.

- 1) Concerns about the region falling under the domination of anti-Western regimes that could use their control over PG oil production to damage Western interests. For example, preventing revolutionary Iran emerging as a regional power, and concerns about the military attacks of Iraq during Saddam's regime, which caused some border changes as well as disruption to oil operations.
- 2) Regard to the fact that US forces are perceived as a threat by some major energy producers in this region, viz. Iran and Iraq (until 2003). Their presence is seen as a significant threat to domestic security as well as to energy security in the whole region.
- 3) International sanctions against some oil-producing states, viz. Iran and Iraq (until 2003) as an obstacle to developing and modernising their energy infrastructures as a vital response to the growing

global energy demand and economic growth, as well as their own economic plans.

Lack of sufficient investment in OPEC countries, especially in the PG. Looking at an IMF report dated April 2005, the insufficient investment in OPEC countries, especially in the PG, impacts on the volatility of world oil prices and an inability to saturate growing global demand of energy by the next decade could be very significant. This report suggested that, to respond, the global market for OPEC production should increase twofold in the next 25 years.⁸

- 4) Lack of relations or even direct contact between Iran and the US as the two major regional and non-regional players in the PG.
- 5) Lack of effective confidence-building measures between Iran and the GCC states, and also Iraq until 2003; a matter of creating stable and good relations among the littoral states for solid cooperation and stability in the PG.
- 6) Internal conflicts and domestic unrest affect high oil prices, resulting in uncertainties in the international oil market, making fragile states even more fragile. This also has an impact on the rapidly industrialising states – e.g. China, which could create unexpected security challenges for other states, including the US, by looking for stable partners such as Russia, Iran and the Caspian littoral states for its long-term energy needs.
- 7) Concerns about terrorist attacks on the world's energy infrastructure, including regional states, which have potentially economic implications, especially post-9/11 and the turmoil after the 2003 invasion of Iraq. For instance, in a session of the 109th Hearing of Congress on "Terrorist Threats to Energy Security" (27 July 2005), it was noted that the events in Iraq would pose a lingering risk to US energy security as well as to the global economy. This was evidenced by pipeline sabotage, attacks on shipping and the expansion of terrorist attacks, which show that insurgents have gained a measure of expertise that could be transferred elsewhere. It was also mentioned that until a stable Iraqi civilian government is secured, the risk of instability throughout the PG will remain quite high.

The West's alternative solutions

With 97 per cent of transportation in the US fuelled by oil, the US oil system is vulnerable to attacks on key energy infrastructure both

overseas and domestically as well as to any oil shock waves. Washington, as was recommended in the hearing of 109th Hearing of Congress, should focus on reducing its oil demands by finding alternatives to diversify its fuel sources; emphasis was placed on the “Strategic Petroleum Reserve”, or the emergency supply of federally owned crude oil, and the need to encourage other energy-consuming nations, whether within their borders or elsewhere, to do the same. The Strategic Petroleum Reserve was emphasised as a resource that could provide some protection against a major supply disruption in the US and provide the possibility to act in agreement to hold the price of oil at an appropriate level.

The fact that about 90 per cent of PG oil supplies make a passage through the Hormuz Strait, combined with US concerns about terrorist attacks and recommended alternative solutions for the West, should be enough to convince the GCC states to find other routes to supply the region’s oil to the world markets. Also, by the same recommendation in the 109th Congress meeting, Saudi Arabia, as the largest producer, exporter and reserve in the world, must be treated carefully despite its “funding jihadists”. As was pointed out, the US must tread softly or at least feel it has to tread softly when criticising Saudi actions, particularly when it is known to fund those ideologically committed to terrorism.

What is usually missing from many analyses in the West, specifically in Washington, is that energy security in the PG will be very heavily influenced by how they understand the regional states’ perceptions of threat as well as their national security issues. Establishing good relations with all littoral states and not increasing hostility among them can assure more effective energy security, since the current “divide and rule” policy has not been successful and has, in fact, resulted in three decades of conflict and unrest in this region. Economic interdependency, especially in relation to energy between the West and all PG states, and more specifically between the US and Iran, can assure a more stable region and thus the benefit of long-term energy security for all regional and non-regional states.

Regional perspective

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

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

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

Externally: All PG states are suffering from the intervention of non-regional powers in their affairs, though in different ways, directly or indirectly through invasions, imposing sanctions and in some states the presence of foreign forces. Regional crisis, besides local rivalries and fears, is partly the result of such an intervention policy, which in turn threatens energy security for all.

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

From the viewpoint of the Iranian and Iraqi governments, threats to PG instability were mostly attributed to the presence of foreign troops. Although GCC governments changed their position in this regard after the "Desert Storm" operation in 1990–1991, their people have shown more anti-American sentiments regarding the presence of foreign forces in their countries. In this regard it was stated in *The Washington Post-Kuwait* in October 2002⁹ that, despite the feelings of gratitude and welcome for

Washington's protection against any external threats to the GCC countries, there are rising anti-American attitudes across these US allies. Such resentment presents complex new challenges for the region's leaders as well as for the US. Also regarding Washington's interests in the PG, Sokolsky in 2002 remarked:

For the United States, there is no escaping the role of security guarantor of the Gulf for the foreseeable future. But trying to guarantee that security through a large-scale, visible, and permanent-looking U.S. presence will erode security, undermine security relationships with key Gulf States, impede needed political reforms, stir domestic opposition within Saudi Arabia and other Gulf States, and feed anti-American Islamic extremism.¹⁰

In such a situation, as Klare states, "finding a way to eradicate this opposition while at the same time persuading Riyadh to increase its oil deliveries to the United States will be one of the most difficult challenges facing American policymakers in the years ahead". On the one hand, according to him, expanding Saudi Arabia oil capacity will require hundreds of billions of dollars and cause significant technical challenges, and hence the Bush administration prefers to achieve this increase by persuading Saudi Arabia to permit more significant US oil-company investment in its territory. On the other hand "any effort by Washington to apply pressure on Riyadh to allow greater American oil investment in the kingdom is likely to meet with significant resistance from the royal family, which nationalised U.S. oil holdings in the 1970s and is fearful of being seen as overly subservient to American bidding".¹¹

War on Terror in the Persian Gulf context

The vulnerability of Saudi Arabia as the world's most important oil-producing country to energy terrorism is a significant concern. Currently the possibility of attacks on the infrastructure of the Saudi energy industry, and on Western expatriate workers who are running the state-owned national oil company Saudi Aramco, has been high in order to pressurise them into changing Saudi policy towards the US. These attacks have disrupted oil markets and driven up insurance premiums. According to Peter Zeihan, Al Qaeda, in its new tactic of assassinations instead of bombings, "is trying to gain control of oil wells in order to strangle [the] Western economy. In order to achieve this goal, terrorists must de-legitimize

the Saud family and gain the support of the population.”¹² Under such circumstances the House of Saud could face serious social, political and economic crises, and Washington would face common disadvantages like more anti-America sentiments in the region, lack of Saudi swing production, and higher and more volatile oil prices, all of which threaten the global energy market.

However the US, as Riyadh’s main arms supplier and its major protector from external threats, sees the stability of Saudi Arabia as in its own national interest and thus faces two major challenges. First, it only has a limited ability to control its internal security problems. Second is the American public’s view concerning the paradox of Washington’s desire to become a long-term ally of an undemocratic and status quo regime, especially since 9/11. This has led to some extreme outlooks regarding Saudi’s future in the US. The Declaration of War on Wahhabism – Saudi Arabia’s political ideology based on an ultra-conservative interpretation of Islam – has been openly discussed in American society by many intellectuals such as Ray Pierce, who considers Wahhabism a threat to American and other people’s civilisations. He claims that, “by declaring war on Wahhabism, all of the world’s peoples and religions currently under threat will benefit, and our war will become an honest fight against evil”.¹³

These kinds of extreme anti-Saudi views, according to a *Washington Post* article, “appear especially popular [among] the staff of Vice President Cheney and in the Pentagon’s civilian leadership – and among neo-conservative writers and thinkers closely allied with [Bush] administration policymakers”.¹⁴ Before the US decision to invade Iraq, on 10 July 2002 there was a briefing given by Laurent Murawiec to the Defence Policy Board, a top Pentagon advisory board, which described “Saudi Arabia as an enemy of the United States, and recommended that US officials give it an ultimatum to stop backing terrorism or face invasion of the country, seizure of its oil fields (the old fields are defended by US forces, and located in a mostly Shiite area) and its financial assets invested in the United States”. The report concludes by linking regime change in Iraq to altering Saudi behaviour and emphasises that “the road to the entire Middle East goes through Baghdad (...) once you have a democratic regime in Iraq, like the ones we helped establish in Germany and Japan after World War II, there are a lot of possibilities”.¹⁵

Iran's role in Persian Gulf energy security

No matter who rules in Iran, the Iranian nation possesses vast economic stakes in the Persian Gulf and is inspired by an ancient memory of deeply felt aspirations to play a continuously leading role in the region (Rouhollah Ramazani).¹⁶

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

Hence, after the announcement of Britain about its decision to withdraw its forces from the PG in 1971, Iran's security policy in the PG was apparent: opposing displacement of the power vacuum by either of the superpowers and believing in the littoral states' responsibility for PG security, while being ready to rely on its own strength to maintain the security of this region if no security system can be developed with the other littoral states.

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

Iran, as a regional power with its growing security and interests, attempted to deter any foreign military presence in the region and continued to extend its influence in the PG. It perceived foreign navies in the PG as a major threat, calling for strong Iranian forces and stressing the necessity of having collective defence-security arrangements to enable

PG nations to defend themselves without relying on foreign forces. This was Iran's policy towards the establishment of lasting security in the region, which was in sharp contrast with the GCC's perceptions of security.

Despite GCC members perceiving a threat from each other, sometimes more than from their other neighbours in the PG, the GCC saw Iran and its revolutionary regime, along with Iraq, as potential threats. The littoral states were too weak to displace external powers or shoulder the responsibility of PG security themselves. More importantly, though, the conservative Arab states believed American involvement was vital to any scheme for PG security. The US was a trustworthy friend and had undertaken to protect the GCC states from all internal and external threats to their security. After the Iran–Iraq war, the need to revive the economy forced Iran to bring its foreign policy into line with its economic needs. Tehran realised it was essential to restore relations with the GCC and specifically with Saudi Arabia. This was so they could influence the limiting of output within OPEC in order to raise oil prices. Although Iranian foreign policy has become more pragmatic since the end of the Iran–Iraq war, there are still no signs of a significant shift in the GCC's stance towards a regional security arrangement.

In Western analysis the Islamic Republic of Iran (IRI) was introduced, like Saddam Hussein's regime in Iraq, as a threat to PG states on the Arabian Peninsula and thus a source of danger to energy security. Despite the revolutionary anti-status-quo rhetoric of Iranian leaders in the first decade of the revolution, which presented an ideological threat to its neighbouring conservative governments and thus the perception of a threat to their national security, IRI has not pursued any territorial ambitions against its neighbours. In addition, Iraq's invasion of Kuwait, which developed throughout the 1980s, was the consequence of the eight-year war of Iraq against Iran, and was achieved with massive political and financial support from the Arab Sheikdoms of the PG.¹⁷ This collective support was implemented regardless of Iraq's old and long-exhausted inter-Arab geopolitical ambitions.

Moynihan, referring (in 1997) to the goals of US security relationships with the GCC states, mentions the prevention of both Iran and Iraq from attaining regional political–military dominance. He also remarks on some factors about the US and Iran remaining adversaries for the foreseeable future. He further notes Iran's continuing economic crisis as

an obstacle to any possible military adventurism. Thus, he concludes that “there are many reasons to believe that a major regional crisis is not the most likely form of conflict either the USA or the GCC can expect from Iran in the years ahead”. He goes on to say that, “In seeking to prevent such a crisis, therefore, both the USA and the GCC states should ensure that the US military presence in the Gulf maintains as low a profile as possible while at the same time being aware of the cultural sensitivities and national pride of the local populations.”¹⁸

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

Another reason for advising Washington to normalise its relations with Iran is that the US containment policy that massively targeted Iran’s energy industry to prevent the economic development of a post-revolutionary state has failed. As Estelami demonstrates in his statistical study of 1999, “The resulting economic sanctions have historically encouraged Iran to develop strategies for diversifying trade routes, finding new economic partners [see Table 4.1] and reducing dependence on oil export revenues [see Table 4.2].”

As he explains, “In 1974, seven countries accounted for 70% of Iran’s imports and exports. Twenty years later – by 1994 – a total of fourteen countries accounted for 70% of Iran’s international trade, and Iran’s top seven trading partners accounted for only half of its total imports.”¹⁹

TABLE 4.1
Share of Iranian imports by source traditional suppliers

Time period	United States	Western Europe	Japan	Other
Pre-revolution (1975–1978)	18.5	48.7	15.8	17.0
Revolution and Iraq war (1979–1988)	1.8	47.8	13.0	37.4
Postwar reconstruction (1989–1992)	2.1	52.1	11.4	34.4
Dual containment (1993–1996)	3.3	45.8	8.3	42.6
Iran–Libya sanctions (1996–1999)	0.0	44.9	6.4	48.6

TABLE 4.2
Iran's export product array product

Products	1979–1988	1989–1992	1993–1994
Oil and gas	94.9%	89.2%	82.3%
Carpets	1.8	3.9	6.6
Fresh and dry fruits	1.0	2.3	3.3
Leather	0.4	0.4	0.5
Copper and metals	0.2	0.3	0.7
Caviar	0.2	0.2	0.2
Textiles	0.1	0.1	0.2
Chemicals	0.1	0.2	0.1

Source of Tables 4.1 and 4.2: Country Report – Iran, *Economist Intelligence Unit*, London; years 1980–1997

Extensive reports from the international entities and others emanating from Iranian official sources indicate that, despite the prevailing sanctions, the economy has been only marginally affected and the sanctions, despite their extreme nature, have in practice been unable to achieve their primary objective of halting international involvement in Iran's oil industry. Certainly, the impact of US sanctions is not small in terms of Iran's access to Western foreign credit, technology and markets, and its contribution to economic hardships of descending per capita income, high inflation and unemployment rates along with a rapid devaluation of Iranian currency. The effects of the trade and investment sanctions have, however, been felt more by American companies than non-American firms.²⁰

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

The US and Iran have many shared interests in the region. Therefore, Washington has been advised to develop its relations with Iran to be “more nuanced and sophisticated”. As Bruce Riedel, special assistant to the president and senior director for Near East and South Asian Affairs, National Security Council in the Baker Institute, emphasises:

The US administration should formulate its policy toward Iran in a coherent regional framework that takes into consideration US interests in the Middle East, Central Asia, China and Russia. Iran’s national security interests in its regional setting must be acknowledged as part of this process to promote a meaningful and constructive exchange and eventual resolution of differences.²¹

“Unrestricted flow of energy from the Persian Gulf, peace in Afghanistan, the containment of Saddam Hussein of Iraq, and the promotion and maintenance of political stability in Central Asia and the Caucasus” are some major interests in common that he notes.

Another reason for Iran and the US to solve their problems and normalise their relations to the benefit of PG energy security is the energy supplies from the Caspian region. Despite some warnings, e.g. Ehteshami, about the danger of the direct competition of the new Trans Caspian energy exporters joining the international markets with OPEC and its implications for OPEC members’ future economic security, Iran is helping the Trans Caspian states to develop their energy supplies and their access to Western markets.²² From Iran’s perspective, as Ramazani remarks:

Iran is interested in the economic and political development of its northern neighbors, not only because of its interests in the stability of these neighbors, but also because it is conceivable that the region could provide a large market in the future for Iran’s non-oil exports.²³

From the US perspective, stable and assured energy supplies from the Caspian region will increase and diversify world energy reserves and reduce

its vulnerability to disruptions of oil exports through the Strait of Hormuz. Of course, Washington's goal is to build multiple pipelines from the Caspian region, but not through Iran. However, all countries and companies, both regional and international, desire control of the access lanes that will allow for the export of Caspian oil and natural gas. Washington, though, is going to have to take into account Iran's great role and interests in both the PG and Caspian Sea regions. The US will also have to take into consideration the geopolitical competition in the Caspian Basin which has significant implications for the security of the PG, as Kemp and Harkavy explain:

As long as the United States and Iran are bitter enemies, no progress can be made in developing southern routes for oil and gas. (...) [But] it is very much in the interests of all the parties to work out cooperative arrangements to develop these resources, otherwise Caspian Basin oil and gas simply will not reach market and there will be greater pressures than ever on the Persian Gulf and the entire oil market.²⁴

Conclusion

Along with the growing global energy demand, and the importance of the PG as the most significant energy-supplying region in the world, energy security in the PG will be very heavily influenced by how the regional and ultra-regional powers understand each other's perceptions of threat, as well as their national security issues. It is very much in the interest of all parties to find a cooperative arrangement to assure energy security in this region.

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

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

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

The dispute has been expanded to nuclear technology. For the era after oil, control of the most likely energy source would be a significant element in the US energy security policy. Since nuclear energy seems to be the best replacement for oil in the next century and economic development and power will belong to energy producers, the West prefers to have its exclusivity. US opposition to the obtaining of nuclear technology, including mastering the fuel cycle, especially by hostile countries and those who are antipathetic to US unilateralism (e.g. Iran), this reflects too.

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

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

It can start with regional cooperation in the fields of energy investment and trade, which is aimed at supporting the mutual interests of energy producers and consumers. Together these will promote energy production and supply within the region and enhance energy security in the PG. In this respect, financial assistance from international institutions, e.g. the World Bank and other international development banks, is vital, as is the possibility of free access of foreign companies to put capital investment into developing and modernising the existing resources and

exploring and exploiting the new oil resources with modern technology, especially in Iraq and Iran, which currently have old facilities. This will provide a greater opportunity for stabilising global oil markets too.

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

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

NOTES

- 1 This chapter was presented under the title of "Threats to Persian Gulf Energy Security; the US Challenges", at the American Politics Group Annual Conference (4–6 January 2007), at University of Leicester, UK, and was subsequently published under the title of "Threats to Persian Gulf energy security; impacts of the US and Iran relations" in *Journal of Middle Eastern Geopolitics*, year I, no. 2 (July–September 2008).
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- 7 Ibid.

- 8 International Monetary Fund (IMF), "World economic outlook: chapter IV-Will the oil market continue to be tight?" April 2005, 18. <http://www.imf.org/external/pubs/ft/weo/2005/01/pdf/chapter4.pdf> (accessed 6 May 2005).
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- 18 Moynihan, op. cit., 72–74.
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PART II

SECURITY IN THE PERSIAN GULF: TYPES AND NATURES OF INSECURITY FACTORS

Territorial, boundary and maritime disputes in the Persian Gulf

Introduction

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

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

Border disputes in the Persian Gulf

Events in the 1960s encouraged regional states to seek cooperation and quickly solve their border disputes. The most important of these were: the discovery and development of offshore hydrocarbons and the need for fixed boundaries; the British Government's announcement in January 1968 of the end of Pax-Britannica in the PG; and the oil companies' reluctance to spend substantial amounts of money on the exploration and development of unsettled and controversial borders. Therefore, during this period many bilateral delimitation agreements were signed by the PG states. This process accelerated because there was a sense of necessity among the littoral states to settle their territorial and boundary differences before the departure of the main creator and arbiter of Arabian boundaries. However, Britain seemed reluctant to do this. On

the one hand, as Julian Walker, a prominent British boundary-maker in the southern region of the PG, affirms:

One problem faced over frontier settlement was that posed by the British official who believed that if a frontier was causing no problem it should be left well alone (...) The last thing to be done was to create work and friction, and sleeping dogs should be left to lie.¹

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

When Britain withdrew from its formal protecting role in the region during the ten-year period from 1961 to 1971, it left a heritage of *de facto* boundaries. To some extent the countries concerned have tried to resolve this frontier heritage in recent years, but even when they appeared to have reached understanding they are reluctant to finalize their agreements according to those international rules that entitle them to consider that their arrangements constituted an inviolable and permanent feature of the political map.²

In recent years, the major territorial disputes among littoral states of the PG have included the following.

- Territorial disputes between Iraq and Kuwait – which, by demarcation of their boundary by the United Nations, seem to be resolved.
- Disputes between Kuwait and Saudi Arabia over Qaruh and Umm al-Maradim islands.
- Saudi Arabia and Qatar conflicting over their border areas.
- Qatar and Bahrain in conflict over the Hawar islands, ended by a judgement of the International Court of Justice (ICJ) in the Hague in 2005.

- Saudi Arabia and the UAE (Abu Dhabi) struggling over Buraimi and the Liwa regions.
- The UAE's unsolved territorial issue with Oman regarding areas in the Diba region.
- Iran–Iraq border disputes over Arvand Roud (Shatt al-Arab).
- The UAE's claims to the Iranian islands of Abu Musa (under the 1971 Memorandum of Understanding – MOU – with Sharjah) and the Greater and Lesser Tunb.

In general, as Prescott classifies them, there are four kinds of border dispute, all of which can be recognised in the MENA today: positional disputes, territorial disputes, functional disputes and trans-boundary resource disputes. The most common boundary disputes in this region take place when offshore oil and gas fields straddle an international boundary. Although there are some onshore cases, such as the oil field below the Iraq–Kuwait boundary, more offshore than onshore problems confront the countries in the PG.³

Oil and border disputes

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

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

Drysdale and Blake emphasise the importance of oil as the reason for some ME countries' existence, together with its permanent impact on the delimitation of political borders on land and offshore. This is because oil has not only had a great role in determining the geographic distribution of wealth but has also deeply affected the balance of power within the region. It has also been an element in provoking disputes between neighbours and in encouraging regional cooperation.⁴

Border disputes are assumed to be an essential part of inter-state politics in the PG, especially regarding the geopolitical importance of

oil. Tribal competition and dynastic rivalry have traditionally been the major reasons for territorial disputes, particularly those with neighbouring states. Such disputes – in addition to those concerning oil-related boundary and hydrocarbon exploitation issues, the ownership of oil fields and the control of oil transit routes – will remain a decisive factor influencing the politics of the region.

Cross-border hydrocarbon reserves are a global issue. However, in the rich hydrocarbon region of the PG with many small states and numerous boundary disputes, cross-border resources are much more likely to occur.⁵ Stevens further underlines the connection between territorial disputes and hydrocarbon exploration and development activities as a “circular relationship”, which requires urgent delimitations between neighbour states. According to his explanation, what encourages such disputes is the existence of subsurface hydrocarbon deposits, which could convert a barren region into a precious one. Also, the physical characteristic of oil and gas as fluids has no respect for international boundaries, thereby creating problems. Since oil and gas discoveries in the shared borders lead inevitably to maximum output, if one side does not exploit them they will be produced by its neighbour. In this case the presence of oil or gas deposits suddenly makes border delimitation an urgent matter of national importance.

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

Notably pretensions to tribal loyalties in frontier regions, Saudi opposition to the unification of Yemen and its plans for elections, Riyadh’s distrust of San’a since it supported Iraq in the Gulf crisis,

and political posturing in advance of negotiations on the renewal of a border accord.⁶

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

often affecting ownership of oil resources, continue to encompass both land areas, in the form of islands, and also parts of the shallow continental shelf of the Gulf. The impetus to finalize land boundary delimitations, especially where they terminate on a sea coast, has often been the discovery of substantial hydrocarbon deposits in the offshore area.⁷

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

In other cases, disputes take the form of silent antagonism – for instance, the Qatar–Saudi crisis following the Khafus border post incident in September 1992. This had a political rather than territorial cause, but with a connection to economic imperatives and oil production which

made the two neighbours finalise land boundary delimitations. In spite of the two countries' agreeing to demarcate their boundary at the end of 1992, (after a short suspension of diplomatic relations), the border remained un-demarcated; this is a sign of the stubborn character of Saudi–Qatar relations.⁸

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

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

With the exception of the Qatar–Bahrain dispute, there are a few cases of successful long-term cooperation in developing cross-border reserves that took place as a reason for continued good bilateral relations. In these cases the agreements were not based on complicated pacts explaining the exact details of each side's exploration and production rights, but on a split of ownership or revenues.⁹ The most significant example is in the Divided (formerly Neutral) Zone of 5,790 square kilometres between Saudi Arabia and Kuwait. The two countries reached an agreement in 1965 that divided the zone, which contained recoverable reserves estimated at 5 billion barrels, geographically into two equal parts. Equal rights were also agreed upon for the exploitation of hydrocarbon resources, and the rights were assured of the citizens of both countries to work in either part of the partitioned zone. In 1969, the final Saudi–Kuwait boundary was delimited in great detail on the basis of the July 1965 Partition Agreement of the two countries.

In addition, cross-border reserves not only convert borders into valued assets and make border-compromise much harder, but also compel neighbours to solve their boundary dispute as quickly as possible. This is a significant element in the improvement of political relations, and provides support for economic development or compensation for maturation of older hydrocarbons fields. As Schofield observes, the process of finalising the political map, especially in the Arabian Peninsula, accelerated during the 1990s when the total cases of minor disputes over the limits of state

territory in 1997 were greatly decreased compared to the previous decade. Schofield sees that decade as the busiest among modern ME states in terms of territorial definitions and the defence of their national territories.¹⁰

These processes are a clear indication of the importance of interaction between political relations and border conflict management. The examples of successful long-term cooperation in developing cross-border reserves because of political ties, versus those accompanied with military activities, suggest that besides the hostile states' benefits in solving their disputes by political means, security of oil supplies and the stability of the region will be more assured. Alongside the global process of decreasing hydrocarbons reserves, including in the PG, joint cooperation of states will also pave the way for exploring and developing new reserves in dispute borders.

Political, geographical and legal disputes over borders

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

This is partly explained by the origins of the region's boundaries themselves, which are surprisingly diverse, essentially the product of Britain's deliberations over the past century with the major regional powers in these parts – Persia, the Ottoman Empire and Saudi Arabia. Their unresolved legacy was certainly responsible to a large degree for the re-emergence of the classic, cyclical Irano–Arab dispute over the sovereignty of Abu Musa and Tunb islands in 1992 and the outbreak of a violent incident at Khafus on the undemarcated Saudi/Qatar border later the same year.¹¹

While sovereignty dominion in the south coast of the PG was determined by “*Frontières de Convenance*”, boundary delimitations in the northern part, as Kazemi explains, were more advanced. Iran’s sovereignty, and territorial and maritime boundaries, were controlled by the ruling Western legal–political regulations. Kazemi suggests that this was possibly because of the significant strategic situation of Iran in the ME and the long and continued competition and wars between Iran and the Ottoman Empires. Therefore, there was a need for peace contracts and demarcation in order to end the antagonism of two neighbours.¹²

In general, in order to delimit areas in the PG, the primary necessity is to find a solution to the fundamental questions of sovereignty. In spite of PG states’ enthusiasm to come to an agreement on principles of delimitation to finalise their borders, the problem is that sovereignty over territory that could affect the delimitation is disputed. This represents a critical obstacle to a final agreement. The disputed areas in the PG can be listed as:

- the north-west between Iran and Iraq (over the Arvand Roud waterway)
- between Iraq and Kuwait (the resolution of the Iraq boundary in the light of United Nations’ ultimate demarcation efforts) and the resolution of the offshore boundary between Saudi Arabia and Kuwait
- the central section between Qatar and Bahrain (concerning sovereignty over the Hawar islands and nearby shoals), and
- the east around Abu Musa and the Tunb Islands.

Such problems have been due mainly to (as mentioned earlier) the reluctance of states to finalise their agreements according to those international rules that oblige them to accept their approved arrangements. For instance, regarding maritime boundaries, the Law of the Sea of the United Nations Convention states that maritime nations have a right to a 200-nautical-mile incompatible economic zone and not less than a 200-nautical-mile continental shell. However, as Bundy mentions:

not only are the mainland coasts of Iran and the Arab littoral states separated by much less than 400 nautical miles, but the presence

of islands further complicates the picture and prevents any state from enjoying its full complement of continental shelf or exclusive economic zone. Every state abutting the Gulf, in fact, faces a dual delimitation situation: first with its adjacent neighbours and, second, with states lying apposite.¹³

Also, all of the states of the Arabian Peninsula would have difficulty presenting a watertight case at the ICJ to retain the territory they practically occupy. Despite some bilateral boundary agreements between neighbours there is a possibility that such agreements could be challenged by a third party in this waterway.¹⁴ Nevertheless, with the exception of the North Sea and some parts of the Caribbean, there are many more maritime delimited areas in the PG than in any other similar area of the world. Despite the complicated problem of sovereignty and delimitation, some scholars, such as Bundy, suggest that the existing precedents may provide a practical guide for solving these problems¹⁵ (see Figures 5.1 to 5.3).¹⁶

When considering the political map of the PG, Blake mentions some of its remarkable geopolitical features, such as the existence of some of the world's smallest states; the state of Iraq with its geographical disadvantages; the UAE's most complex territorial divisions within its seven component sheikhdoms as a federal state; those temporary attempts to resolve problems of maritime and territorial competition in the framework of state sovereignty modification rather than absolute sovereignty; and the establishment of different types of non-state sovereignty, most of which remain in operation today.¹⁷ Hence, as Blake believes, to reduce the likelihood of conflict between neighbouring states in the region requires proper recognition of international boundaries and clear delimitations. The present shared territorial arrangements and alternative territorial strategies (such as shared zones and zones of restricted activity) still could successfully provide "temporary relief to potential flashpoints and perhaps deserve to be evaluated far more thoroughly than hitherto".¹⁸

Meanwhile, Schofield offers a thesis about the role of boundaries as a root cause of instability between states. He considers the ongoing debate among some social scientists, e.g. Jacques Ancel, over the existence of a "good or bad boundary" or any "dissatisfaction with boundaries *per se*" as a root of instability. Ancel emphasises the importance of "no problems

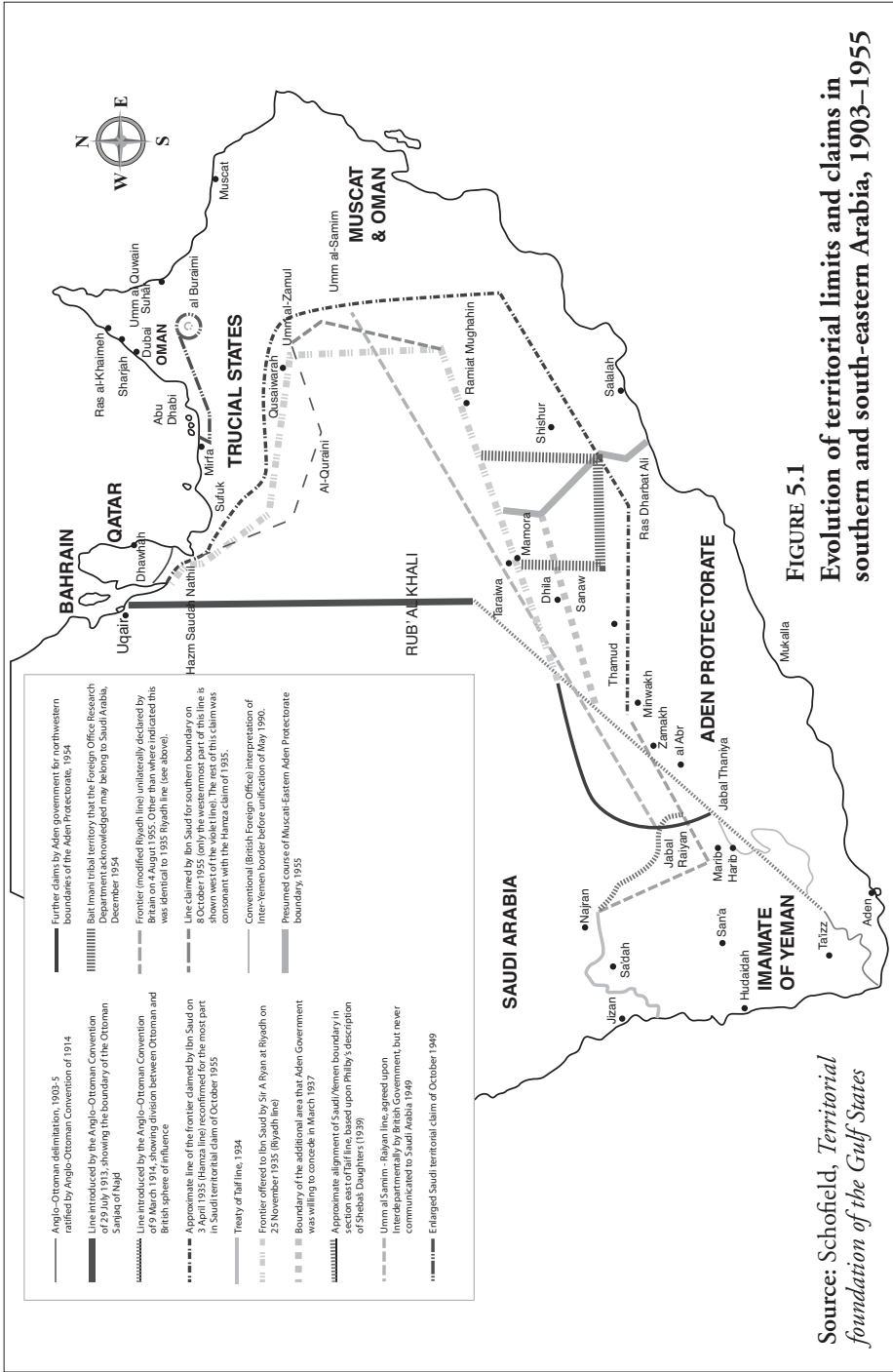
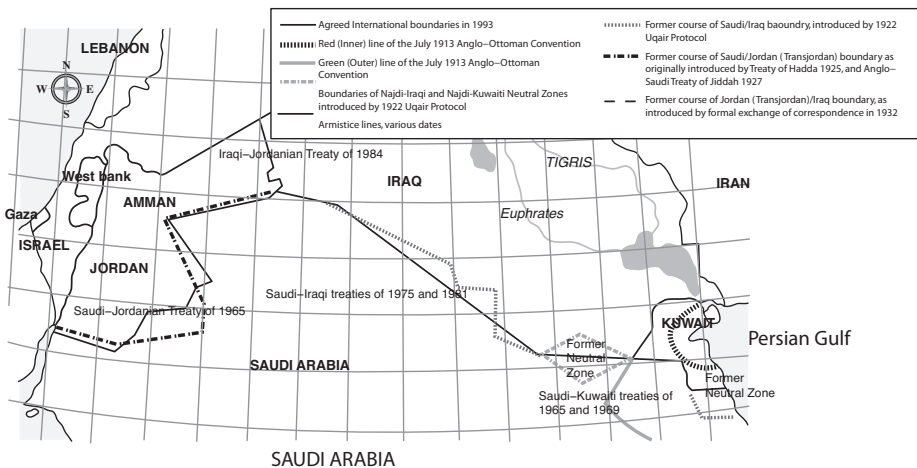


FIGURE 5.1
Evolution of territorial limits and claims in southern and south-eastern Arabia, 1903–1955

Source: Schofield, *Territorial foundation of the Gulf States*

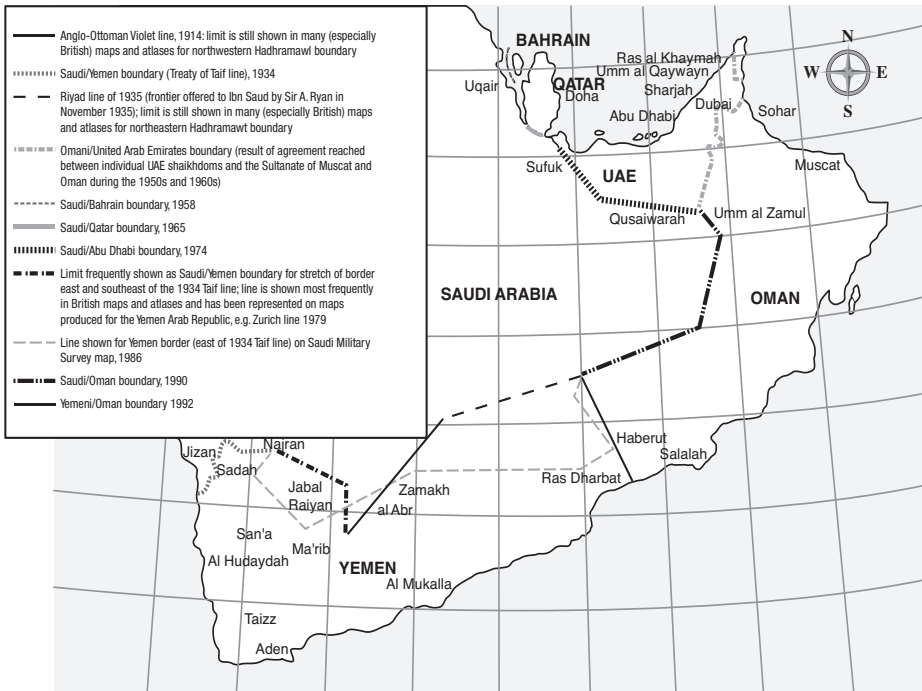
of boundaries, only problems of nations”. Looking at another geographical view, Schofield concludes that the extent of a state, including its shape and size restrained by its international boundaries, can cause original geopolitical and strategic problems, particularly problems of access and communications. He argues that the recent history of the northern PG region supports both contentions.¹⁹ A third factor, which according to him is applicable to this area, is the difficulties of the states in accepting the very presence of an international boundary, particularly those boundaries in whose creation external powers have played a great role.²⁰

FIGURE 5.2
Evolution of delimited state territory in northern Arabia,
1913 to the present day



Source: Schofield, *Territorial foundation of the Gulf States*

FIGURE 5.3
The contemporary framework in southern Arabia



Source: Schofield, *Territorial foundation of the Gulf States*

Iraq's behaviour regarding its southern boundaries with Iran and Kuwait is an exact example applicable to all these three theories. The long-standing dispute of Iran–Iraq about Arvand Roud and Iraq's dissatisfaction with the 1975 Algeria Accord with Iran in order to recognise a *thalweg* delimitation along this river is an example of this. So too is Iraq's disagreement over its border with Kuwait and Warbah and the Bubiyan Islands, despite the agreement of October 1963 in which Baghdad recognised an independent Kuwait and its boundaries. The geographic location of Iraq, with only a 19-kilometre coastline of the Faw peninsula on the PG, has given it a geographical disadvantage. It therefore perceives itself as "squeezed out" of the PG. Schofield concludes that, "Traditionally, over the last half century or so, Iraq has pressed Kuwait on the islands

question when its relationship with Iran has seriously deteriorated over the status of the Shatt al-Arab. Successive Baghdad regimes have continually expected Kuwait to compensate Iraq for its geographic and strategic misfortune.” This geographical disadvantage of Iraq was one of Saddam Hussein’s reasons for aggression against Iran in 1980 and Kuwait in 1991. Iraq’s attempt to solve its geopolitical and strategic problems in this manner is perceived by some analysts as a backlash against Lord Curzon and the Government of India nine decades ago, when he supported the Ruler of Kuwait’s claim to Bubiyan and encouraged him to claim Warbah. This was mainly motivated by a desire to restrict the Ottoman Empire’s role in the PG.²¹

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

The Oman–Yemen border agreement, which was settled with the help of the Kuwaitis, gave Yemen more territory and ended a controversial phase of relations between two neighbouring states. It was observed that the major factors behind achieving this agreement were the internal political changes in Aden’s previous dogmatic politics and regional developments preferring greater cooperation rather than confrontational inter-state relations.²² Yet the Qatar–Saudi border dispute, which had political rather than territorial causes, ended the Khafus incident and remained unsolved.

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

Consequently, it can be assumed that boundaries are principally political subjects that are greatly influenced by the prevailing political conditions in inter-state relations and, even sometimes, by regional and international considerations. In this regard, issues like modern nationalism would be a serious obstacle to the rational solution of disputes (such as those between Arabs and Persians), signed but not respected present

border agreements (e.g. the 1975 Algeria agreement between Iraq and Iran; the 1971 MOU over Abu Musa), and one party's continuous feeling of unjustness regarding an earlier agreement (the feeling of the UAE about the 1974 agreement with Riyadh), as factors contributing to the remaining tension in the region. Hence, an improvement in political conditions is essential to solve many of the border issues. In this respect, according to the successful precedents that already exist, it can be concluded that bilateral negotiations (even detailed and protracted) with the assistance of a third party and certain criteria are very necessary and useful. An appropriate political situation and warm relations between parties are an important and essential element for obtaining an agreement. Scholars like Gargash believe that negotiations should take place at the same time as an improvement in political conditions, because on many occasions stalled border disputes work seriously against the improvement of political ties.²³

Ultra-regional powers' interest in border disputes

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

Boundary disputes have a significant role in the regional geopolitics of the PG. The growing dependency of Asian-Pacific economies upon PG energy supplies, along with the West, has caused changes in the geopolitics of oil. Consequently, these inter-state conflicts take on a greater significance. Hence, the ultra regional powers' concerns about controlling the region's politics and the long-term security of oil supplies from the PG have increased. Moreover, relationships and tough competition between Iran, Iraq and Saudi Arabia, which all seek to enforce their own order in the region, will continue to have a significant role in shaping the politics of this region. Changes in the status of any

of these three regional powers, other than those arising from events affecting the whole region, will have important consequences for the other two. In this respect – for instance, as Gargash notes – Saudi Arabia enjoyed greater regional influence after the Iran–Iraq war, and similarly, Tehran benefited the most from Iraq’s defeat in the “Desert Storm” operation in 1990–1991. The defeat of Iraq’s enormous ground forces by the US-led coalition, in addition to the immediate effect of securing Iran’s long and mountainous border, significantly changed the geo-strategic balance in the region in Iran’s favour.²⁴ Furthermore, the regional geopolitics of the PG has been greatly changed in Iran’s favour as a result of the coalition forces’ invasion of Iraq in 2003 – a significant factor in the more recent pressure exerted by the West on Tehran concerning Iran’s nuclear activity.

Boundary disputes, as a major divergent element of regional stability and security, have contributed other divergent factors preventing the littoral states from creating a collective regional security arrangement. Therefore, the security arrangements of the region have been imposed by ultra-regional powers with their own national interests. Also, some collective security structures that were defective and unpractical – such as the GCC and the Damascus Declaration of the 6 March 1991 (6+2) – were unable to guarantee regional and even members’ security, and yet resulted in the direct presence of yet more foreign troops.

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

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

Iran and ultra regional powers' interest in border disputes

Britain

Over the centuries, control of the PG was taken away from Iran by Arabs, Turks and Western Europeans. According to Arab and Islamic historians and geographers of the early Islamic centuries such as Mas'sudi, Tabari, Yaqubi and Maqdasi, along with various European documents of later periods and different maps, "all areas of the PG belonged to Iran".²⁵ These sources indicate that, except for an interrupted period of Arab conquest after the advent of Islam, Iran had sovereignty over the lower Gulf (that is, Oman, Bahrain and different islands including Abu Musa, Greater and Lesser Tunbs) until the arrival of the Portuguese in the region, and was revived by the Safavids from 1501 to 1720 and later by Shah Nadir the Great until 1747 (see Figure 5.4, A–F).²⁶ Iranian evidence of ownership of some parts of the lower Gulf which relies strongly on historical assertion, has been challenged since the nineteenth century by the British Government and Arabs in the PG. Iran's claim has been dismissed on the basis of the historical precedent of the protectorate-style treaties signed between the Arabs and Britain during 1870 and 1880, and the lengthy uninterrupted possession of the areas by the current ruling families. Regardless of each side's assertions, the peaceful life and trade of people within the two sides of the PG before the encroachment of European powers since the end of the fifteenth century indicates that because no threats to Iran, as the only nation-state in the Gulf, emerged until the arrival of Europeans, the different governments of Iran did not need to extend their control over this waterway. After European entrance to the region, countries like Britain prevented Iran from taking necessary action in the PG.²⁷

FIGURE 5.4A
Ancient Iran, 728 BCE–CE 640; Medes (Mâdhâ) Dynasty, 728–550 BCE



FIGURE 5.4B
Achaemenid (Hakhâmaneshiyân) Dynasty, 550–330 BCE



FIGURE 5.4C
Parthian (Ashkāniân) Dynasty, 247 BCE–CE 224



FIGURE 5.4D
Sasanid (Sāsāniân) Dynasty, CE 224–640



FIGURE 5.4E
Safavid Empire AD 1501–1722



FIGURE 5.4F
Afsharid Dynasty AD 1736–1802



One of the elements of Britain's policy to dominate the region was to weaken Iran, the regional power, and reduce its influence in the PG by disconnecting Iran's traditional ties in the region and separating as many islands and coastal districts as possible from this country. Among these were the islands of Abu Musa and Greater and Lesser Tunb.²⁸ Britain's occupation of these three islands in the 1820s, and the UAE's and Iran's continuous dispute over the ownership of these islands, are still sensitive issues in regional as well as international relations.

In addition, the British introduced modern European concepts of territoriality and boundary to the PG region, where none of the littoral states were familiar with the legal impact of delimiting such boundaries. Iran's weak and imprecise relations with rulers and governors in its outermost territory and its general infirmity and defectiveness during previous centuries caused the shrinking of its borders and territories (see Figure 5.5). Moreover, besides protecting its long-term influence in the region, Britain's reluctance to settle territorial and boundary differences before its departure contributed to deepening disputes between Iran and its Arab neighbours in the PG, and to widening the divide between them.

FIGURE 5.5
Iran today



The United States of America

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

In the 1970s and after Britain's departure from the region, the US – which was following a twin-pillar policy to dominate the region via strong local allies, the Shah of Iran and the Saudi Arabian monarchy – did not make a big deal out of Iran's action in reasserting its sovereignty over the islands of Abu Musa and Greater and Lesser Tunb. As Iran's allies, the US and Israel saw this as a natural demonstration of Iran's role as the new regional power in the PG.

However, in the 1980s, following the failure of this strategy due to the Iranian revolution in 1979 which ended the country's pro-Western orientation and changed the strategic balance in the PG via overthrowing the Shah from power, Washington examined another security framework in the PG by taking advantage of the border claims of Iraq against Iran.

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

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

Indeed, isolating Iran from other Persian Gulf states is the cornerstone of the US administration's dual containment policy. Thus, the island dispute is about much more than the islands; it is the most recent manifestation of the continuing ideological and political rivalry between post-revolutionary Iran and its Arab neighbors and their Western-power supporters.²⁹

The anti-Western rhetoric of revolutionary Iran was seen by the West, along with pro-Western conservative governments of PG Arab monarchs,

as a source of instability, Iran no longer being perceived as the cornerstone of the region's status quo. Iran's unstable foreign and regional policy aroused much scepticism among its Arab neighbours. In addition, the GCC has weaknesses in providing security for its own members and its deep dependency on the West, especially the US, in this regard. This has an impact on GCC security concerns along with its political positions regarding Iran.

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

In addition, concurrent with Iran's claims that suspicious traffic of individuals and ships around Abu Musa caused the 1992 crisis, reports were spread of new Iranian military measures on the island, an increase in the garrison and even the deployment of surface-to-air missiles in Abu Musa; other reports suggested the presence of anti-shipping missiles on the island. These reports, although never acknowledged by Iran, paved the way for politicising and internationalising the question of UAE claims over the islands, and meant that the US gave more attention to this issue. Without openly supporting the UAE claim, Washington – with its concern over the strategic location of Abu Musa, near the Hormuz Strait, located between the main tanker channels and close to US naval elements in the Arabian Peninsula – has supported a peaceful resolution of the dispute. Meanwhile, any strengthening of the Iranian military presence in Abu Musa has been perceived by Washington as a factor increasing Iran's influence in the region, especially in the PG, as well as a potential threat to US naval forces stationed there. Iran, while emphasising its responsibility for the security of the whole island, according to the 1971 MOU, persists in the insistence of full sovereignty over the island, its right to deploy any defensive armament to this part of its territory and its right to demand that others apply for Iranian permission to reside on the island.

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

In the summer of 1992 Iran performed some amphibious manoeuvres in the PG, which were perceived to signal Tehran's disagreement with the new security arrangement under US hegemony, and to represent the building up of its defences on Abu Musa.

Furthermore, the Sheikhdoms' territorial disputes with Iran have been a functional voucher for requesting the support of Western powers in their regional manoeuvring. As Ezzati remarks, Washington's welcoming of such requests was motivated by its desire to fuel Iran-Arab enmity. As he explains, while Abu Musa and the Tunbs have lost their strategic value in the post-Cold War era for Iran, Arabs and the US, intimidating Arabs with the threat of Islamic fundamentalism on the one hand, and with Iran's efforts to extend its influential domain in the region on the other, caused the US arms market among Arabs to flourish.³⁰ The leading role of the West, especially the US and Israel, in orchestrating Iran-Arab disputes has also paved the way for Washington to achieve its foreign policy goals in the region – that is, protecting Israel's security, preserving US allies in the region, changing the regimes and borders of certain countries, and assuring the flow of oil at a reasonable price.

To ensure such interests, only security arrangements in agreement with Washington's policy of US hegemony in the region will be acceptable to the US. However, the US' power balance policies of the 1980s and dual containment strategy of the 1990s failed to change the brittle security structure of the PG. These failures, coupled with the prevailing global atmosphere of cooperation rather than confrontation, most especially since the end of the Cold War, means that the necessity for a regional security system that includes all littoral states has become even more significant.

As Schofield argues, given Iraq's situation after the Kuwait crisis, Iran's reluctance to harbour any territorial plans in relation to its Arab neighbours, and the role of the GCC in regulating the Arabian territorial

structure on a region-wide basis, the further absence of Tehran and Baghdad from any regional grouping would not be wise. Such a regional grouping can provide an opportunity to effectively air all issues, especially territorial grievances; otherwise the most serious and historically entrenched disputes in the region will become harder to settle.³¹ The absence of such an inclusive group has resulted in the regional isolation of Iran as well as a missed opportunity for Iran and its Arab neighbours' to finalise their agreements concerning two main territorial disputes over Arvand Roud and Abu Musa/the Tunbs.³²

Iran's alternatives in future Persian Gulf peace and security

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

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

The littoral states must find an alternative strategy to ensure regional peace and security, one that emphasises collaborative rather than

confrontational relationships among the PG states. This strongly reinforces the importance of improving relations between Iran and the Arab world, which depends on improving relations between Tehran and Washington. The latter issue is largely influenced by Iranian–Israeli antagonism.

Meanwhile, Iran, by applying a more stable foreign and regional policy and avoiding positions that could raise its neighbours' mistrust and suspicion, should try to achieve some agreements over its boundary and territorial claims. For instance, regarding UAE claims over Abu Musa and the Tunbs, Salari, Iran's former ambassador to the UAE (2000–2004), believes that with a more flexible and centralised policy this issue could be solved and many cooperative opportunities in favour of Iran and other PG states would be granted.³³ In an interview with the author, Salari stated that “besides all political reasons to impasse the territorial dispute between Iran and the UAE, the current dilemma of Iran and the UAE is mostly because of the lack of an individual decision-making system in Iran, unlike the sheikhdom democracy in the UAE”. He remarked that “in Iran all decisions [are] taken by a consensus of different authorities and no one has the courage to decide individually”. According to him, “the islands dispute should be solved within three dimensions: 1) the Abu Musa island dispute by Iran–Sharjah; 2) the Tunbs islands dispute by Iran–Ras al-Kamiah; 3) general foreign relations by Iran–Abu Dhabi; while there is no solution for these steps in Iran regarding its present political system”. Salari, who assumes the islands have lost their geostrategic and geopolitical value due to the developed technology of missiles and navies to destabilise or stabilise the PG waterway, urges Iran more than the UAE to achieve a rapid or even temporary peaceful solution to the disputes over islands in order to prevent any further possible political leverage being misused by the US against Iran in the current regional and global situation.

Other scholars, such as Amirahmadi, estimate the strategic value of the islands as entrances to the Strait of Hormuz only to be significant for security purposes during wartime, otherwise they are of little benefit to either country. In this respect, it is assumed that even if the islands were in the control of the UAE, the latter would not have the capability to defend them in a possible attack from Iran. Hence, as Amirahmadi suggests, the greatest possibility of a lasting solution

to the islands' dispute, particularly with respect to the UAE's interests, is supporting the status quo and achieving a cooperative regional approach. By achieving a collective security arrangement that ensures all littoral states' territorial integrity, domestic stability and national interest, these three islands will lose their strategic value.³⁴

Subsidiary to this view is Salari's observation that the major problem of the UAE is not Iran but Oman and Saudi Arabia. As he explains, the UAE, which has had territorial disputes with Oman, Saudi Arabia, Qatar and Iran, lost its entire boundary with Qatar after the 1982 confidential agreement with Riyadh. Under these circumstances Saudi Arabia has been able to exploit 500,000 barrels of oil per day from the Sheibeh reserve with a capacity of 14 billion barrels; a serious threat to UAE stability. Although the UAE did not officially approve this agreement, which caused it to lose its entire border with Qatar, Qatar nonetheless became completely surrounded by Saudi Arabia.

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

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

more valuable since they are on the Iranian mainland and the US would be less willing to attack them for both political and military reasons.”³⁵

Conclusion

Boundary disputes, as a significant divergent element of regional stability and security, have contributed to other divergent factors to prevent the littoral states from creating a collective regional security arrangement. As can be seen from this chapter, diplomatic means and regional solutions are the most lasting and practical solution to the various territorial and boundary disputes in this region. The prerequisite for such solutions is the improvement of political conditions – with all regional actors including the US, in the case of Iran, honouring previous agreements and avoiding any expansionist ideas, respecting the sovereign existence and independence of all actors, together with states’ comprehension of the significance of collaborative relationships in favour of all littoral members, efforts for extending CBM, and finally achieving a collective security arrangement, the components of which will be studied in the final chapter of this book.

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

NOTES

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- 10 Schofield, "Border disputes in the Gulf", op. cit., 156–157.
- 11 Schofield, "Borders and territoriality in the Gulf", op. cit., 2.
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- 14 Wilkinson, op. cit., 94.
- 15 Bundy, op. cit., 185.
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- 17 Gerald Blake, "Shared zones as a solution to problems of territorial sovereignty in the Gulf states". In Schofield (ed.), op. cit., 200–201.
- 18 Ibid., 209.
- 19 Schofield, "Borders and territoriality in the Gulf", op. cit., 3.
- 20 Schofield, "Border disputes in the Gulf", op. cit., 132.
- 21 Schofield, "Borders and territoriality in the Gulf", op. cit., 4, 5, 14.
- 22 Anwar Gargash, "Prospects for conflict and cooperation: the Gulf toward the year 2000". In Sick and Potter (eds), op. cit., 329.
- 23 Details in ibid., 328, 330.
- 24 Ibid., 321.
- 25 Pirouz Mojtahed-Zadeh, *Security and territoriality in the Persian Gulf* (Richmond, Surrey: Curzon Press, 1999), 64.
- 26 Source of the maps: *The Circle of Ancient Iranian Studies (CAIS)*, http://www.cais-soas.com/CAIS/Iran/territorial_challenges.htm (December 2007).

- 27 Among many, see Graham Fuller, *The "Center of the Universe": The geopolitics of Iran* (Boulder, San Francisco and Oxford: Westview Press, 1991), 60–62.
- 28 One important document in Iran's Foreign Ministry, dated 1968, confirmed Britain's underplot to obtain, by theft or bribery, a very important report about different records of Iran's sovereignty over the PG islands and even some areas in the southern shore. In a "very confidential and important" letter of Mohammad Reza Amir Teimour [from the Iranian Embassy in London] to Ardeshir Zahedi, Foreign Minister on 30 Shahrivar 1347 (21 September 1968) it is mentioned that,

This report which was written more than 80 years ago by Brigadier Haji Ahmad Khan Kababi, the then ruler of Lengah Port (Bandar Lengah) is very significant because there was documentary evidence signed by Arab sheikhs confirming Iran sovereignty right over the four islands. (...) while these sorts of documents were against Britain's policy and interest, is very likely that the originals and appendixes were stolen.

In the letter of Amir Teimour it is also mentioned that "Documents in [the] British Foreign Ministry show that the authorities in the British Embassy in Tehran, by different tricks have stolen or obtained the report by bribery then sent it to London. But this report is not among released documents in the British archive (it seems they have hidden the report)."

- 29 Hooshang Amirahmadi, "The colonial-political dimension of the Iran–UAE dispute". In Hooshang Amirahmadi (ed.), *Small islands, big politics: The Tonbs and Abu Musa in the Persian Gulf* (New York: St. Martin's Press, 1996), 14.
- 30 See, Ezzatollah Ezzati, *Tahlili bar Geopolitic-e Iran va Eragh* [An Analysis of the Geopolitics of Iran and Iraq] (Tehran: Foreign Ministry Press Centre, Institute for Political and International Studies (IPIS), 1381 Solar Calendar [2002]), 11–12.
- 31 Schofield, "Boundaries, territorial disputes", op. cit., 167–168.
- 32 Schofield, "Border disputes in the Gulf", op. cit., 158.
- 33 Alireza Salari, Ambassador of Iran to UAE during 2000–2004, in my exclusive interview in Abu Dhabi on 3 August 2004.
- 34 Amirahmadi, op. cit., 24, 13.
- 35 Harold Hough, "Iranian intentions: the Strait of Hormuz or beyond?" *Jane's Intelligence Review* (1 October 1995), vol. 7, no. 10, 454. Cited from <http://www.american.edu/ted/abumusa.htm> (accessed 2 July 2008).

The Arabian Peninsula States of the Persian Gulf: The GCC

Introduction

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

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

Consequently, for the future shape of collective security arrangements in the region (besides the geopolitical importance of the PG which has already been studied), the greatest factor to consider is the national security of each nation-state. In this regard, the domestic dimension of stability and social peace and wealth as the major indicators of legitimacy and authority of the states will be considered. Hence, besides the incongruity of the political systems of the littoral states, the internal socio-economic and political developments in each country should be studied as a major element influencing regional security. In addition, from the perspective of the littoral states' different security concerns, the external challenges

and threats facing them, especially from the other regional actors, will be examined.

The purpose of this section is, by considering the insecurity components in the region, to identify convergence elements among littoral states so as to turn threats into opportunities for regional cooperation and sustainability. To be able to analyse the determinant factors of a security system, this chapter, regarding Saudi Arabia (the GCC), and the two following, regarding Iraq and Iran, draw upon a level of analysis framework in international relations. In order to find links between insights derived at various levels from different actors and units of analysis, and hence to be able to identify a general theory of interaction, a theory that has both descriptive and predictive powers, this study also discusses all three levels of the PG states' foreign policies and the forces affecting them – including the systemic level and the debate that occurs at the domestic and individual levels (see Chapters 6 to 8). These chapters also draw upon social analysis, to provide an analysis of the situation in PG states with regard to their social backgrounds and belief systems. They also draw upon elite theory to provide an analysis of power relationships or policy-planning networks in the PG states' societies, as well as their different definitions of security and national interests. Applying these components in a suitable security theory can help to construct a regional security arrangement, which will be studied in the final chapter.

Political institutions: the leadership tradition in the GCC

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

It is not only decision-making in the GCC states that is dominated by this small group, which, according to Byman and Green, are “privileged by birth, not by merit”;¹ they also “own the countries”.² The ruler, chosen by a tribal council or self-appointed family member

following an internal struggle, is usually the wealthiest, most powerful and influential head of a clan.

So, as Chubin suggests, “money and other forms of fortune (...) play an important part in achieving and maintaining rule. The classical tribal sheikh has to be rich enough to offer lavish hospitality to his followers and to outside dignitaries.”³ Also, as Byman and Green affirm, “All [Arab] Gulf governments are remarkably skilled at using economic control to ensure their hold on power (...) they are experts at using largesse to silence critical voices [and] oil wealth allows the state to dominate the economy.”⁴ The traditional autocratic tribal family government system has stayed unchanged; in the event of a ruler’s failure in his obligations, not just the head of state but his ruling family would lose the leadership, thus presenting an opportunity for his rivals from another family or even other tribes to replace him.⁵

The flexibility and adaptability of the traditional system of tribal rule in this regard has ensured that ruling families attain power for decades. According to this system if the ruler is unable to adapt to any new situations that threatened to put the entire system in crisis, he could be discharged by other family members or elites through violence (on the one hand) or in a suave and respectful manner (on the other). For instance, the Amir of Qatar was replaced in 1972 by a more “modern” relative, and in 1995 Sheikh Hamad bin Khalifa Al Thani deposed his father in a bloodless coup. Such replacements take place by consultation with other leading Qatari families when they decide that the old Amir no longer meets the needs of the day. Therefore, such “ideological flexibility”, as Byman and Green explain, can serve to offset outside meddling as well as opposition groups’ demands, which potentially pose a great threat to the Arab regime.

This flexibility, demonstrated by certain cases of rulers being deposed in the interest of foreign powers, illustrates the heavy dependency of the political power pyramid, legitimacy and sovereignty in the southern peninsula states on the outside powers. In this regard, some analysts go further, suggesting that any power displacement and changes in conditions and policies in these countries occur as a function of the international powers’ interests. As Sariolghalam states,

The wide international dominance exerted over the PG region has a direct relation to the internal weakness of its member states and

the collapse of political thought among their elites. (...) Among the Third World regions, the Middle East (...) is the only region in the world that besides its internal potential capabilities has remained under the influence of international policy and economic control. The problem is that these regimes have no internal institutions to be able to interact reasonably, functionally and independently with the outside world and at the same time have national consensus for making interdependent decisions. The security and legitimacy of the PG authorities, where their regime security is the most important matter to them, is very much dependent to the world outside their borders. Therefore any power displacement and changes of essences and policies in these countries occur as a function of international interests. (...) Their internal security is also very much dependent on international coalitions.⁶

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

Reform dilemmas of the GCC

Implementing modern reform from the point of view of the GCC and the West, especially the US, is the only choice of the Arabian Peninsula's traditional political systems in a modern world. However, while the GCC states are aware of the need for domestic reform to make their regimes more stable and their economies more vibrant, the dilemma for them is that, due to the very traditional and conservative political systems of their regimes, especially in Saudi Arabia, serious structural and political internal reform remains off the agenda. This issue adds to the impact of the whole political situation in the region upon internal issues, which, when compounded with their domestic socio-economic and political problems, confront the GCC states with rigorous restrictions in their attempts to carry out reforms. Among various challenges to their security and stability, internal problems are the major factor. This is due to the fact that the probability of foreign military attacks is low, especially after the reduction of the two PG major powers' (Iran and Iraq) military capabilities during the last three wars in the PG, while the GCC regimes

also enjoy US military protection. But as Turki Al-Hamad remarks, despite the lack of major external threats against them, they confront significant internal problems.⁷

While history and tradition are recognised as the main legitimate sources of the ruling families of the GCC, they resist major political and economic reforms that can affect their political power, wealth and fortune. In addition, their legitimacy, which derives from rentier or cradle-to-grave welfare systems, may also decline as a result of economic reforms, the GCC population's growth and the possibility of shrinking government revenue sources.

However, according to the principle of "flexibility and adaptability", along with the importance of regime security more than state security, there are few choices for ruling families who wish to keep the status quo, except for adopting significant reforms. Such reforms contain at least a limited recognition of the need for political and economic reforms, albeit with a wide and undetermined range of timing, method and degree of changes. Domestic and structural factors, along with regional and international political evolutions, are the main internal and external factors persuading GCC regimes to adopt or offer some reform measures.

Threats and external factors relating to the GCC

Despite it being a tumultuous region of the ME since the 1950s, the Arabian Peninsula has survived unchanged with regard to traditional political systems, despite its wars and revolutions. ME security strategies have been able to solve not just foreign interference and threats but the considerable domestic problems in maintaining social peace.

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

However, fear of the Iran–Iraq war spreading to the region and its insecurity consequences for the GCC encouraged them to invite external powers to support them, by declaring, during the "Tanker War" of 1987, that the responsibility for protecting freedom of navigation in the PG was an international duty.⁸

In general, the GCC states do not face any serious or urgent foreign invasion. While they have benefited from the US' commitment to provide military support, Iran and Iraq, the two major regional powers over the last three decades, have become weak, certainly in terms of their conventional military power. Currently, Iran is the only regional military power that, by developing its military capabilities, is perceived as a potential threat to the GCC, although it is a far less modern military power in comparative terms than it was before the eight-year war with Iraq.

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

So, since the mid-1990s, as Sick, Gause and others observe, according to the conventional definition of security – i.e. shelter from foreign military invasion – the small states of the GCC seem more secure and stable than at any time in their independent history, and even more secure than the two large states of Iran and Iraq.⁹

GCC states, like all other countries, have faced outside meddling as well as domestic opposition groups' demands, both of which can pose a significant threat to the security of regimes. During the 1950s and 60s, the Arab regimes of the PG faced the efforts of opposition groups using the idea of Arab nationalism, introduced by Egyptian President Jamal Nasser, to achieve Arab unity – a message that was accompanied by the condemnation of the Arab regimes of the PG, specifically Saudi Arabia, and that supported Saudi opposition groups in their attempts to bring about the downfall of monarchies such as those in Iraq, Syria and Libya.

The peak point of such problems was in the 1980s during the Iran–Iraq war. Iran, in various ways – including inviting GCC people to overthrow their governments – tried, as Byman and Green note, to dissuade GCC governments from supporting Baghdad in its imposed war against Iran.¹⁰

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

However, despite GCC leaders' concerns regarding Iran's growing influence in the ME and its military potential, which could be seen by the GCC as a long-term threat, neither side welcomes any threat escalation; rather, they seek to build confidence-building measures and improve relations. In this regard, for example, an Al-Jazeera broadcast, citing a senior Saudi diplomatic source concerning a possible US attack on Iran's nuclear sites, suggested that, "A lot of Saudis fear that the US will come and make mischief, then go away, but we have to live here afterwards."¹¹

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

Domestic and structural factors in the GCC

GCC governments face serious domestic and structural security threats, which, in the main, includes the problem of governments' political legitimacy, social structure and economic structure.

The problem of governments' political legitimacy

The threats faced are mainly the result of political exclusion resulting in the lack of people's political participation and the absence of the governments' accountability and transparency; the impact of the fall of oil revenues

per capita as a threat to cradle-to-grave welfare or the rentier system (to provide free services to all citizens since the early 1970s of the oil bloom) which highlights the fact that the government cannot fulfil its expected role; and a firm criticism of the government's excessive dependency upon the US, which is the major reason for their internal security problems, in turn leading to religious militancy, particularly in Saudi Arabia.

Social structure

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

Economic structure

Problems here are related to a high dependency on oil revenue and the international oil market as the main source of governments' income; economic stagnation; financial crisis and high budget deficits due to low oil prices, corruption, mismanagement and high defence spending.

According to Turki Al-Hamad, the GCC social problems are due to the combination of serious economic difficulties (as a result of the decline in oil prices such as in the mid-1980s, costly and irrational governmental spending – especially on defence and security – weak and unhealthy economic arrangements and growing indebtedness) and the high rate of foreign employment. Under such circumstances, he observes the rise of social problems such as “growing unemployment, escalating crime, and emerging terrorism” which may have political consequences, e.g. “more claims for political participation; and growing pressure for drastic reforms”.¹²

In addition, as Byman and Green note, the dominant belief of GCC citizens is that their political systems are exclusive, and that peaceful political activities are not capable of influencing their country's leadership. Consequently, they observe, “[T]his opposition could have dangerous repercussions: throughout the world, rather moderate political groups have often become violent after years of repeated failures in proposing compromise.”¹³ They also perceive the alienation of social and economic elites as being very dangerous, especially as oil wealth has

allowed the ruling families to control state finances and politics, while traditional tribal and family elites have lost influence.

The unconditional pledge of loyalty in return for free social services agreed between the rulers and the ruled in the GCC states has been shaken. This is the consequence of major corruption and uncountable government spending levels, especially the unreported annual billion-dollar revenue from petroleum exports in budgets of the GCC governments,¹⁴ along with the economic slump – as a result of high levels of social spending, supporting Iraq's eight-year war against Iran in the 1980s, and paying for the "Desert Storm" operation in the 1990s. Moreover, the wider involvement of the royal families, particularly in Saudi Arabia and Bahrain, in business and even private sectors, traders' dissatisfaction over the circulation of money, the rapid increase in population along with a rise in expectations for a higher standard of living, adding to the shrinking revenues and growing unemployment – all have reduced citizens' loyalty, previously reinforced by money. Economic stagnation has resulted in a widespread feeling of indignation about corruption and wealth disparity, widening the gap between the rich and the poor and thus rendering it more critical.

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

Discrimination against Shiite citizens – including political exclusion, limitations of their religious practice and literature, employment and financial discrimination,¹⁵ restriction in joining the army,¹⁶ using some laws against Shiites,¹⁷ introducing them as heretic and causing them to be "stigmatized socially (both the government and much of the Sunni majority sees them as tantamount to apostates)",¹⁸ as well as suffering

routine harassment and imprisonment by the security services, etc. – has, in turn, been a source of turmoil.

Also, analysts consider religious militancy to be perhaps the most dangerous threat to stability in some GCC states, especially Saudi Arabia, originating mainly from Sunni radicals. Sunni religious radicals, who were encouraged and supported by GCC regimes, later began to challenge them. These radicals were reinforced from the 1960s to the 1980s regarding two basic policies of GCC regimes: divide-and-rule, and lessening the influence of Arab nationalism as an anti-monarchist political thought as well as creating a rival to the Shiite thought of Iran's Islamic revolution. As Byman and Green have remarked concerning the policy of divide-and-rule, GCC governments are not only skilful in making divisions within communities and fragmenting any political opposition, but are also very masterful in using Sunni distrust of the Shiites and even creating division within the Shiite communities themselves.¹⁹ Regarding the Islamic Revolution of Iran, according to Esposito,

Iran captured the headlines and imaginations of many throughout the Muslim world and the West (...). For a secular-oriented West the specter of the spread of revolutionary Islam seemed both retrogressive and a threat to Western allies and interests (oil and trade). The reality was in fact far more complex. Iran proved far more effective as a source of inspiration rather than emulation. For rulers in the Gulf, response to the strength and threat of Islamic political activism was complicated by the fact that many of them were Sunni rulers with significant Shiite populations.²⁰

Consequently, common resentment of oppositions, due to the regimes' domestic policy of repression as the preferred response to all political opposition in the majority of GCC countries, and political exclusion systems, together with the radicals' objection to their governments' over-dependency upon the US, drove the oppositions underground and increased the probability that frustrated elements would resort to secret methods and acts of violence. Opposition to Al-Saud intensified from the time of the Iraqi invasion of Kuwait in 1990 as a result of the presence of hundreds of thousands of Western troops in the kingdom. The most violent disorderly behaviour of the early 1990s happened in Saudi Arabia and Bahrain – the two states least tolerant of political criticism; both were without any practical representative institutions.

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

Ruling families have proven skilled at anticipating, and preventing political violence before it explodes. The regimes employ mixtures of carrots and sticks, using aggressive security services to monitor, and at times suppress, opposition, while co-opting potential opposition leaders with wealth, jobs, and high-status positions. In addition, regime leaders are cunning political chameleons, changing their outside appearance to match the issues of the day, while maintaining their hold on power.²¹

In this regard, this book will examine Saudi Arabia's role as the main GCC member and the likelihood of success of Riyadh's traditional strategies to control the social order in the future. For a better understanding of the socio-political issues in Saudi Arabia, it is vital that much attention is given to its geography and political ideology – as a tribal monarchy whose constitutional organisation is established on Salafi or Wahhabi Islamic law – and the political processes of its decision-making.

Internal threats to the stability of the Saudi regime

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

Oil revenue has enabled the regime to make the opposition noiseless, by controlling the economy to ensure its domestic socio-political stability via not just the rentier system but also by using bounty. Additionally, it has contributed to conciliate and repel potential foreign threats with the government's offers of generous amounts of aid.²²

Oil wealth has also enabled the royal family to ensure the regime's survival via empowering the Bedouin or White Army, and old tribal elements from Najd loyal to the Saudi family, to be known as the Saudi Arabia National Guard (SANG). The SANG exists on the bounty of the rulers and has operated as independent units under direct command of King Abdullah since 1963. Its mission is to safeguard sensitive domains like oil installations and the royal family from internal rebellion, and

it is a counterbalance within the royal family, who control the regular armed forces.

The regular Saudi Army, under the command of the Defence Minister, Prince Sultan, is small in number and comprises unskilled local military personnel that must rely on imported technology and foreign employees in order to operate complex and sophisticated weaponries. This situation results in a lack of any possible political antagonism incentives towards the regime. The Saudi ranks are swelled by foreign nationals, especially from Muslim countries – including Pakistanis, Jordanians, Syrians, Palestinians and Egyptians. Also, large numbers of American, British and French expatriate military technicians and trainers run the Saudi military modernisation programmes.

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

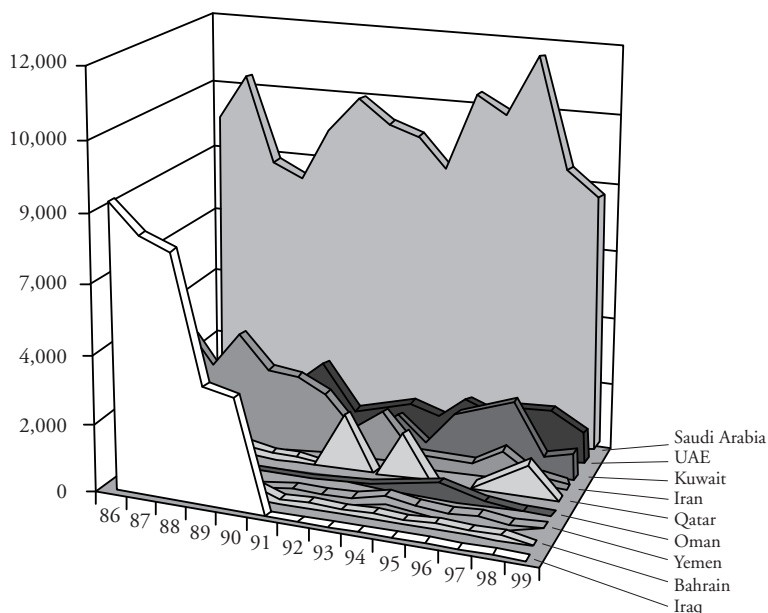
As Murden remarks, the aim of Riyadh's cautious military strategy, besides keeping Saudi armies inefficient in order to maintain the regime's security, also serves to postpone the reformation process in the country.²³ This is related, as Cordesman remarks, to "the commercial motives of foreign suppliers, and certainly the presence of so much foreign support".²⁴ Gause adds to this analysis the financial interests of those in the GCC states (including Saudi Arabia) who benefit from these large-scale arms deals²⁵ (see Figures 6.1 and 6.2).

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

Social peace in Saudi Arabia, besides the use of a variety of government strategies to promote social order, is provided by the security forces, which are often staffed by foreigners who do not hesitate to suppress dissent.²⁶ This is particularly evident in the response to the seizure of the Grand Mosque in Mecca by Sunni radicals during the

Hajj in 1979, and the anti-American attacks in the kingdom during the 1980s and 1990s, which led to dozens of deaths and hundreds of arrests in both cases.

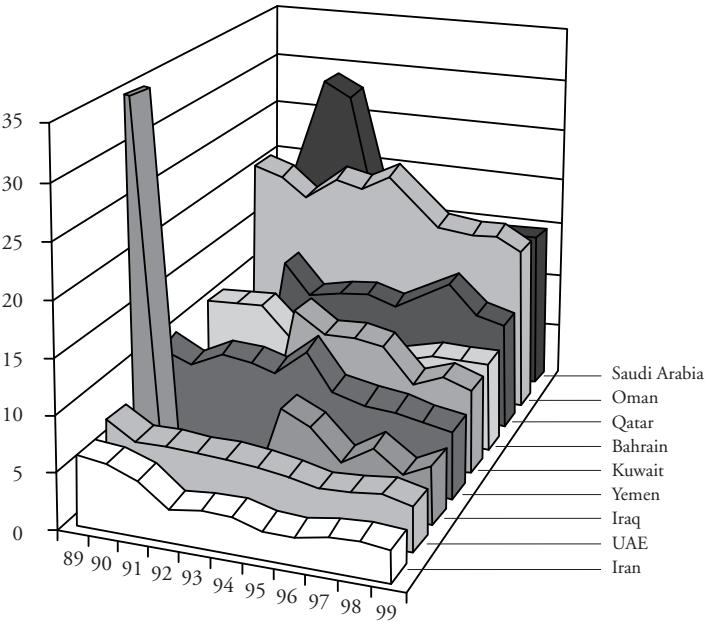
FIGURE 6.1
Cumulative Saudi Arabian arms imports relative
to those of the other Persian Gulf states: 1986–1999
(value of deliveries in constant US\$ millions)



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

Source: Adapted by Anthony Cordesman from State Department, *World military expenditures and arms transfers* (Washington D. C.: GPO), various editions.

FIGURE 6.2
Comparative military expenditures of the Persian Gulf
powers as a percentage of GNP: 1989–1999



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

Source: Adapted by Anthony Cordesman from State Department, *World military expenditures and arms transfers* (Washington D. C.: GPO), various editions.

Although calling in the US to protect the state against direct foreign threats seems reasonable according to Saudis who – like other GCC states – lack the military means to defend themselves, it has increased regimes' challenges and has enhanced a legitimacy crisis among the GCC citizens, including Saudi people. Such a crisis for Riyadh has acquired wider dimensions through the regime's resistance to any mobilised organisations of individuals or groups of citizens aimed at forming an alternative defence strategy, such as the Islamic activists' suggestion after the Kuwait crisis for the creation of a 500,000-man Saudi army to prevent dependence on outside forces for defence. The strategic umbrella provided by the US, and the numerous problems caused for the regime through its dependency on Saudi forces for national security (especially intensifying the present request for citizens' greater political participation, and also preventing Arab military coups during the 1950s and 60s), is firm evidence of Saudi Arabia's continued dependency on foreign forces in this regard.

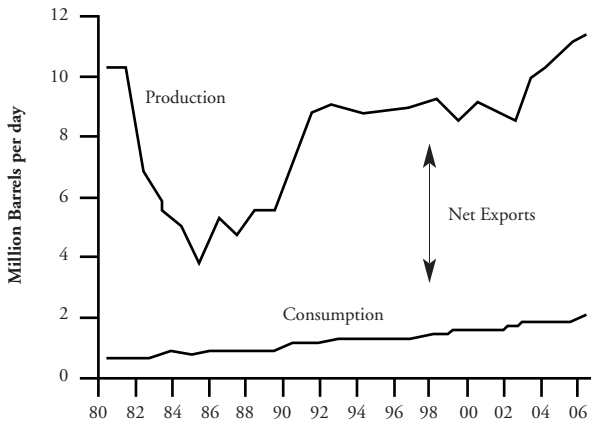
Oil wealth has also promoted, according to Drysdale and Blake, "national integration by greatly strengthening the central government and by making possible ambitious development projects", especially by building a comprehensive air and road transportation network all around the kingdom. In return, this could promote the Saudi rulers' geopolitical superiority over the whole Arabian Peninsula. Moreover, as Drysdale and Blake remark, oil revenue has improved unity in the kingdom via the spread of public education as an element of promoting feelings of citizenship, and is also a way of strengthening national loyalty instead of tribal devotion.²⁷

However, as the Saudi economy has remained heavily dependent on the oil sector – oil as the main source of foreign exchange still accounts for approximately 90–95 per cent of export earnings, 70–80 per cent of budget revenues and about 40 per cent of the country's gross domestic product (GDP) – the inherent vulnerability of such a reliance could be the greatest threat to the kingdom's integration and its long-term stability, which has been ensured by oil wealth (see Figure 6.3).

Such threats are rooted not only in a decrease of oil revenues (see Figure 6.4) but also in the lack of a native technological base and the skilled and unskilled labour force, specifically in oil sections, with its cultural consequences. In this respect, Drysdale and Blake's 1985 prophecy regarding the impact of the presence of numerous foreigners

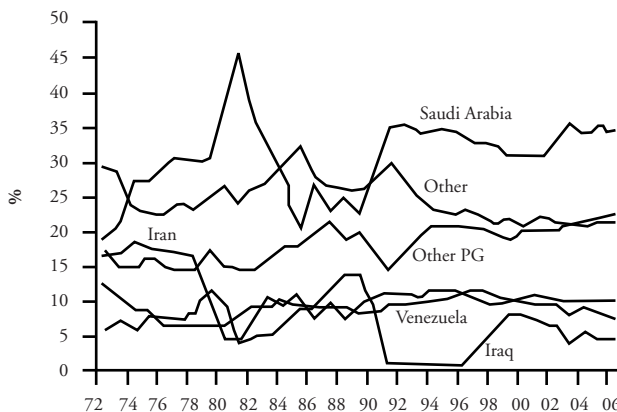
and their capacity to alter the character and cultural features of the country has proven to be accurate. They suggested that the major challenge facing Riyadh in the future might be how to survive in its present form when an increasing percentage of the population believes neither in Wahhabism nor in loyalty to the Saudi family.²⁸

FIGURE 6.3
Saudi Arabia's oil production and consumption, 1980–2006



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

FIGURE 6.4
Share of OPEC net oil export revenues for selected countries, 1972–2006



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

However, due to various economic and social developments in the kingdom, the rulers are under pressure to address their inactivity in political development by accepting greater political participation for Saudi citizens. This has become a serious matter, not only because of the influence of Western culture in Saudi Arabia – specifically by a new generation of educated and unemployed citizens who had travelled and studied in the West – but also, besides high expectations, rapid population growth, high unemployment and falling oil revenues per capita, the profligate royal spending leading to economic stagnation has exacerbated resentment over corruption and wealth disparities. When newly educated technocrats and also religious scholars observe poorly educated family members indulging in rampant corruption and inefficiency in the government, this causes anger and resentment. Such social discontent will inevitably create instability. The major long-term socio-economic challenges confronting the regime, in spite of the recent increase, in its oil incomes will be as follows.

- Rapid population growth; estimated to average around 4.3 per cent annually for the period 1980–1997 with around 60 per cent of Saudis under 21 years of age.
- Emergence and gain in power of the middle class as a result of distribution of rent in society, with its own independent interests including demand for some reforms.
- High rates of Saudi nationals' unemployment; figures ranging from 10–25 per cent.
- High rate of expatriates in the kingdom as a demographic, cultural and political threat.
- Economic problems, almost two decades of heavy budget and trade deficits – the expenses of two wars of Iraq against Iran and Kuwait in 1980–1988 and 1990–1991 – total public debt of around US\$175 billion and also a decline in real per capita oil export revenues since 1980 (from US\$22,589 per person to US\$4,564 in 2004).
- Wider gap between poor and rich, more corruption of the ruling family and the development of double standards.
- The strategic and economic relationship with the West, particularly the US, is a permanent controversy and may be the most disturbing problem for the Saudi monarchy. The relationship has become a liability for the internal legitimacy of Al-Saud, especially during

continued crises over Iraq until its occupation and the Saudi government's strict association with Washington in that regard. The economic relationship between the US and Saudi Arabia led to further internal security for Saudi Arabia. Riyadh, since the end of the twentieth century, has taken steps towards economic diversification to support its infrastructure against downturns in the oil markets as well as decreasing its reliance on oil revenues. However, Saudi Arabia, with a shortage of the managerial and technical potentiality and ability to operate different manufacturing industries, will remain a mere consumer of Western products. Its major economic activities are concerned with trade and investment and their prerequisites, so at a time of declining oil revenue the regime will be dependent on the West even more than before. As also mentioned in the August 2005 report of the Energy Information Administration (EIA), "Saudi Arabia is eager to maintain and even expand its market share in the United States for a variety of economic and strategic reasons."²⁹ Consequently, Washington's major technique to control the flow of oil from the PG via preserving promising political and economic ties with Riyadh has been built through increasing bilateral investment and trade. Therefore "the Saudi state, unlike the contemporary Iranian and Iraqi states (...) [is] wrapped up with the interests of Western states and business to a far greater extent".³⁰

Under such a situation, alongside the regional socio-political changes, unrest may increase as government resources diminish in the future; this will probably contribute towards further socio-political instability. Any decline in socio-economic opportunities may motivate requests for political reforms and deliver greater political participation to citizens. Despite the considerable stability of Saudi Arabia, the regime has recognised the need for political and economic reforms, although limited in kind, to prevent any possible confrontation with its citizens, especially the large and restless younger generation who are unemployed and have high expectations.

Therefore, in order to deal with the new financial realities Saudi Arabia has moved cautiously and slowly towards extending the reform process and taking some unwanted economic choices, e.g. privatisation, subsidy cuts, tax increases and financial sector reforms. These reforms can have political consequences but not necessarily lead to a real change

in its content. In this regard, big state-owned corporations that control the Saudi economy have not been under any transaction of state shares and wealth to private sections. Since a principal motive of Saudi privatisation has been its wish to join the World Trade Organisation (WTO), the approval of its membership in 2005 may postpone even its very slow attempts to perform privatisation in the country.

In fact, besides domestic and structural factors of Saudi society, globalisation, as Nonneman notes, is the main external factor of the apparent paradox of the GCC having taken a lead over most of the Arab world with regard to political liberalisation.³¹ Therefore, privatisations, like all other features of economic globalisation, including WTO membership, free economy and liberal market operations (in other words, opening the kingdom's economy to free trade and foreign investments and capital flows) are such great advantages that Riyadh cannot ignore them. Hence, Saudi Arabia's membership of the WTO was approved on 11 November 2005 after a twelve-year negotiating process slowed by the country's participation in the Arab League's boycott of Israel. While the Saudi regime also looks at this accession as an element to help bolster energy security, liberal Saudi citizens hope it will accelerate economic reforms as a prerequisite and leverage to "open up" the political atmosphere. In addition, despite the economic benefits of accession to the WTO, the government may specifically face radicals' threats regarding the Saudi market opening towards Israel in the future.

With the new trend towards globalisation, the Al-Saud, who seem to be quite interested in finding solutions to Saudi Arabia's economic problems, are not yet ready to discuss other aspects of economic reform, which include greater transparency, anticorruption, good governance, and social and political reform, in accordance with the priorities of world economic organisations such as the International Monetary Fund (IMF), the WTO, the Organisation for Economic Cooperation and Development (OECD) and the World Bank. Therefore, Saudi policy was perceived as an attempt to select only those aspects of globalisation that Riyadh accepts in order to enjoy economic benefits without having to implement any real and major reforms.

Since any economic reform is accompanied by belt-tightening and a decline in the rentier system, the kingdom, in order to confront the political consequences, has been unenthusiastic about removing the financial cushion and increasing prices closer to market levels by

decreasing subsidies. The political consequences of the Kuwait crisis in 1990 and fiscal crisis of Saudi Arabia, both of which accompanied the government decision to introduce indirect taxation and reduce some subsidies, paved the way for Saudis to ask about the absence of political participation and public consultation in the state's affairs. So, to make a gesture and give at least the appearance of more institutionalised consultative mechanisms for eliciting the populations' views on politics, since 1990 Riyadh has appointed new *majlis al-shura* (consultative councils), and in 1995 also made sweeping changes in the non-political parts of the cabinet by employing new faces to deal with economic problems.

In other words, Riyadh has chosen a limited reform as a strategic solution. It has realised that a slow opening up and reform process displaying a move away from authoritarian rule and transition towards democracy need not be harmful but could actually extend the rulers' legitimacy. However, as Nonneman remarks, those countries that have merely selectively appropriated democratic features without further democratisation will end up in a "grey zone" – Nonneman following here the argument of Daniel Bromberg that "liberalisation may not bring democratisation but rather a state of liberalised autocracy".³²

Nevertheless, as Malik and Niblock note, the reforms undertaken by the Saudi regime so far suffer from two problems:

First, they have mostly been implemented slowly and partially. There is the danger, already apparent in the country, that economic reform may become more difficult the longer it is left. Rising unemployment and deteriorating social conditions, fed by one of the highest rates of population growth in the world (...), will intensify political unrest and social disruption. Second, the reforms are still inadequate. The wider reforms that are needed are in many ways the most difficult, and will require a greater social and political transformation than has so far been envisaged. Greater transparency and accountability will be needed, and the educational and social facilities offered to Saudis must enable Saudi labour to be as productive as migrant/expatriate labour. While the problem of unemployment may gain temporary redress through the imposition of Saudi labour on unwilling employers, this will not create a productive economy for the long term. Saudi labour must be able to compete with expatriate/migrant manpower. The balance needs to be re-adjusted on both sides: making Saudi labour more productive and less expensive to employers; and improving the working conditions of migrant labour, thereby making it more expensive.³³

Therefore, they emphasise the need for a “new social contract between the state and the population” to build a significant level of trust based on governmental transparency and a stronger commitment to socio-economic equity and greater popular accountability.³⁴

Nonetheless, under new regional circumstances, especially in Iraq since the overthrow of Saddam’s regime, the global trends towards democracy, and political reform plans not just in several GCC countries, e.g. Qatar, Bahrain, Oman and Kuwait, but also in revolutionary Islamic Iran, it is impossible for Al-Saud to rely much on its traditional strategies to keep social peace in an area of turbulence. As was explained earlier, parallel to modernisation and development process two major threats have confronted the kingdom: the traditionally discriminated-against and oppressed Shiites, who form about 10 per cent of the population (mostly concentrated in the oil-rich Eastern Province, formerly al-Hasa), and the growing anti-government religious militancy, specifically Sunni radical Muslims, in Saudi Arabia.

In general, the goal of Shiite opposition movements in Saudi Arabia has not been to overthrow the Al-Saud and the system of government, but the removal of all kinds of discrimination against them. Hence, since 1988 the Saudi Shiites have chosen democratic ways to achieve their socio-political demands. The Shiite community does not seem to pose the internal security threat that was a concern in the early 1980s, although, following new developments in Iraq after Saddam and greater sectarian tensions in the region, the Saudi regime is under more pressure to show greater tolerance. However, should Shiites succeed to power in Iraq, and Al-Saud delay in producing a proper reaction to the Shiites’ demands for reforms, they might become a serious threat to the regime.

However, since the opposition in Saudi Arabia has always been fragmented and there is serious doubt about this changing in the foreseeable future, analysts mainly consider religious militancy the most dangerous threat to stability in the country. In order to understand the impact of Saudi Arabia’s political development on the region’s security, Riyadh’s security concerns, especially those directed towards the other two major regional actors, and its foreign policy should be analysed.

External threats to the stability of the Saudi regime

Saudi Arabia's foreign policy has traditionally followed three fundamental objectives: security, Islamic solidarity and pan-Arabism. Its most fundamental goal is the preservation of the Al-Saud monarchy and maintaining and enhancing the security of its territory from external aggression.

The most important factors for the Saudi's very existence and prosperity are peace and stability in the PG region. Therefore, Saudi Arabia's most essential interest has been the preservation of the status quo with the management of relations with Iran and Iraq to prevent any superiority or expansion of these as its two major questions of security. In order to face external threats, achieve peace and security, and maintain the status quo, Riyadh found a regional military balance of power the most favourable solution. Nevertheless, being a relatively weak military power in comparison to Iran and Iraq, diplomatic and economic means tended to be the preferred options by which the Saudis chose to affect, in their limited capacity, the regional military balance of power. They traditionally prefer diplomatic methods and political influence, whether via adaptable diplomacy or generous aid.

Oil revenues have provided the means through which these goals have been pursued. However, vast economic wealth is not sufficient compensation for military weakness. To bolster its security and compensate for its military inadequacies, Saudi Arabia's foreign policy has traditionally preferred the West, specifically the US and its Arab neighbours. Hence, Riyadh's two major security resources are its influence, which originates from Saudi Arabia's prominent role within the region, and an informal alliance with Washington.

In this regard, Saudi Arabia's desire to be seen as a leader in the PG through its attempts to unify the other PG states in opposition to Riyadh's two major obstacles to security – Iran and Iraq – was realised by the occurrence of the Iran–Iraq war. Saudi Arabia established the GCC, a *de facto* military alliance, with five other PG states, each of which had either a formal or informal military alliance with the US. Also, Riyadh improved its already very close and cooperative connection with the US since the 1980s, specifically with regards to oil production and marketing. This improvement, which was primarily based on the Saudis dependence and need for more technically modern arms, continued on account of Riyadh's reliance on the US for vital technical assistance. The

US, which relies on Saudi Arabia for oil and the geopolitical aspects of oil, could thus alter the balance of power during 1980s and 1990s by interfering in the region on behalf of the GCC by deploying US forces against Iran and Iraq, respectively. Because of the interdependency between Riyadh and Washington, in contrast to Iran and Iraq, the Saudi Arabian acknowledgment of Western interests in this region resulted in the ascendancy of its regional influence. As Alaolmolki notes, "Saudi Arabia was in many respects the weakest but it was also the most influential of the Gulf Powers."³⁵

Since the Saudi–Yemeni War in 1934, Riyadh, unlike Iraq and Iran, has not been confronted with any direct and serious foreign or even domestic conflict, such as foreign invasion, coup or revolution. Despite Saudi Arabia's three independent military and security entities (the Ministry of Defence and Aviation; the National Guard; and the Ministry of the Interior), which provide the kingdom's internal and external security, it has been proven that in case of crisis and war they are incapable of repelling potential attacks.

Riyadh required the help of the US to deter potential external threats posed by Iran and Iraq. With the occurrence of the Islamic revolution in Iran, Riyadh was deeply conscious that its very existence was threatened by the new theocratic and revolutionary regime in Tehran. Besides many different disagreements between Saudi Arabia and Iran, the conflict became particularly concentrated on Al-Saud control of the Holy Cities of Mecca and Medina, and the Hajj celebration. This issue, even in the early 1990s, and the need for a balance of power against Iraq's threat, put a significant limitation on Saudi policy options. To restrain Iran, the Saudis thought the best way was to increase deterrence via strengthening their military forces by acquiring large amounts of the most advanced military equipment from the US, and also providing military assistance to the other small and weak PG monarchies.

After Iraq's invasion of Kuwait, to deter further Iraqi aggression against Saudi Arabian territories with huge oil reserves, which would pose a serious threat to its very existence, the insufficient Saudi military force had no choice but to be supplemented with a large foreign military force. However, the Saudis were well aware that a large US military presence in Saudi Arabia would cause an anti-American backlash both within Saudi Arabia and in the rest of the world, in addition to the possibility that they could appear as a lackey of the US, so they asked other countries as

well as the Arab League and the GCC to send military forces to Saudi Arabia too.³⁶

Besides the Saudis' confidence of having friends to help them during war and crisis, wars and international sanctions against Iran and Iraq have weakened these two major regional rivals of Riyadh. Saudi Arabia and the rest of the GCC members seem more secure and stable than their powerful neighbours. Also, as previously mentioned, Yemen, which along with Iraq was considered to be a major external threat, now has less intention of threatening Riyadh since the Saudi resolution of border disputes with Sana'a and because it has been involved in its own domestic crisis.

Therefore, Saudi Arabia faces no urgent potential external threats; however, besides non-state threats from within Yemen and Iraq, and Riyadh's appreciation of the potential threat from a nuclear-armed Iran, a threat should not be ignored from one of the GCC members. Many of these have more worries about each other than about Iran or Iraq. Also, a potential threat from the Western powers, especially the US, which could develop from a critical domestic crisis to secure energy resources, should not be disregarded.

As was explained more fully in Chapter 4, the significant vulnerability of Saudi Arabia to energy terrorism, the limited ability of the US to control Saudi Arabia's internal security problems and the American view about the paradox of Washington's desire to become a long-term ally of an undemocratic and politically conservative regime, especially since 9/11, has led to some extreme outlooks concerning Saudi Arabia's future relations with the US, e.g. declaring war on Wahhabism, and invasion of the country and seizure of its oil fields.

Hence, the lack of domestic reforms, except its internal impacts, could result in a serious external threat from Riyadh's Western allies too. The GCC's statesmen and elites see Washington's pressure to carry out political and economic reform as the major external threat facing their country.³⁷

Moreover, Saudi Arabia's foreign policy, with its domestic and regional impacts, has not helped the development of security in general. Domestically, it has generated anti-regime and anti-US sentiments with political discontent and radicalism and a high potential of terrorist actions. Regionally, especially by inviting US forces to enter the region and remain present for a long period, it has increased the security concerns

of the other two major players in the PG. Since then, one of these, Iraq, has been invaded and occupied, and the other, Iran, is under permanent threat of military invasion by these foreign forces.

Conclusion

After the overthrow of Saddam's regime in 2003, the kingdom's most important security threat no longer seems to be foreign military invasion but rather the threat of Islamic extremism and terrorism. Saudi Arabia, which lacks strong civil-society institutions, suffers a direct internal threat from Islamic extremists, many relating to Al Qaeda and similar extremist groups. With continuing insecurity in Iraq and the presence of foreign troops, the extension of religious militancy will be unavoidable in Saudi Arabia as well as in the whole region – a situation that could become even worse because of Saudi support of Sunni insurgency in Iraq. Only major and real reforms in Saudi Arabia can safeguard the regime from these attacks and anti-government pressures. Major suggestions centre round steps that should be taken to defuse a potential crisis and to prevent violent sectarian confrontation. An inclusive national/ inter-sectarian dialogue, encouraging tolerance and diversity, alongside political and religious reforms, and facilitated by the help and involvement of key members of the Sunni clergy, is necessary to fight both hatred and anti-Shiite sentiments.³⁸

Therefore, to meet its major internal and external threats, Riyadh's only choices are taking real steps for domestic reforms and making significant attempts to prevent any further war and crisis in the region. Unfortunately, the current crisis in Iraq has made the whole situation, and especially the security concerns of the major PG players, more complicated. However, by cooperating with Iraq's new regime and its neighbours – especially Iran – Saudi Arabia could secure its long-term interests as well as the region's durable security. A long-term and comprehensive political strategy to broker CBM with Tehran is needed, the first step of which for Riyadh could be preventing the US and its allies from making the current crisis in the region worse with further military action against Iran. Also Riyadh needs to provide more harmony and coordination with Iran over its policies in Iraq, to assist Baghdad in overcoming its domestic unrest (as a critical element of regional instability) as soon as possible.

Despite the GCC states', including Saudi Arabia's, concerns regarding the possible decline in their role in further security arrangements in the region, consequent upon improving Iran-US relations it is obvious that their security can be provided only through CBM and by intensified and sustained diplomacy in a peaceful and non-confrontational atmosphere. The current US military presence in the PG only fans the flames of domestic and regional discontent; therefore, only by pursuing a comprehensive and long-term political strategy to broker CBM with neighbours could Riyadh encourage a moderate foreign policy in all PG states, including Iran. A process which could result in assuring the ultra-regional players' interests is acknowledged in this region – an important factor that would result in the foreign forces' withdrawal from the region.

In the next chapter, Iraq's political behaviour and its internal and external security concerns that have broadly affected the regional security will be studied.

NOTES

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- 2 Nozar Alaolmolki, *The Persian Gulf in the twenty-first century: stability and change* (Maryland, US and London, UK: University Press of America, 1996), 32.
- 3 Shahram Chubin, *Security in the Persian Gulf 1: Domestic political factors* (England: Gower, 1981), 2.
- 4 Byman and Green, op. cit., 90.
- 5 Chubin, op. cit., 1.
- 6 Mahmood Sariolghalam, "Shenakht-e Khalij-e Fars dar ghaleb-e mabani-e nazari-e Khavar-e Mian-e shenasi" [Cognition of the PG according to theoretical basis of acknowledging the Middle East], presented in *the International Conference on the Persian Gulf* (Tehran: Institute for Political and International Studies (IPIS), 1994).
- 7 Turki Al-Hamad, "Imperfect alliances: will the Gulf monarchies work together?" In Barry Rubin (ed.), op. cit., 30.
- 8 The US' reflagging operation was the war on tankers initiated by Iraq and resulting in Iran escalating its attacks on shipping serving Arab ports in the PG.
- 9 Gary Sick, "The coming crisis in the Persian Gulf". In Gary Sick and Lawrence Potter (eds), *The Persian Gulf at the millennium: Essays in politics, economy, security, and religion* (New York: St. Martin's Press, 1997), 12; also Gregory Gause, cited in Turki Al-Hamad, op. cit., 27.

- 10 Byman and Green, op. cit., 87.
- 11 English *Al-Jazeera* broadcasting (2007) <http://english.aljazeera.net/NR/exeres/884C6F3B-846E-4E7B-A140-31D8828C2A0C.htm> (accessed 8 September 2007).
- 12 Al-Hamad, op. cit., 30–31.
- 13 Byman and Green, op. cit., 79.
- 14 Details in Sick, op. cit., 21.
- 15 Al-Hamad, op. cit., 29; and Byman and Green, op. cit., 83, 85.
- 16 Gregory Gause, III, “The political economy of national security in the GCC states”. In Sick and Potter (eds), op. cit., 66–67.
- 17 Shafeeq Ghabra, “Kuwait and the dynamics of socio-economic change”. In Rubin (ed.), op. cit., 121–122.
- 18 Ibid., 84.
- 19 Ibid., 86, 91.
- 20 John Esposito, “Contemporary Islam: reformation or revolution?”, *Arab World* (by permission of Oxford University Press, 2000), http://arabworld.nitle.org/texts.php?module_id=2&reading_id=211&print=1 (5 October 2005; can no longer be accessed).
- 21 Byman and Green, op. cit., 87.
- 22 For details see *ibid.*, 89–94.
- 23 Simon Murden, *Emergent regional powers and international relations in the Gulf: 1988–1991* (Reading: Ithaca Press, 1995), 167–168.
- 24 Cited in *ibid.*, 167.
- 25 Gregory Gause, III, “The political economy of national security in the GCC states”. In Gary Sick and Lawrence Potter (eds), op. cit., 64, 65.
- 26 Byman and Green, op. cit., 88.
- 27 Alasdair Drysdale and Gerald Blake, *The Middle East and North Africa: A political geography* (New York: Oxford Press, 1985), 213–214.
- 28 Ibid.
- 29 See EIA, August 2005, <http://www.eia.doe.gov/emeu/cabs/saudi.html> (accessed 1 December 2005).
- 30 Murden, op. cit., 154.
- 31 Gerd Nonneman, “Political reform in the Gulf and Arabian Peninsula”, lecture in Sir William Luce Memorial Fund (UK: Durham University, 21 June 2005).
- 32 Ibid.
- 33 Monica Malik and Tim Niblock, “Saudi Arabia’s economy: the challenge of reform”. In Paul Aarts and Gerd Nonneman (eds), *Saudi Arabia in the balance* (London: Hurst and Company, 2005), 103–104.
- 34 Ibid., 110.
- 35 Alaolmolki, op. cit., 136–137.
- 36 Ibid., 144–146.
- 37 See for instance, Al-Hamad, op. cit., 28.
- 38 Among many for details see, “The Shiite question in Saudi Arabia”, *Middle East Report*, no. 45 (2005, September 19) <http://www.crisisgroup.org/home/index.cfm?id=3678&l=1> (11 September 2007; can no longer be accessed).

Iraq

Introduction

In order to understand Iraq's domestic and foreign policy, particularly the nature of its response to realities in the PG that have significantly affected regional security, it is necessary to study factors that have shaped Iraq's evolution into the present Iraqi state.

The explanation of Iraq's political behaviour is grounded not only in political history but also in the energetic nature of Iraq's cultural, ethnic and religious affiliations, the people's self-image and beliefs. Iraq's political life has long been influenced by family relationships, tribalism, religion, climatic and geographical constraints, and natural resources such as water and oil, which still continue to have a significant influence over governmental decision-making. Iraq's conception of its security and national interests regarding relations with its immediate neighbours has not been an exception in this respect: specifically, its economic vulnerability is partly explained by its virtually landlocked position, which was determined in the twentieth century by European powers after WWI.

Drawing upon levels of analysis framework in international relations, social analysis and elite theory, the following discussion, which is based on the political sociology of the country, explains the influence of the above factors on the Iraqi government's conceptions of the state's strategic interests. It also studies the most sensitive internal priorities regarding Iraq's foreign relations that would ensure the state's continuity and stability, as well as the effect of Iraq's political system on the security of the region.

Political history

Since the *Uqair* Conference in 1922, which was held to settle border disputes between territories under British occupation, modern Iraq (which was a part of the Ottoman Empire until 1918) has been unhappy

with its insufficient border outlet to the PG compared with Kuwait and Saudi Arabia. The new border arrangements, which were designed on purpose in order for Britain to control the ME and to limit Iraq's power in the region, remained a source of instability and anti-British sentiments in Iraq. Moreover, the state structure and imposed borders, which ignored the affiliations and ethnicity of the people who lived in the regions of Baghdad (Arab Sunni dominated), Mosul (Kurdish dominated) and Basra (Arab Shiite dominated), presented successive Iraqi governments with internal conflicts and difficulties in unifying effective political control and institutionalising the legitimacy of a central government.

In 1932, Iraq became formally independent. Following the 1958 military coup by Brigadier Abdul-Karim Qassim against the Hashemite monarchy, known as the 14th of July Revolution, a republic system was announced; however, the Iraqis have been ruled by different military successors since then, ending with Saddam Hussein.

The Iraqi revolutionary ideology, with its anti-monarchical sentiments, posed an intimidating message to the conservative monarchical systems of the PG, particularly Iran and Saudi Arabia. The secular system of the Arab Ba'ath Socialist Party of Iraq was a republic based on the interim constitution of the 1968 coup led by Hassan al-Bakr. The government was under one-party rule, and following Saddam's alleged coup attempt of 1979, it was under his absolute personal authority. Saddam was president, prime minister, secretary general of the Ba'ath Party Regional Command, chairman of the Revolutionary Command Council (RCC) and commander-in-chief of the armed forces. He was aided by cadres in his party, the military and political elite and by the tribal group Takritis. Islam was the state religion, (97 per cent of the population are Muslim – Shiite 70–75 per cent; Sunni 22–27 per cent), and the political economy of the state was based on socialism.

Sources of political behaviour

Besides the major influence of the ideological and political goals and concerns of the Ba'ath party – as the single dominant political organisation from 1968–2003 – and the significant role of Saddam on all governmental decisions, Iraq's domestic circumstances also affected the country's political behaviour. Elements such as Iraq's geographic features and remarkable resources, pluralism, economical vulnerabilities, and geographic and

strategic location on the fringe of the Arab world bordering non-Arab regional powers, Iran and Turkey, all played an important part.

On the international scene, Iraq's perception of its internal dynamics and strategic vulnerabilities has featured a tendency to minimise them. This has always impacted on its foreign relations. On the domestic scene, the most important challenges for the government were the constant attempts at political legitimacy, via forging internal consolidation of a nation-state that had arisen out of Iraq's pluralism into a national identity, and establishing a stable central governing authority. In this respect, besides successive governments' attempts to establish economic and political coordination and integration of the three dominant Iraqi cities – Mosul, Baghdad and Basra – and to increase the links between rural and urban areas, it was concerned mostly with the vulnerability of their domestic affairs to external interference. In sum, opinions such as that of Moss Helms about the definite failure of any policy or treaty of Iraq with any foreign country without addressing these enduring Iraqi concerns are understandable; a requirement for preventing the risk of further disputes and cold or antagonistic relations of Iraq with the outside world.¹

Political ideology: the Ba'th Party

To understand Iraq's policy in general and particularly in the PG, it is important to consider some basic ideological objectives of the Ba'th party, with the central idea of unifying the Arab states into one great and boundless state. In developing the biggest military force in the Arab world, and introducing a new brand of pan-Arabism, Iraq was looking forward optimistically to its role as a regional power and leader of the Arab world. The high expectation of the Iraqi regime, regardless of the reality of Iraq's potentialities and position, set the regime on a course of wars, boycotts, international isolation and finally the overthrowing of the regime in 2003.

The new pan-Arabism of Iraq was developed under Saddam, with its main message that “due to its heroic and rich history starting with ancient Sumer and Babylon and ending with Saddam, Iraq is the natural leader of the Arabs. As a result, everything that benefits Iraq will eventually benefit all the Arabs.”² In this regard, as Murden remarks, Saddam's strategy for his regime's very survival was his exacting and effective ideological

arguments, even more so than his sustaining a sense of crisis to justify his extreme practices of violence and dictatorship, as well as employing the security apparatus. As he explains, “Saddam (...) represented a parochial and pragmatic strain in Iraqi Ba’thism in which the imperatives of the Iraqi state would become paramount.” Therefore, the Iran–Iraq war paved the way for the most practical dictatorship. “Within Iraq, the concentration on power required a direct approach to society’s resources. Within the region, the regime sought to project its power (...) [without any regard for the Arabs who were] too passive and timid [from Saddam’s point of view].”³

By applying various mechanisms (such as pre-Arab/Islamic historical myths and icons, the introduction of some Islamic principles into the Iraqi legal system in opposition to the secularism of Ba’thists, the selective return to tribal values and affinities, etc.), the Ba’th party dominated the political life of Iraq for 35 years and in attempting to face Iraq’s challenges, similar to earlier governments, deviated from its ideological principles and adopted a pragmatic posture, even establishing relations with the US. Although the Ba’th were not successful in bringing stability to Iraq, establishing a system that had few institutional checks on executive power ensured an unprecedented continuity for more than three decades. The rise of Saddam to power was based on political cunning, but most of all, on an incomparable brutality. However, two major problems facing every Iraqi government were still unsolved during the time of Ba’th authority; domestically, how to achieve political legitimacy for the population, and regionally, how to secure good relations with neighbouring countries.

However, Murden’s perception of Saddam’s extraordinary influence on Iraqis’ life was proven after his regime was overthrown in 2003. As Murden warned in 1995, regardless of people’s hatred and fear, his sudden disappearance could cause “a gap in the identity of every Iraqi, and twenty years of state-building and ideology would almost immediately collapse”. Consequently, Saddam was the major axis of the nation-state process and, as Murden affirms, “The new Iraqi nationalism was harnessed to the power of the Iraq state. The era of Saddam was presented as one of the re-emergence of Iraqi and, therefore, of Arab greatness.”⁴

Internal threats to the stability of Iraq

Socio-political issues

Saddam was much more worried about an internal revolt as the major security threat to his regime than any external threat or invasion from regional or ultra-regional powers. This was accentuated in a report by the US Defence Department, which was produced after interviewing more than 110 Iraqi senior officials and military officers, freely and forcefully, along with an extensive review of captured documents from Iraq after its occupation in 2003:

In Saddam's mind, the uprising of 1991 was the closest thing to almost ending his regime. It was much more important to him than the Iran-Iraq War, Desert Storm and all the sanction periods, because, according to his own calculations, he lost control of all but one province, Al Anbar.⁵

The distribution of political power in Iraq never reflected the diversity of its population, and Saddam's political manipulation of religious and ethnic identities using different symbols coloured his regime's political behaviour, to evoke emotional bonds and connections which provided an easier control of dissidents. However, such political tools were also used by opposition groups which put the regime under pressure, as Moss Helms notes: "Even Iraqi authority [was] acutely aware that pluralism [had] acted, at times violently, as a disruptive force in government affairs." As she also mentions, the significance of this issue was illustrated by Saddam's insistence that ethnic or religious connections should not replace one's first loyalty as an Iraqi national; Baghdad placed a significant emphasis on this order during the Iran–Iraq war. It is noteworthy that after Saddam's regime was overthrown, religious and ethnic political manipulation, as Moss Helms also had predicted, is still being used by different groups of the population to frame their opposition to the current political situation in Iraq and to achieve their associations' political goals. However, the regime was aware that its ability to minimise internal conflicts would have a great impact on Baghdad's capacity to achieve its ambitions for leadership in the PG. Therefore, besides the impact of ethnic and sectarian divisions within the country on the Iraqi national identity, one of the regime's main concern was that potentially dissident

groups were geographically separated from other parts of Iraqi society; the Sunni Kurds in the northern oil field cities, the Shiite Islamists in the south and the mostly Sunni nationalists in the centre and the capital.⁶

Shiites and Kurds had constantly looked for political influence through political organisations, although the tribal policies of Saddam, with their domination by the Sunni Arab clans, as well as the systematic repression and clearance policies against them, did not leave any chance for Kurds or Shiites to legitimise the regime. Therefore, any political unrest in the Kurdish-dominated regions seeking independence and autonomy could threaten economic activity in the rest of the country, since the northern oil fields production was between 50 and 80 per cent of Iraqi petroleum during situations of both peace and war. In addition, the regime was confronted by Shiite moral ties with Iran and their underground movements with connections to Tehran. Basra in the south was the second major oil field of Iraq and the place where pipelines carried oil to the Mediterranean Sea through Turkey and Syria.⁷ (See Figure 7.1.)⁸

FIGURE 7.1
Kurdish- and Shiite-dominated areas in Iraqi oil resources and facilities



Furthermore, other countries, especially neighbouring states of Iran and Syria, which supported opposition groups in Iraq, were assisting and deepening internal divisions, similar to the way Iraq had worked in other countries.⁹

The post-1973 increase in oil revenues and the Algiers agreement with the Shah of Iran in 1975 that effectively ended Iranian military support for the Kurds in Iraq, enabled Saddam for a while not just to forge a national identity out of Iraq's diverse social structure, but also to control opposition movements. After the Iranian revolution in 1979, Iraq faced an Islamic Republic system which did not hide its wishes for its Islamic ideology to be distributed to other countries. Therefore, such a successful socio-political process did not last long and in September 1980 Saddam embroiled the country in a war against Iran. Opposition activities, which had accelerated even more since the Ba'th party's rule in 1968 and particularly after Saddam's presidency in 1979, entered a new phase with the onset of the Iran–Iraq war. These activities once again provided the opportunity for regional countries, particularly Iran and Syria, to try to control the opposition groups' agendas by developing close ties for their own purposes and also to attempt to check the power of Saddam's regime, a tactic similar to that which Iraq had employed in their countries.¹⁰

Moreover, in the course of time the problems posed by opposition groups were becoming much more complicated for the Ba'th regime. As Rabil observes, despite foreign support for Iraqi oppositions, the Ba'th government from 1968 to 1980 faced mainly local issues, and so was able to suppress the opposition and solidify its own rule. However, the Iran–Iraq war resulted in the “opposition's shift from a local to a regional phenomenon”; it placed the influential counterbalance of regional countries, especially Iran and Syria, against Saddam's power. The Kuwait crisis (1990–1991) and the March 1991 uprisings by Shiites and Kurds after the regime's defeat in Kuwait, transformed opposition to an “international phenomenon, letting the groups free themselves from the leverage of regional states. The Iraqi National Congress (INC) was born and Kurdish autonomy was secured in the north under US and UN sponsorship.” Simultaneously, opposition groups started to solve their old problems of fragmentation caused by rivalries and ideological differences. The 11 September (9/11) attacks on the US not only accelerated this process but also made the opposition groups the focus

of US efforts to effect regime change, which had become the Bush administration's high priority for Iraq.¹¹

Another major concern of the Ba'th regime was its inability to control religious gatherings, such as Friday praying or Islamic holidays in mosques. At a time when all kinds of political or professional associations were forbidden or tightly controlled, these gathering became potential occasions for revolutionary and anti-governmental turmoil formented by dissident groups. This was particularly crucial since Iraq contains many holy Shiite sites including one of the holiest Shiite mosques, al-Kazimain, and two of the most revered Shiite cities, al-Najaf and Karbala.

Moreover, the tribal policies of Saddam, especially the domination of the Tikrit-centred Sunni Arab clans by the end of the Iran–Iraq war, exacerbated the dissatisfaction of Kurd and Shiite dissidents. While under a fully developed totalitarianism system, the entire society, particularly the Shiites and Kurds, was heavily controlled by military discipline, suspicion and pre-emptive violence, monitored by security apparatus and informers, and excessive and collective punishments were applied for any deviancy or disloyalty.

Indeed, the most critical problem facing Saddam, beside threats from within Ba'thist ranks, was relations with the military. Given the lack of freedom for any political movement in opposition to the government, the military, with a positive record of involvement in all successful coups during the twentieth century, was the most capable and organised group for making crucial political changes. Hence, the basic problem for the regime's security emerged after the Iran–Iraq war when the armed forces had not much to do. This could have been one of Saddam's reasons for getting involved in another war with Kuwait soon after the invasion of Iran. Fearful of revolt, Saddam was deeply distrustful of his own commanders and soldiers. Hence, Iraq's military capability was eroded by irrelevant guidance from the political leadership, the creation of "popular" militias, the prominent placement of Saddam's relatives and sycophants in key leadership positions, and an onerous security apparatus. He made crucial decisions himself, relied on his sons for internal security and military counsel, and imposed security measures that had the effect of hobbling his forces, according to the report by the US Defence Department of March 2006.

Therefore, by the end of the Iran–Iraq war, a huge guard (Republican Guards Corps) was created, which founded more than four divisions

and was even placed between all army units and the capital city. The Guards and their special brigades represented the regime's ultimate tool of coercion and no level of violence was forbidden. However, during the collapse of Saddam's regime with no serious resistance, Baram's opinion was confirmed that only as long as the regime looked reasonably stable would this security apparatus remain loyal to Saddam.¹²

Between 1988 and 2002 Saddam was able to handle some serious family confrontations, along with two unconfirmed military coup attempts from 1991–1992. Nevertheless, his decision in 1991 to allow the Iraqi National Assembly to pass a law regulating a multi-party system to portray the regime as reintroducing democracy, also holding a national referendum on 15 October 1995 – the first since 1968 – showed his feeling of domestic vulnerability. His aim also was to demonstrate to the world that he would stay the only leader of the Ba'ath party and of Iraq.

It is noteworthy that at the start of the new millennium, despite Iraq's economic sanctions and international isolation, the Ba'ath regime was not facing serious internal resistance. The opposition abroad was divided and benefited from very limited help from both the US and Britain. The Shiite opposition at home was not strong enough to place the regime's stability in danger, and the Kurds were reluctant to enter into any other significant anti-regime activities. Accordingly, since Saddam was so convinced that the US was unwilling to accept casualties that he never believed the country would invade Iraq, he also believed that Russia and France would protect their own economic interests by blocking any United Nations Security Council authorisation of an invasion, and thus he gave all his attention to preventing a domestic revolt, specifically a palace *coup d'état*.

Wars and military development

Military development

Goals

Iraq was a highly militarised country with a desire to remain a major regional military power. This was the result of its incredible military spending in the course of the arms race with Iran since the 1960s. Before the Kuwait crisis, between 1972 and 1990, Iraq imported well over US\$100 billion worth of conventional arms. During the Iran–Iraq war, Iraq spent between 40 and 75 per cent of its GDP on military expenditures

at the cost of worsening the plight of Iraq's people. Iraq was concerned with both external and internal threats: its vulnerability to external forces lay in its borders, its access to the sea, its economy and provision of its water. Meanwhile the Kurdish and Shiite uprisings, Iran's contending for domination, Syria's being ruled by a rival faction of the Ba'th Party, Turkey's cooperation with Allied Forces and, most of all, Israel were all seen as a threat within the region. These internal and external threats, combined with Saddam's ambitions for regional hegemony and desire to become the leading Arab state, were the main contributory factors to instability in the PG.¹³

To achieve its goals of stability, Iraq first needed to provide better living conditions and build a strong army; this was to be achieved by increased oil revenues. In the 1950s the Ba'thist had raised the slogan of "Arab oil belongs to the Arabs" but it was not until 1972 that the first stage of nationalisation began, with the second stage concluding in 1975. Nationalisation changed not only the economic balance in Iraq but also its interest in the PG. The growing economy of Iraq increased the economic and strategic importance of the PG, so this waterway found an important place in Iraq's foreign policy. Iraq's land-locked position, with its only access to free waters a 19-kilometre coastline at the northern end of the PG guarded by Iran and Kuwait, meant that the country faced economic security risks from the increasing power of its neighbours, especially Iran. Two islands of Kuwaiti, Warbah and Bubiyan, that dominate the estuary on which Iraq's new port of Um Qasr is located, were a key strategic location in the PG and if reclaimed would ease Iraq's coastal limitation (see Figure 7.2).

In facing these threats Saddam, as Murden remarks, needed the capability for economic growth, which meant ideological aspirations had to be compromised. To achieve his goals, he would have to embark on an interdependent route through the export of Iraq's oil and move away from the local ideology and desire for independence from the West. This pragmatic outlook was one of the consequences of Iraq's increased capability for development over the period 1975–1980, which attended its status as an Emergent Regional Power. However, despite this more pragmatic attitude, the Iraqi regime (like most of the other ME countries) perceived military development as a short-cut to aspirations and status. Hence, Iraq's growth was oriented towards military applications and the expansion of military capabilities, allowing greater independence and

military options to achieve foreign policy goals; this led to the application of aggressive strategies towards its neighbouring countries.¹⁴

FIGURE 7.2
Iraq's land-locked location



Meanwhile, Saddam's ambition to challenge the balance of power in the PG, which was swinging towards Iran in the 1970s, was given an opportunity for fulfilment by the occurrence of revolution in Iran. On the one hand, the anti-status quo revolution of the Iranian Shiite population was perceived to be a real issue of security on the Arab side of the PG, and also a disturbing element in Iraq's internal balance, with domination of the secular Sunni clique from central Iraq over the majority Arab Shiite (70–75 per cent) and Kurdish (15–20 per cent) population. On the other hand, as Murden notes, the revolution coincided with some developments in Iraq that increased the choice of inter-state war. The post-1973 increase in oil revenues and the Algiers agreement with the Shah had resolved the issue of Kurdish rebels, fostered a period of growth for Iraq and also broadened Iraq's regional and international political horizons, specifically with the West. While the Revolution promised

instability for Iran, and Tehran was isolated, Saddam was ready to challenge Iran to prove the dominant power and finally resolve the border dispute and Iraq's remaining economic insecurities.¹⁵

However, according to Alaolmolki, the Ba'th regime, through its massive militarisation programme, experienced the classic security dilemma. By developing Iraq's military capabilities, Saddam's attempt to increase his own regime's security itself led to a perception of insecurity on the part of the other regional actors. The fear grew in the region that Saddam planned to be the regional dominant power. Iraq's greater military ability and his own ambition for power convinced Saddam as well that Iraq would be the leading Arab state.¹⁶ Saddam's pragmatic attitude was interrupted by his Ba'thist, pan-Arabist ideological justification for the expansion of his regime's security by focusing on war-making to secure the vital interests of Baghdad at the expense of other regional and international players – for instance, Iraq's invasion of Iran and Kuwait, and Saddam's serious consideration of invading Saudi Arabia, with Iraqi oil pipelines across its territory. Saddam's ideological attitude of extreme self-belief became apparent when he claimed that Iraqi military capabilities were a shield for the sovereignty and independence of the entire Arab nation. He believed that the Arab world owed Iraq a great debt; Iraq had saved it from the Persian threat and was now the safeguard against all Arab enemies. However, lack of respect from the other Arab states and the mixture of expectation and disappointment resulted in Saddam's frustration.¹⁷

Military technology

After the war with Iran, Iraq emerged as the most capable military power in the Arab world. In 1988, Iraq's armed forces claimed to number nearly 1 million, with 480,000 active reservists and 475,000 regular troops containing a core of 140,000 Republican Guard. To improve its weapons capability Iraq used two methods: importation and the build-up of domestic arms. Before the war the importation of sophisticated weapons was mainly from the USSR, and after the war the West also became a viable market through the involvement of the Iraqi diplomatic, intelligence and business sectors. About 80 per cent of Iraq's supply of weapons technology and expertise came from Germany. The main supplier was the high-technology company Messerschmitt-Bolkow Blohm (MBB), which is also a contractor to the Department of Defense of the US, as well as other countries.

Iraq integrated chemical weapons into its military doctrine and such weapons were used during the Iran–Iraq war. They were deployed extensively against Iranian forces and the Iraqi Kurdish population. Evidence suggests that the German government was not only informed of the dealings but also participated in them. It allowed German companies to export dual-use items to Iraq and sponsor counter-terrorist activities, namely Kurdish and Shiite insurgents. The French traded weapons for Iraqi oil and the United Nations (UN) found the equipment of eleven US companies, in various Iraqi military facilities, assisting in Iraq's development of chemical, biological and nuclear programmes. It was the extensive chemical and biological weapons programmes, discovered by the UN after the defection of Saddam's son-in-law, General Hussein Kamel Al-Majid, to Jordan, that were of fundamental importance to the entire ME. The Iraqi programme of nuclear development had been one of the most highly sophisticated programmes in the undeveloped world before the beginning of the Kuwait crisis. However, no report verified the existence or non-existence of further development after the UN inspection.¹⁸ Baghdad's considerable efforts to secure significant military contracts, even after the war with Iran, increased the scale and potential of Iraq's military threat to the whole region.

The war's impact on military strength

While encouraging the illusion that Iraq was consolidating a form of pragmatic Ba'athism, Saddam took advantage of the Iran–Iraq war to build up his military and industrial empire. He continued to insist on the threat posed by an ideological Iranian Revolution and the PG states, believing such threats rallied to Iraq's aid. Iraq was seen as protection against political unrest both on a domestic level, against the Shiite population, and on an international level. Although Iraq's initiation of the war created arms supply problems, when the balance of fighting fell in Iran's favour, restrictions were eased. The Great Powers sought to prevent an Iranian expansion and re-initiated trading with Iraq. Soviet arms shipments that had been curtailed were restarted and military equipment from the Western states was exported to Iraq, both authorised and covertly. Saudi Arabia alone committed at least US\$25 billion to Iraq and the relationship developed between Iraq and the US, until the latter became one of Iraq's top trading partners. Without access to such foreign resources from the PG states, the Soviet Union and the West, the Iraqi economy

would have collapsed. The stabilising of the economy and access to foreign aid also enabled Iraq to build up its military capabilities.

It is believed that the support Iraq received from the PG states indirectly contributed to Iraq's invasion of Kuwait, because the conditions for the Kuwait crisis were initiated in the aftermath of the Iran–Iraq war. After the Iran–Iraq war, Kuwait and the UAE were becoming concerned that Iraq was a more serious and immediate threat than Iran, given its recently gained war experience. Iraq chose to fund its economic recovery without cutting back on its military expenditure. There was no threat of attack from Iran or any other neighbours and Iraq only engaged in civil conflict with Kurds and Shiites. Iraq poured huge amounts of resources into rebuilding and maintaining its military operational readiness. This choice increased the impact of its debt burden and created the economic crisis that helped lead Iraq to invade Kuwait. Iraq claimed that to prevent its financial recovery Kuwait violated its OPEC production quotas and demanded repayment of the “loans” provided in the war. However, in contrast, Saudi Arabia forgave the debt in recognition of Iraq acting as the bulwark for the PG against Iran for eight years. Saddam took a similar viewpoint. Iraqi Foreign Minister Tariq Aziz accused Kuwait of directly undermining Iraq, and called it an act of war.

Saddam took a somewhat understandably miscalculated step when he invaded Kuwait. He had not thoroughly contemplated the reaction of the West. However, even if he had, considering the context of Iraqi–US relations in the late 1980s and the Western aid provided during the Iran–Iraq war, Saddam may have simply overestimated the administration's commitment to this strategy of political appeasement and aid.¹⁹ Moreover, after 1988, Saddam did not consider the increasing concern the US and Israel felt towards its military build-up since it had received the US green light. By letting him invade Kuwait the US was justified in destroying Iraq's powerful military and was able to resolve its concerns.²⁰

After the war with Iran, Iraq may have emerged as the most capable military force in the Arab world, but Iraq's defeat in the “Desert Storm” operation in 1990–1991 reduced its military capabilities and its political capacity. The manpower of the military was severely downsized. Only about half of Iraq's pre-war equipment survived “Desert Storm”; its air force was no less than half of what it was before this operation. Yet still Iraq constituted one of the largest armed forces in the ME and posed a great threat to this region. The inability to prevent a significant decline

in operational readiness because of the sanctions did not prevent the military showing signs of improving performance based on realistic standards and expectations. It would require time to rectify lost logistical capabilities and readiness, even after sanctions were lifted. However it was certain the military would be built back up as quickly as possible once Iraq regained access to its oil wealth.²¹

Economic vulnerability

The survival of the regime depended on its economic development. Despite Iraq's great economic potential after the end of the war with Iran, there were several serious issues, various political and economic uncertainties confronting Iraq, that continued to obstruct Saddam's path. The geographical difficulties, including the limited access to water, the 1975 Algiers Accord and Kuwait's refusal to lease its islands, all added to the worsening economic situation after the war with Iran. The mounting debt continued to undermine Iraq's credibility and perceived security in the eyes of potential investors. Unlike Iran, Iraq had a considerable foreign exchange debt and, all the while, it had to try to keep up with the economic power of Iran. Various methods were applied to solve Iraq's economic difficulties and to return to the peaceful economic growth it had enjoyed before the war. Privatisation, for instance, was sought as a means of gap filling the lack of efficiency and provision strengthened rather than weakened the regime's grip on the country. By 1989 control of foreign companies in Iraq was eased but restrictions on the activities of foreign and private sector liaison did remain. This included restrictions of working in the south, as secure access to the sea remained an unresolved question and so a potential security issue. Also, to compensate for the low oil returns and the damage oil refineries suffered during the war, the regime had to turn to exportation of non-oil produce, which involved the south. In addition, the political effect of increased food prices pushed the regime to depend more on imports to meet the substantial needs of its people. Internal expectations were much higher after the war, increasing social and political unrest, which added to the existing economic problems when it became clear that the country's revenue could not live up to such expectations. All these social-economic pressures on the regime and the demands for resources from armed forces, from debt, civil reconstruction and corruption, were heavy. Iraq's

only leverage was the high price of oil. So in the beginning of 1990, when overproduction by the PG states sent OPEC oil prices heading from US\$18 to US\$14 per barrel, Iraq lost its last viable option to regain economic stability and security, making a bad situation worse. According to the regime, for every US\$1 per barrel decrease in oil price, Iraq lost US\$1 billion of oil income per year. Oil prices dropped and Iraq's capacity to export was another real shortfall. The regime knew the way to success lay in its oil reserve and so began oil pipeline construction projects – Baghdad's most ambitious scheme. However the increase in oil prices would be frustratingly slow and ultimately insufficient²² (see Figure 6.4).

For power and stability, and in order to solve its economic problems, the regime opted to invade another country, once again making itself secure by making another country insecure. Iraq's invasion of Kuwait caused a boycott of Iraqi oil, which prevented Iraq using its recently constructed facilities for the duration of the conflict. Many other problems faced Iraq after the Kuwait crisis, including the increase in civil strife, international sanctions like the no-fly zones, the catastrophic breakdown of the healthcare system, with acute shortages of medicines and medical supplies, and a serious increase in the child mortality rate. These all threatened the continued stability of the country. It was estimated by *The New York Times*, April 1991, that it would cost at least US\$30 billion to rebuild the physical infrastructure, five years to repair the electrical grid and maybe even years to activate the water purification plants. The sovereignty of the regime was weakening and the important issue now was survival.

The impact of Iraq's internal problems on Persian Gulf security

The Ba'ath social foundations were greatly undermined by both "Desert Storm" and the sanctions imposed afterwards. These events had a huge impact on the political, military and economic aspects of Iraq and challenged the security of the PG. The Kuwait crisis caused great human loss, and along with civilian migration to other countries, including neighbouring ones, reduced Iraq's skilled population.

Iraq looked towards its oil reserves to solve its problems and so was determined to loosen the sanctions. However, from a regional perspective, either removing or maintaining the sanctions would cause concerns among neighbouring states. To not remove the sanctions would hurt the people of Iraq and potentially force Baghdad to seek a more radical

method of release. It could even lead to the gradual collapse of the government and the disintegration of state institutions. Such disintegration of Iraqi institutions would lead to cross-border activities in the whole region that would be destabilising. Iraq's weakness was also a concern for the GCC and its Western partners as it further shifted the balance of power in Iran's favour. However, to remove the sanctions would allow Iraq to use its oil revenues to rebuild its military power and continue on its previous destructive path, simply creating an alternative threat to the PG. Therefore, from the 1990s until the invasion of Iraq in 2003, the major challenge was how to balance the constraint on Baghdad's rearmament with its need for economic resuscitation.

External threats

As mentioned earlier, the key elements of Iraq's political interaction with the outside world is shaped by the country's geographical location, its pluralistic society, its acknowledged position as the eastern flank of the Arab world, its own perception of its immediate strategic interests and concern for the wider Arab world, and also the dynamics of oil politics in the region. These elements, combined with Saddam's keen interest in power and leadership, established the foundations for Iraq's foreign policy during the Ba'athists' rule.

Furthermore, Iraq's foreign policy had been extremely dependent on the character of its leadership and the domestic political situation it faced. In this regard, the high degree of volatility of foreign policy had not allowed Iraq to play a stable, continuous and constructive role in the region's security, but rather in various periods of time it played a disruptive role. On the one hand, the lack of domestic opportunities and even Iraq's lack of interest to become involved in the PG region until the time the Ba'ath party came to power under the leadership of Saddam, did not leave any room for Iraq in the regional equation. On the other hand, although the regional situation was ready in 1970s for Iraq's activities and also in the 1980s when Iraq emerged as a regional power, the ambitious political and ideological policies of the Ba'ath party could not provide for Iraq a central, basic or continuous role in the region. Political upheavals and the instability of Iraq's foreign policy, from Socialist Arab Revolutionary to Pragmatism and the change of international orientation, meant the country was confronted with instability in its

foreign relations with both its neighbours and the Great Powers. Also the radical, aggressive and ambitious policies of the Ba'thist regime, without recognising the real potential of the country, pushed Iraq in several different periods to war and desolation. The policies used to ensure the regime's security not only seemed difficult to comprehend and unpredictable to the outside world but misled the regional and international countries and caused a lack of global confidence in Iraq's notions and goals. In order to understand the unsteadiness of Baghdad's behaviour, Iraq's foreign policy during the period of this study will now be analysed.

The goals of Iraq's foreign policy

The foreign policy goals of Iraq can be summarised in the following stages.

- 1) Iraq was to be the model state and leader of the Arab world. The Ba'th party was determined to maintain its authority and establish the prerequisites for the regime's stability.
- 2) Arab unity was to be achieved by the implementation of Ba'thist ideological visions, once stability was reached, and the termination of all foreign control over the Arab world.
- 3) Non-alignment and the idea of reliance on Europe as an alternative to entanglement with the superpowers, which was achieved by strengthening its relations with Europe, particularly the West, through military, economic, cultural and technical means and expanding financial and oil trade with those it considered friends, e.g. France, Brazil, India, Spain and Africa.
- 4) Assigning a greater role to the Ba'thist ideology as a catalyst among Arab nations and undeveloped countries, combined with Iraq's financial and agricultural capabilities, meant that Iraq could become a leader of the non-aligned movement. For example Iraq donated millions of dollars to different countries including Syria, Jordan and also the PLO (Palestine Liberation Organization).
- 5) Maintaining the economic security of the country, which relied heavily upon Iraq's general situation and also its accessibility to the PG. Thus, Iraq was vulnerable to the increasing power of neighbouring PG states, particularly Iran.

- 6) Iraq's analysis of its security in the PG was based on its self-reliance, which stemmed from its being able to strengthen and modernise its military capabilities through its oil revenues, and to exclude the role of any superpower in the region. In this regard, it rejected all foreign bases in the PG and any regional security pacts, e.g. the proposal from Oman in 1975, and foreign control of the strategic Strait of Hormuz. Iraq depended heavily on the Hormuz Strait for its imports and exports and thus required freedom of navigation. Saddam asked for cooperation from Arab states in the PG, on the basis of Arab national interest, on commercial and economic projects and bilateral agreement among the countries of the region, including Iran.
- 7) After the 1990s the real security goals of Baghdad were not entirely clear but survival was the first priority of the regime, and avoiding the fragmentation of the state. To secure its objectives, Saddam needed to exploit Iraqi oil revenues, to give the impression of possessing a powerful military strength to deter internal and external threats, and to mend his damaged image as an Arab leader. The possession of weapons of mass destruction (WMDs) was recognised as an element to enhance the regime's security and image. Therefore, Saddam sought to end UN-imposed sanctions to fulfil his goals. For the achievement of his goals after 1990, the new policy agenda focused on taking a greater stand against Israel, where he believed disarmament should start. Even under sanctions and in spite of its efforts to build up its military capabilities, Iraq, according to Hollis, was looking for another war and for a political position because there was no insurance of the permanency of the Ba'th regime.²³

Barriers to Iraq's foreign policy

Until 1970 Iraq had no interest in and was not capable of influencing the political situation of the PG. One possible reason for this was the West's negative attitude towards Iraq. According to Edmund Ghareeb, "Iraq was portrayed as a xenophobic land plagued by violent political upheavals and instability" with a determined anti-Israel policy. There was also an assumed close relationship with the Soviet Union, which would have coloured such attitudes further. According to Ghareeb, these views overlooked Iraq's real and significant geopolitical position as a PG

state with legitimate interests of its own in the area. However, Ghareeb goes on to explain the real barrier to Iraq's ability to become involved in PG affairs, which was mainly a lack of long-standing economic and political interests in this region, a lack of funds for initiating major development projects and providing naval forces to play a role in the PG, and particularly its reliance on Britain with its wide domination and influence over the PG as Iraq's protector. After the 1958 Revolution, Iraq's economic weakness and its ethnic, religious and sectarian problems caused a lack of social cohesion, which impacted on the development of the entire country. Hence, the oil industry and Iraq's claim of sovereignty over Kuwait (for its substantial oil income) had a significant impact on Iraq's interest in the PG affairs. Nevertheless, active Iraqi involvement in PG affairs only emerged after the Ba'th Party rose to power in 1968. Although the problem of sectarianism continued, the regime's main preoccupation was with the task of warding off plots against the party, consolidating its authority, and the conflict with the Kurdish rebels, all of which continued to limit Iraq's foreign policy alternatives. However, at this period of time some factors led to an increased emphasis in Iraqi foreign policy on PG affairs. These factors were: Britain's decision to withdraw from East of Suez by 1971 and Iraq's concern about the future power structure in the PG, the decline of Nasserism in the region following his 1967 defeat which left a new opportunity for the Ba'thists' influence, the growing importance of oil, especially after the 1973 energy crisis, and antagonistic relations with Syria which limited Baghdad's influence in the Fertile Crescent area.²⁴

Still in the 1970s, Iraq's most serious obstacle was the regional powers of Iran and Saudi Arabia – which will be studied in the following chapter – both of which were supported politically and militarily in this role by the US. Despite the removal of Iran from such a regional position because of the occurrence of the revolution, Saddam was not able to continue taking advantage of this opportunity, which might have allowed Baghdad to become a regional power and improve its political relations with the West and also its Arab neighbours in the PG. The war with Iran in this period caused vast economic damage, social and political unrest and left the country with high foreign debts, which threatened the credibility of the regime.

A series of events occurred in the period 1988–1990, which resulted in Iraq returning to its original ideological position and a gathering

hostility to the West. The first alarming events could be seen in the Eastern European countries – from the overthrowing of the Ceausescu regime in Romania (as a pariah state in which change was said to be desirable) in 1989, to the decline of Soviet power in early 1990. The demise of the communists left the US as the only remaining superpower and decreased Iraq's political manoeuvrability to apply its own foreign policy.

Feeling the shift in US attitude, Iraq created propaganda to discredit the US. In an attempt to gain the support of the Arab world, the Ba'th regime focused on the Anglo-American policy of supporting Israel and the control of Arab developments; this was understandable to the majority of Arabs. Baghdad's debates embraced the sensitive issues of sovereignty and technology transfer, and the West's denial of military technology to the Arabs. In the eyes of the Iraqi regime the ultimate suspicion was that the West was preparing the ground for an Israeli attack on the military infrastructure of Iraq. However, the response of the Arab world to the Ba'th regime was not what Saddam had hoped for and Western powers appeared to have a common concern about Iraq's core military interests as they noticed a build-up in Iraq's armament, including its interest in the development of WMDs. Despite some events that deepened the cycle of mutual Iraqi–Western recrimination, political blocks to Iraqi growth required pragmatism.

Even after Saddam's subsequent rejection of international pleas for clemency for Farzad Bazoft, a reporter from the British newspaper *The Observer*, who was sentenced to death for espionage and duly executed on 15 March 1990, he attempted to keep a pragmatic stance and ruled out any severe policy action against the West, particularly Britain and the US. Since Iraq was an important market, from the West's point of view the diplomatic rupture was likely to be controllable too. However after the Anglo-American intelligence "sting" at Heathrow airport, in March 1990, which exposed illegal Iraqi procurement of switches which could be used in nuclear weapons, and later the seizure of components for Iraq's so-called Supergun at Teesport by UK Customs, huge amounts of negative worldwide publicity for Iraq were generated that seemed to demonise the Iraqi regime. This situation was alarming for Iraq, whose major supply networks were blown open. Then, while talk of sanctions persisted in the US Congress, ministers from the West were scrutinising the exportation of dual-use technology. Despite growing pressure on

Iraq, a major policy crackdown on Baghdad by the West, on the basis of political criteria, did not occur. Iraq was not prevented from importing specialised equipment, and the exportation of military-related equipment was not stopped until the invasion of Kuwait in 1990. It was these events, which embedded frustration and anger in Iraq, combined with Iraq's failure to make significant economic progress after the end of the Iran–Iraq war, that in the early 1990s effected a reorientation of the regime, to take a more ideological approach.²⁵ However, as mentioned earlier, in the aftermath of the 1991 Kuwait crisis the main difficulties facing Iraq were political and international isolation, and economic sanctions. This situation left both its neighbours in the PG and the Western Community with the question of how best to deal with Iraq: containment or change.

Iran

Iran was always a serious impediment to Iraq's ambitions in its regional foreign policy, especially in the PG. Suspicion and hostility characterised Iran–Iraq relations throughout the period 1968–1975. Even after the Iran–Iraq war, the two countries never reached a full peace settlement. However, the West and the GCC were always concerned about the potential for a strategic rapprochement between Iran and Iraq. The reasons for such continuous conflict were not just ideological but contained historical, territorial and political factors too. Chubin and Zabih emphasise that “domestic politics and inter-Arab politics have been an important constraint, hindering and at times precluding the possibility of Iraqi compromise with Iran”. As they explain, “The salient issues between [the] two states [were]: the Shatt al-Arab, the Kurdish question, and the shaping of Gulf politics.” They go on to argue that the key tendencies of Iran–Iraq relations were to allow differences in one area to spill over into other areas in their relationship, and for Iran to take a strict approach with Iraq.²⁶

At different times each country would wait for an opportunity when the balance of power in political and military terms was in their favour to solve their border issues by ignoring previous agreements. The interest in contrasts between Iran–Iraq, particularly the Arvand Roud (Shatt al-Arab), was augmented after the withdrawal of the British. The questions now were who would achieve hegemony in the PG, the political evolution or revolution of the Sheikhdoms and the roles of each

state in PG politics spreading rivalry into all areas of Iran–Iraq relations. Iran sought regional security and unimpeded passage of maritime traffic. To achieve this, Iran looked for cooperation with and between the PG states to prevent a takeover bid from a non-regional power and as a barrier against disruptive local or domestic forces. On the other hand, Iraq encouraged and sponsored revolutionary movements, including the Bahrain Liberation Front, the Popular Front for the Liberation of the Occupied Gulf and dissident Kurds in Iran – a new instrument of pressure. Iraq also took advantage of the Iranian claim to Bahrain and Iran's opposition to the Union of Arab Emirates to promote itself as the Arab protector and also by appealing to all the Arab states in the name of the Gulf's "Arabism" to isolate Iran in PG politics. However, both Iran and Iraq's rival attempts to attract the other PG states and ignore each other's security concerns and role in the regional security arrangement were rejected. For instance, Kuwait and Saudi Arabia rejected both Iran's proposal for establishing a formal collective defence system and Iraq's July 1970 Al-Bakr proposal, because neither state seemed to consider the smaller countries' desires not to become entwined in the Iran–Iraq dispute.²⁷

The 1975 Agreement between the two sides was, however, of such importance in the PG that both Iran and Iraq promised to work for better relations among the littoral states. This Iranian–Iraqi rapprochement, combined with the resolving of the Saudi Arabia–Iraqi border disputes, diminished tensions in the PG and established a better environment for communication and cooperation between PG states, while Iraq undertook a friendlier, if still slightly cautious, policy towards Iran. However security in the PG remained a matter of disagreement among the coastal states.

Saddam declared in 1976 that "Iranian–Iraqi rapprochement permitted discussions for establishing a collective Gulf security agreement".²⁸ However, the spirit of the accord never materialised and after the overthrow of the Shah, the revolutionary regime did not disclaim Iranian hegemony. Nonetheless, Iraq emerged as the major power in the PG and concluded that the best opportunity for Iraqi hegemony in this region, and the solution to the problem of the Arvand Roud, was to start the war in 1980.

Despite the very similar positions of the two states regarding the security model in the PG (e.g. their self-reliant nature and exclusion of the

role of any superpower in the region), the great ideological differences, as well as the orientation of the two regimes in international politics, were always part of the quarrelsome Iran–Iraq relations. Until 1979, the nationalist and socialist regime of Iraq faced a conservative monarchy that sought to retain the throne and preserve a key role in the region, particularly in the PG. After 1979, Iraq faced an Islamic Republic system, which did not hide its wishes for its Islamic ideology to be distributed to other countries. The Arab states of the PG, including Iraq, were concerned about the impact of the revolution, particularly in Shiite-populated countries, and also about the possibility of a similar fate for their regimes.

Expecting hostilities from each other, Iran and Iraq searched for and exploited opportunities to act against the other. Conflict was usually fuelled by the support of opposition groups on both sides, which could act as a suitable and effectual leverage for further hostile actions or even for improving mutual relations of the two countries. The Kurdish and Shiite populations were always the victims of the tactical manoeuvres of these two countries, through both support and pressure. Therefore, the opposition groups all had significant variable roles in the relations between Iran and Iraq, and consequently had both an impact on and were affected by bilateral and regional circumstances. The use of such groups and the inconsistencies of the two countries made it hard to achieve any lasting rapprochement.

Saudi Arabia (the GCC)

Except for a short period in the PG's history, Iraq was never successful in gaining the confidence of other Arab states. Even in the most important period of such relations, during 1975–1990, the Arab states did not trust Iraq or have any long-standing strategic relationship with it. They saw Iraq as a means to fulfilling their need and the only option in facing the threat of Iran. This is a major reason why Iran has always had a major role in determining the kind of relationship between Iraq and the GCC. Even as an Arab country, Iraq continued to feel isolated because the other states would not rely on it. They treated Saddam's "revolutionary" regime, his claim to Kuwait, Iraq's international orientation towards the USSR, its military policy and attempts for regional hegemony with caution and scepticism, so no stable relations could be established.²⁹ Chronologically reviewing Iraq's foreign policy and the GCC's reactions to it supports this contention.

From 1968–1975 the Ba’th regime could not expand its political or ideological relations with other PG states and mobilise them against Iran’s role as *gendarme* of the region. Such failure, which, according to Chubin and Zabih, was due mainly to Baghdad’s own inept diplomacy and only partly due to Iranian statecraft, encouraged Iraq to seek an ideological confrontation, not just against Tehran but against all the conservative Arab regimes too. Iraq’s relations with its Arab neighbours were significantly influenced by the return of the Ba’th to power. The Ba’thists advocated a radical ideology committed to replacing the prevailing configuration of power and to effecting radical social and economic change, which did not appeal to Iraq’s more conservative neighbours.³⁰

In May 1969, Saudi Arabia rejected the Iraqi offer of a military agreement. Later, when Iraq failed to gain Saudi support for its response to Iran’s abrogation of the 1969 Arvand Roud, it began to look beyond the PG for support. An isolated Iraq offered and accepted an agreement with the Soviet Union. Consequently, Saudi Arabia, with US support, started a plan for the modernisation of its armed forces. These events widened the gap in relations between Iraq and the other Arab states, including Saudi Arabia. Only in 1974–1975 could Iraqi–Saudi relations improve because of concern for Iran’s role in Oman and the policy of rapprochement and *détente* with Iran and other PG countries. In 1979–1980, as a result of revolution in Iran, the opposition of the Camp David pact and the appearance of the desire to keep the big powers out of the PG, Iraqi–Saudi relations moved closer.

Both Riyadh and Baghdad were interested in releasing each other from reliance on the superpowers. Fortunately, the Iranian revolution forced Riyadh to distance itself from the US and oppose the peace treaty of Camp David. With Egypt and Iran tied up, Iraq was given the opportunity to fill the gap as the leading power in the region. However, Iraq did not want to be seen leaving the rapprochement or interfering with the internal affairs of other countries, as this would damage Iraq’s recently improved relations with Saudi Arabia and isolate it again. Nevertheless, under the pretext that the Iranian revolution was a threat to the whole region Iraq started a war as the Arab Protector and so was able to maintain good relations, achieve regional hegemony and sort out the issue of Arvand Roud in one go.

In 1990, Iraq once again faced an economic problem and sought a violent solution. Iraq faced demands for the repayment of Iran–Iraq

war loans without the ability to pay, so it changed its rhetoric, starting an anti-Western campaign, focusing on security and the Arab community. However, Iraqi diplomacy was a screen for many grievances towards other Arab countries. Saddam believed overproduction of oil was benefiting the West and costing Iraq revenues and development potential. After the Baghdad conference of 28 May 1990, the Iraqi regime took a more threatening course, which was a diverging point for Arabs. Saddam sought an ideological rationale for dominating the region, which included war with Israel and the liberation of the Palestinian people. However, the conference also exposed the reality that, at least among the Arab states, Iraq was not trusted. Over-estimating Arab public support and acting without the assistance of regional governments, Saddam began another risky war.

After 1990, Iraq faced yet more barriers to its foreign policy from the global condemnation of its invasion of Kuwait and from the application of wider international sanctions. Despite some differences between the GCC members on how to deal with Iraq, which appeared as early as 1993, they were united in opposing Iraq and in their common mistrust of the Ba'thist regime. Kuwait and Saudi Arabia in particular rejected the UAE's initiative for Arab reconciliation with Iraq and called for the UN Security Council to ensure complete destruction of all Iraq's WMDs. The UK and the US also stressed the need to overthrow Saddam by continuing sanctions and isolating Iraq, but it was not yet time for them to remove him from power.

Contributory elements to Iraq's foreign policy

Previous chapter in this book have shown that, in achieving its foreign policy goals, Iraq had benefited from various elements, such as ideology, diplomacy, military and propaganda methods, as well as aiding undeveloped countries, establishing economic partnerships and internal developments. In addition to Iraq's methods of pursuing its foreign policy objectives, the contributory elements to Baghdad's foreign policy can be classified in the following ways.

- 1) Different kinds of international political systems, as well as the US security strategies, in the ME/PG provided constraints upon or opportunities for Iraq to play a role in the region and achieve its foreign policy goals. In the 1970s, US security policy was based on

the twin-pillar system emphasising the emerging regional powers. Iraq was not part of this system; however, the removal of the Great Powers from the region provided it with the opportunity to consider the future power structure of the PG. In the 1980s, the international political concerns regarding the impact of the Iranian Revolution on the ME and the Western fear of disruption to the oil supply provided an opportunity for Saddam to pursue its own goals by invading Iran. However, in the 1990s the bipolar system and the Cold War ended and the US attempted to consolidate its interests globally. The new international political system focused on cooperation rather than confrontation. Hence, this presented an obstacle to Iraq's ambitions, particularly its military build-up, which had been noticed by the West.

- 2) Iraq's oil revenues furthered good relations with the rest of the PG states and the West. The latter enabled Iraq to diversify its purchases of arms, goods and technology, lessening its dependence on the USSR in this regard.
- 3) Economic development and reducing Kurdish issues through the attempt of the 1970 Manifesto and finally through the 1975 Algeria Accord with Iran gave Iraq a freer hand in consolidating its role in the PG.
- 4) The Iran Revolution and Camp David peace agreement improved Iraq's position and enabled it to fill the power gap left by the decline of Iran, Egypt and Saudi Arabia. Also, no longer isolated, Iraq would be able to establish its own influence in the PG.
- 5) The Ba'ath regime never faced serious internal resistance. The geographical features of Iraq and the differing ideologies and aims of opposition groups combined with Saddam's tribal policy and totalitarian political system – consisting of strong information and security apparatus – meant that the regime could control the opposition's activities. Opposition groups were used by Iraq's neighbouring states, including Syria and Iran, to undermine Saddam's power for their own purposes; however, the opposition was weak, divided and benefited from only limited help from the US and Britain. According to Hollis, even two years after "Desert Storm" Saddam Hussein was still very much in power. In Iraq, those who would destroy Saddam were afraid of both him and the consequences of his demise. They believed that the coalition

- members, both Arab and Western, who built up Saddam and armed him in the first place should be responsible for his removal. In reply, those on the outside claimed that until the Iraqi army moved against the regime they could not effect this.³¹
- 6) The lack of US commitment to overthrow Saddam stemmed mainly from the desire that the fall of the regime was to occur under US control. Although the region's stability was dependent on the development of Iraq, whose territorial integrity and social cohesion after 1991 were weakening, the US ignored these dilemmas to make changes in its own favour. Also, according to Adel Abdul Mahdi, an Iraqi thinker and director of Centre of Islamic Studies and Documents in Paris, it was Iraqi society and not its ruler that was the concern of the US. Washington did not want to disturb the regional balance and cause social upheaval against US interests. So, after the liberation of Kuwait, President George H. W. Bush did not seek military action against Iraq; instead, he only continued the policy of containment. This gave the US the use of Iraq as the Eastern Flank against some countries, including Iran, but left the country unable to decide its own fate, as Abdul Mahdi observes.³² In addition, the 1991 attack provided the impetus for unity in adversity for Iraq and the multinational coalition did not want to take the steps, or deal with the consequences, of fighting for a replacement of the Iraqi regime.³³ Also, the coalition powers were divided over how to treat Iraq after Kuwait was released, with France in the lead. This lack of cohesion also influenced the regional players and opposition groups, the latter being disorganised and insufficiently equipped to struggle against the regime. They even involved themselves in military and political disputes with each other. This weakness, particularly in Iraq, provided Israel, whose interests were similar to the US, with the best regional security situation it had ever known. All this prevented the US from entering Iraq and so allowed Saddam to continue his regime.³⁴
- 7) After 1991 a weak Iraqi regime suffering UN sanctions and coalition control was preferred by its neighbours to a federation of Kurds or the disintegration of the country. Iraq's neighbours were also tired of waiting for a change of government in Baghdad. The regional countries, specifically Iran, Syria and Turkey, supported the territorial integrity and unity of Iraq and feared that the no-fly-zones were

- eroding the cohesion of the country. Also, there was no consensus concerning a powerful opposition group that would replace the Ba'ath regime. In addition, the West preferred Saddam to remain so that the UN could continue to justify its search for WMDs in the name of regional security. Meanwhile, Western countries continued to keep communication with opposition groups open.
- 8) Attempts to establish a link between economic cooperation and political interests through ties with non-aligned countries, Russia and the EU. For instance, in an effort to remove the sanctions on it, Iraq sought to take advantage of the division between the UN's real power brokers using a two-tiered strategy: Steadfastness and Diplomatic Activity. In the latter part of this strategy Iraq's aim was to influence France, Russia and China into lifting the sanctions. In the mid-1990s, these three permanent members of the Security Council resisted any military action against Iraq and favoured the removal of sanctions, even when it meant abandoning the UN inspection system.
 - 9) Some countries were doubtful whether the continuation of the sanctions would help to overthrow Saddam and were concerned they might worsen the situation by increasing the human cost and the sympathy Iraq received from the outside world. Iraq was able to exploit these sympathies and divisions.
 - 10) The American hard-line policy against Iran paved the way for some Iranian attempts for closer relations with Iraq – although major differences such as the Mujahedin's military activity or the problem of how to deal with prisoners of war (POW) meant that such relations were never fully established. Nonetheless, Iran was another country calling for the lifting of sanctions.

Conclusion

Security, the most important issue in the PG region, was significantly influenced by the Ba'athist regime of Iraq in its interaction with other littoral states. In studying Iraqi political behaviour, the importance of its geopolitical elements has been acknowledged; in particular their impact on Iraq's definition of security, national interests and strategic concerns. In addition, Saddam's aggressive foreign policy, his high expectations,

Iraq's lack of regional credibility and isolation, the consequence of war and failure of state development, as well as the interests of external powers in contrast with Iraq's behaviour combined can be seen as the divergent elements that prevented a collective security arrangement, which meant the PG continually encountered crisis and instability.

Iraq's periodically changing political ideology, from radical to pragmatic, was seen as a short-term tactical advantage increasing Iraq's political manoeuvrability and meant relationships with both regional and international powers were constantly changing, leaving Iraq with an unstable policy.

Despite the very similar positions of Iraq and Iran as the two major regional powers, regarding the security model in the PG, the great ideological differences as well as the orientation of the two regimes in international politics were always parts of the quarrelsome Iran–Iraq relations. In addition, other regional and ultra-regional players viewed closer ties between Tehran and Baghdad as a threat to their interests in this region and towards the weaker PG states of the GCC; consequently, these states encouraged competition between Iraq and Iran.

Also, except for a short period, Iraq was never accepted by the other Arab states in the PG region as a reliable member. The GCC never trusted Iraq or had any long-standing strategic relationship with it and they treated the Ba'th regime with caution and scepticism. They mainly saw Iraq as a means to fulfilling their need and the only option in facing the threat of Iran.

Iraq was serving the interests of external powers, whose main claim was regional stability and security. However, as soon as Iraq attempted to pursue its own security and economic interests, which conflicted with the major powers', they embarked on a war against Baghdad, despite it formerly having been an ally.

The desire of both regional and non-regional actors to exclude Iraq from any collective regional security arrangements, and Saddam's overconfident and unrealistic opinion of Iraq's military potential, which encouraged him to underestimate his enemies, highlighted the impossibility of shaping stable regional security arrangements.

After the fall of the Ba'th regime, further attempts to establish regional security will be even harder because the geopolitical variables have been increasingly highlighted, particularly the role of ethnic and religious groups. With the establishment of internal stability, the other

geopolitical concerns of Baghdad, specifically its land-locked location, will need to be considered very seriously.

The Ba'thist regime never managed to solve the two major dilemmas of political legitimacy and good relations with its neighbours. Any future party able to solve these problems would have to establish a stable and realistic policy that does not threaten or confuse littoral states. It will only be through collective regional cooperation and respect for Iraq's geopolitical concerns that Iraq can be prevented from further violent policies and the region protected from another crisis from an Iraqi regime with any political ideology.

At the second regional security summit of the International Institute for Strategic Studies (IISS) in Bahrain, December 2005, it was emphasised that, although an orderly exchange of views in public and private is taking place, the region is a long way from establishing a solid foundation that could build confidence, settle disputes and deter conflict. However, those who might take part in any future regional security arrangements may be able to encourage a better framework for conflict resolution and diplomatic cooperation. In this summit it was also stated that development must be made to improve security allowances, particularly as the "balance of power, good governance, wise internal security arrangements, political and economic reform, improving rights for minorities, intense diplomatic exchanges, well-managed links with external powers, are all vital sinews in the regional security body politic, and even so, in both these areas, crises with military dimensions can emerge".³⁵

One significant result of studying Iraqi political behaviour is the recognition of the important impact of the international system and the necessity of achieving a fair political system in international relations for assuring security and stability in any region in the world, including the PG. The outcome of Iraq's two invasions of its neighbours shows how similar wars, fought in two different periods, could have such widely contrasting outcomes. The first made Iraq the greatest military state in the region, whereas the second resulted in economic, military and political ruin. These opposing results also had an effect on the regional security for the whole of the PG. The international communities' behaviour exposed a double-standard attitude; claiming that they were acting to benefit the security of the region, when within a decade, by 1997, they had left Iraq as a greater threat to the region than in any previous time.

Iraq was a country whose own policies did not change dramatically and yet they were faced with a complete turnabout of attitudes from the international countries: from offering aid to open hostility. There appears no basis for such a shift in attitude, just the unfortunate fact that one single and unique standard does not apply to every country because there is not a fair international system.

To complete the discussion about insecurity components in the PG, in particular to sketch the future shape of collective security arrangements in the region, Iran's political behaviour and its internal and external security concerns and threats will be studied in the next chapter.

NOTES

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- 2 Amatzia Baram, "Saddam's state, Iraq's politics and foreign policy". In Barry Rubin (ed.), *Crises in the contemporary Persian Gulf* (London and Portland: Frank Cass Publisher, 2002), 201.
- 3 Simon Murden, *Emergent regional powers and international relations in the Gulf: 1988–1991* (Reading: Ithaca Press, 1995), 106, 108.
- 4 Murden, op. cit., 107.
- 5 *The New York Times*, <http://www.sundaytimes.co.za/zones/sundaytimesNEW/basket7st/basket7st1142226590.aspx> (accessed 25 June 2006).
- 6 Moss Helms, op. cit., 24.
- 7 Ibid., 25.
- 8 Figure is cited in ibid., 26.
- 9 Ibid., 27.
- 10 Ibid.; also Robert Rabil (2002) "Iraqi opposition: from conflict to unity", *Middle East Review of International Affairs (MERIA) Journal*, vol. 6, no. 2. Cited from *Asia at Times*, http://atimes.com/atimes/Middle_East/EA18Ak04.html (accessed 20 July 2006).
- 11 Rabil, op. cit.
- 12 Baram, op. cit., 205.
- 13 See, Anthony Cordesman and Ahmed Hashim, *Iraq, sanctions and beyond* (Colorado and Oxford: Westview Press, 1997), 218; also Nozar Alaolmolki, *The Persian Gulf in the twenty-first century, stability and change* (Maryland, US and London, UK: University Press of America, 1996), 98–99.
- 14 Murden, op. cit., 8–10.
- 15 Ibid., 24–25; also Rosemary Hollis, *Gulf security: No consensus* (London: Royal United Services Institute for Defence Studies, 1993), 18.
- 16 Alaolmolki, op. cit., 99.
- 17 Murden, op. cit., 124–126.

- 18 See, Alaolmolki, op. cit., 99, 102; also Murden, op. cit., 114.
- 19 Alaolmolki, op. cit., 106.
- 20 Ezzatollah Ezzati, *Tahlili bar Geopolitic-e Iran va Eragh* [An Analysis on Geopolitics of Iran and Iraq] (Tehran: Foreign Ministry Press Centre, Institute for Political and International Studies (IPIS), 1381 Solar Calendar [2002]), 196–197, 201.
- 21 Murden, op. cit., 108; also Phebe Marr, “Iraq faces the twenty-first century: potential challenges for Gulf states”. In David Long and Christian Koch (eds), *Gulf security in the twenty-first century* (Abu Dhabi, UAE: The Emirates Center for Strategic Studies and Research, 1997), 35–36.
- 22 Murden, op. cit., 116–123.
- 23 Hollis, op. cit., 18, 24.
- 24 For details see, e.g. Edmund Ghareeb, “Iraq: emergent Gulf power”. In Husein Amirsadeghi (ed.), *The security of the Persian Gulf* (London: Croom Helm London, 1981), 197–204.
- 25 Details in Murden, op. cit., 129–137.
- 26 Shahram Chubin and Sepehr Zabih, *The foreign relations of Iran: A developing state in a zone of great-power conflict* (Berkeley, Los Angeles, London: University of California Press, 1974), 192, 171.
- 27 Details in *ibid.*, 184–192.
- 28 Ghareeb, op. cit., 213.
- 29 Chubin and Zabih, op. cit., 184–185, 189; also Ghareeb, op. cit., 205.
- 30 Details in Chubin and Zabih, op. cit., 192; also Ghareeb, op. cit., 205–206.
- 31 Hollis, op. cit., 27.
- 32 Adel Abdul Mahdi (winter 1997) “*Miz-e gerd: Aragh, sahn-e bazi-e ghodratha*” [Roundtable: Iraq, theatre of the Great Power’s game], *Faslnameh Motaleaat-e Khavar-e Mianh* [Middle East Studies Quarterly] vol. 4, no. 4, 18–30.
- 33 Hollis, op. cit., 18–19.
- 34 Abdul Mahdi, op. cit., 18–30.
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Iran's security threats and challenges

Political system

Introduction

The purpose of this chapter is to highlight the convergence of Iran's policy towards PG security from 1962 to 1997. Although Iran's political regime pre-revolution and post-revolution differed, there remained fixed factors that concerned Iran as a country. These included the geopolitics of Iran, the countries' geostrategic situation and the significance of stability and security of the PG as a subsystem of international system for the country's process of development. Its foreign policy towards the PG shows Iran's continuing aim and need to establish stability and security within the region and cooperate with its neighbours – particularly emphasising the necessity that PG security should be provided by the regional countries, implying a desire to see the removal of all foreign presence in the region.

In regard to Iranian pronouncements on the issue of PG security, which expose Iran's deep-rooted sense of its own strategic importance, there were two key concerns for Iran: the first was its economic dependence on the Hormuz Strait as its only means of exporting oil. Iranians sought to ensure free passage of oil while preventing others gaining control of the PG. The second is that Iran sees itself as playing a central role in PG security.

The main reason for choosing 1962 as the starting year of this study is the significant effect the successes and failures in Iran's foreign policy towards the PG have had on the stability and security of the region. A further, and important, reason is that at that time the ME was acquiring a new role in international relations, especially due to the great decrease of intensity of the bipolar system manifested in the Cold War, and that Iran was becoming a major power in the ME. According to the international system there was more possibility for smaller countries to manoeuvre. The evolution of Iran's role for the US and the USSR,

combined with its intentions and the opportunity to play a greater role on a regional and international level, meant that it placed greater attention on the PG, in line with its own interests in security.¹ Covering this period up until 1997, this book will study Iran's failures and successes in its policy towards the PG in three different phases: 1962–1979 under the Muhammad Reza Shah's rule and within the Cold War as a successful period; and the periods of 1979–1989 and 1989–1997 in post-revolution Iran within the bipolar and unipolar system of international system. While the first phase post-revolution was a failure in the second phase Iran could regain much of its regional and international legitimacy, which included the adoption of a pragmatic and active policy in the PG, to manage affairs in this region.

Drawing upon the level of analysis framework in international relations, the task of this chapter is threefold: first, to study the power structure and decision-making process with relation to security in pre- and post-revolutionary Iran. Second, to examine the internal threats during the study period of 1962–1997 including socio-political issues and also economic and military development. Third, to understand Iran's trends and options in its foreign relations concerning security of the PG with key countries including the Great Powers and its PG neighbours by applying the observations of previous chapters regarding Iran's political history and its external threats.

Interaction of domestic and foreign policy

Iranians are known as proud nationalists, pursuing independence, equality and a more important role and prestige in international level. There is a possibility that Iran intends to return to its pre-revolution stage of regional hegemony in the PG, it perceiving itself as a strong Middle Eastern state that has the privilege of supervising affairs in the PG. Therefore, "religion, nationalism, ethnicity, economics, and geopolitics all are important in explaining Iran's goals and tactics in its relationship with the outside world, as are the agendas of key security institutions and the ambitions of their leaders (...) [Hence], politics and even basic structure of government are in flux."² In this regard, there have been rigid links between domestic, foreign and security policies in all aspects of Iran's political history. As Ramazani in 1975 observed, "there is little doubt that the twin goals of autonomy abroad and authority at

home are the most salient features of interaction between foreign policy and domestic politics in Iran (...) [In other words] every major foreign policy objective and decision of Iran has its domestic counterpart.”³ Also, as Chubin and Zabih remarked in 1974,

Because the security of the Shah's regime and the state as a whole were equated, foreign policy was expected to strengthen the internal and external requirements for stability and survival of the regime. This meant a concerted search for external sources of military support from those powers which accepted this equation of regime security and were able and willing to support it.⁴

Iran's post-revolutionary major policies also included “a complex calculus of Iran's overall vulnerability, its need to ensure the regime stays in power, and its commitment to revolutionary ideals. Iran's leaders weigh all these factors when making their decisions.”⁵ Hence, notions, perceptions, attitudes and the individual characteristics of all policy-makers are influential in Iran's foreign policy as much as in other developing countries, which, unlike developed countries with different foreign policy-making institutions, are dependent on direct decisions of the states' leaders. Though some Iranian policies seem difficult to comprehend and unpredictable to the outside world, this book gives consideration to the different systemic sources of input into Tehran's foreign policy decision-making. It studies internal elements as well as the global and regional variables and their interaction, and treats them as contributors to Iranian foreign policy.

The theoretical basis is established by acknowledging the policies of a small power, and also the link between national and international systems. In other words, a state's foreign policy, within a system of international politics, can be analysed by comparative foreign policy, and its public policy formation and political structure can be analysed with particular attention to the link between domestic and foreign policy decision-making. In this regard, James Rosenau's theory is concerned with two factors: the political link between national and international structures, and the penetration of domestic policies of political systems that are affected by external affairs.⁶ Also, if we focus on the policies of a small power and the evolution of Iran's foreign policy there is a question about how to survive during the Cold War when situated next to a superpower renowned for its aggressive behaviour and expansionist

attitude, in an area with entrenched power struggles.⁷ Under such circumstances, Iran's long-term security depends largely on the persistence of those external and internal political factors that can contribute to successful Iranian diplomacy.

Power structure

Imperial Iran

For a clearer understanding of Iran's policy, the impact of the type of decision-making system and leadership factor on the policy process is essential. The major theme of this part of the study deals with domestic sources of Iran's foreign policy, which explains the impact of domestic elements' priority over international variables on foreign policy, as well as domestic uses of foreign policy.

The decision-making system of the pre-revolution era was a hierarchical structure: the Shah was at its head, with his decisions and orders being imposed from above. As Chubin and Zabih note,

It is recognized that the Shah is the sole and ultimate source of decisions affecting foreign policy, in all its manifestations (...) the penetration of Iran's political system and the interrelationship between domestic politics and foreign alignment have diminished in the course of the decade, although the influence of the West, and particularly the United States, remains pervasive in Iran's politics.⁸

As Ramazani mentions, after the fall of the Mosadegh government, the Shah's personal control became supreme and unchallenged. He was the central player in foreign policies even more than domestic, as evidenced by his influence in establishing and implementing all major decisions from oil agreements and the Baghdad Pact to the Irano-Soviet negotiations and the Bahrain dispute, climaxed by his frequent foreign goodwill visits to countries in both political blocs as well as the superpowers. These visits were also made by the royal family and even the prime minister to direct and support the Shah's decisions when the Shah himself preferred not to become directly involved; this was also the role of Parliament.⁹ The consequences of this type of decision-making system for Iran's foreign policy during the Shah's rule, as Chubin and Zabih observe, were the following.

- 1) Iran's foreign policy in broad terms was remarkably stable; where foreign policy was personal it reflected the leader's wish to demonstrate his stability and consistency. In this regard, foreign policy was formulated by pragmatism rather than ideological attentions.
- 2) This type of state is both less and more adaptable. In the first instance the prestige of the leader would be at stake, and in the second the Shah's acknowledged, almost total, control would provide an immeasurably strong negotiating hand and decisiveness that comes from the lack of serious economic, political or social constraints – e.g. between 1970–1971 the dropping of the Bahrain claim and the pursuing of the claim to PG islands.
- 3) Foreign policy controlled by one person manifests a person's temperament. The world is seen from their viewpoint and observes other governments as equally personal – e.g. an insult to the state is a personal slight and a government's views are represented by its newspapers. Iran evidenced this hypothesis in its insistence that Nasser, the President of Egypt, "apologise", especially regarding its confronting the Iranian government in PG politics, before diplomatic relations could be resumed. The emphasis on personality is a dangerous feature in a state's foreign policy that can cause misunderstanding and confusion.
- 4) The temptation arises, when personal control of foreign policy aligns with the domination of internal affairs, to enhance the leadership's prestige internationally to legitimise and strengthen the regime. Such domestic uses of foreign policy can be seen in the celebration of 2,500 years of monarchy, emphasising military sophistication, sensitivity to the naming of the Gulf, regular discussions on Iranian responsibility in the PG, and encouragement of sloganeering to mobilise the populace on regional issues. However, it cannot be a substitute for policy. Iran's hurriedly prepared and aborted 1965 continental shelf agreement with Saudi Arabia, its short-run issues in international politics, and its reluctance to establish long-range policies are characteristic of the diplomacy of a small state.
- 5) This type of system retards the professionalism of foreign policy. Although this theory has not really been tested, the absence of continuous policy direction, the unavailability of diplomats who can authoritatively state Iran's position, the absence of expertise

- evident in Iran's regional relations particularly with the Arab world, its personalised and improvised decisions, and hesitation reflected in its failure to prepare for Britain's withdrawal with no active initiative suggested until the leadership returns to the issue demonstrates this danger and the potential of a bottleneck arising at times of great foreign affairs activity.
- 6) The merger of pure diplomacy and pure coercion, with a greater reliance on the latter, tends to occur wherever the same individual dominates both foreign and military affairs. In dealing with the superpowers Iran relied on diplomacy while in local relations it preferred to emphasise its might – e.g. the Arvand Roud dispute. Its reaction to Jamal Nasser's campaign in Yemen was to increase arms purchases. When Britain withdrew it emphasised military preparation rather than seeking complementary diplomatic options. However, it has not been proven that Iran's reliance on military solutions or its underestimation of diplomacy in its foreign policy arose from its decision-making structure – although it can be seen that military inputs into foreign policy were considered more significant than diplomatic ones.
 - 7) The only learning process that could take place was a personal one, requiring a change in the decision-makers' own attitudes, as there was no formalised foreign policy process. This brought with it inherent long-term disadvantages including an increase in the strain on the Iranian leadership, particularly considering the increasing diversification of Iran's foreign relations, the many technical features of diplomacy at that time and Iran's desire for a wider regional role.¹⁰

Islamic Republic of Iran

Iran's post-revolutionary complex political system combines elements of a modern Islamic theocracy with democracy. Its decision-making system is a compromise of a kind. Its vital decisions are usually made by consensus rather than decree.

Despite constitutional law detailing the different institutions of government, their makeup and their duties, individuals still substantially influence the final decisions, attempting to use institutions as mere instruments to implement them. Despite the existence of different councils and institutions, there is no formal or routine policy process;

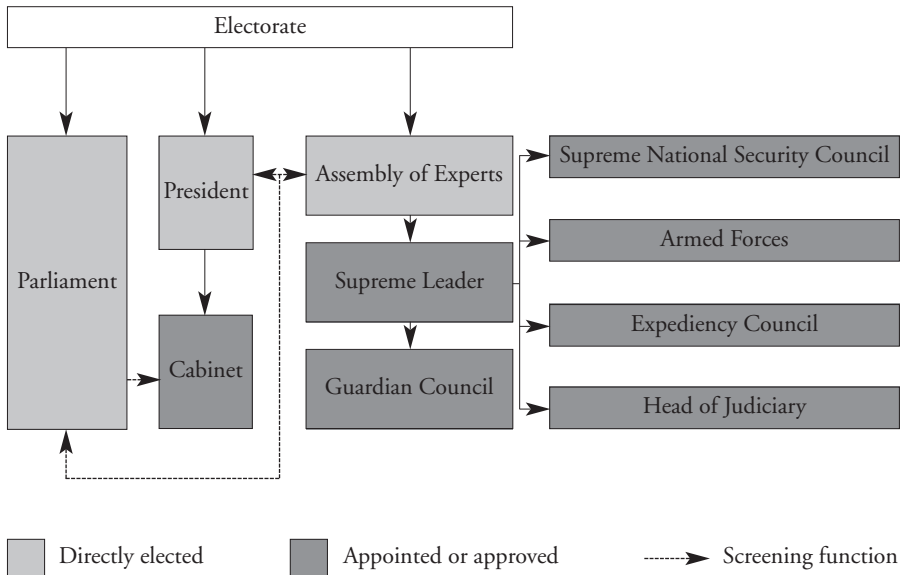
instead, a complex system of compromises between institutions and individuals has been accepted. Hooshang Amirahmadi praises the decentralising process of Iran's power structure, suggesting it is a step towards greater pluralism, and goes on to explain that the structure of "the Iranian government is not pyramid-like [but] (...) it is a structure of power comprised of many inter-connected and autonomous rings". The central ring is made up of a group of elite individuals, mostly clergymen of great influence; that rarely hold official government positions because who they are is more important than the positions they occupy. The second ring contains those elite with senior posts, composed of clergymen and civilians, and then beyond that are the forces that manage the various elements of the system described as the "roots of power", including revolutionary foundations and religious security forces.¹¹ Under such circumstances, it is not unusual to see many senior posts exclusively given to close relatives of those in power who, as Amirahmadi also remarks, in turn appoint their own relatives and friends to sensitive positions.¹² As Nourbakhsh comments, this complex network of patronage, both personal and patrimonial, established and controlled everything, including the government.¹³

The foreign policy decision-making process in Iran is extremely complex, involving interfacing between many official and unofficial forces. Policy outcomes are difficult to predict owing to the varied and varying composition of institutions, the personal influence of their members and the manoeuvrability of pressure groups associated with them. Although there is general agreement that observers can identify most of the significant players, the actual process of decision-making remains vague,¹⁴ and uncertainty surrounds the rules by which state and non-state players decide objectives and more importantly reach final decisions.¹⁵ The chaotic impression this system gives to external observers hides what is described by Daniel Byman (et al.) as a "highly stylised and ritualised mode of interaction". According to the authors, this interaction is based on the impromptu trading of support, information and unspoken approval, preserving solidarity and consensus. However, the consequence of such a system is that decisions are subject to a back-and-forth process, with individuals withholding support and the differing objectives and enthusiasm of institutions resulting in inconsistent policy, policy slippage and policy setbacks, all leading to mixed signals in Iran's foreign policy.¹⁶ According to Byman (et al.), the institutions

and organisations in Iran have important political and military roles, with many duties, beliefs and aims overlapping considerably – most institutions, however, are weak while the personal networks of leaders are strong and thus power shifts according to the fortunes of the individual leaders rather than the scope of institutions. Decision-making is characterised by both seemingly chaotic complexity and consensus; no one institution or individual has complete control, so a majority of institutional and non-institutional actors, family ties, personal relationships, overlapping institutional authority and the mixture of religion and politics must be gained to reach one's end.¹⁷

Nourbakhsh attempts to describe the process of decision-making as follows: an opportunity or threat is discovered; the message passes through all the different institutional sources to the president, the Supreme National Security Council (SNSC), the *Majlis* (Parliament), the Guardian Council (GC), the Expediency Council (EC) and the Supreme Leader (see Figure 8.1). Even though the ultimate decision may be the leader's choice, through official and unofficial means, all the institutions and individuals are able to influence it to a certain extent. Also, the leader may choose to delegate or simply be influenced by the victor of a factional debate; in this regard it is not always the leader who is the final decision-maker.¹⁸ Despite the explanation of Kamal Kharrazi, the head of the new Strategic Council for Foreign Relations (*Shora-yi Rahbord-i Ravabet-i Khareji*) – which was created by a 25 June decree from the Supreme Leader – that such a lack of coherence in foreign relations strategy was the reason for the foundation of this council, this council does not seem to be able to offer a more coherent and organised foreign policy decision-making process. This is because, on the one hand, there are some uncertainties regarding the new council's purpose given that there are various political bodies oriented toward foreign policy decision-making. On the other hand, despite Kharrazi's emphasis on the consultancy dimension of the council's purpose and the impossibility of its interference in other foreign policy organisations, according to his explanation of the obligation laid on executive organs to obey the approved strategy presented to Ayatollah Khamenei, such a situation would provide a more tangible influence for the Supreme Leader in the foreign policy decision-making process.

FIGURE 8.1
Islamic Republic of Iran's power chart



According to Byman (et al.), when it comes to formal decisions about Iran's security policy, the Supreme Leader simply oversees while the President handles the daily decision-making; however, informally the leader exerts considerable control over day-to-day implementations. Also, concerning Iran's security policy several institutions are of particular significance, including the intelligence services, the Islamic Revolutionary Guard Corps (IRGC) and the Artesh (regular armed forces). The first two organisations are concerned with the defence of the revolution against domestic enemies, while the Artesh concentrates its efforts on potential attacks from the outside or other traditional threats. Hence, the sharing of responsibilities and overlap of duties and beliefs often creates duplication and rivalry.¹⁹

Iran's strategies and its foreign policy's orientation and goals have not only been a revolutionary reaction against the Shah's regime, but have also been influenced by the revolutionary leaders. Houman Sadri

categorises Iran's revolutionary leaders into two groups: idealists and realists. As he explains, the revolutionary idealists believe that in time the revolution will spread everywhere. Their desire is to focus resources in support of movements abroad; they hold onto an anti-status quo belief and apply their revolutionary values in foreign relations – all of which seems to pose a threat to the national security of other states, especially Iran's PG neighbours, and consequently contributes to the isolation of Iran. This is evidenced by the support of Arab states in the PG for Iraq's invasion of Iran a year after the revolution. Although, Sadri continues, revolutionary realists had the same aim as idealists – to export the revolution – their methodology differed. The realists dealt with problems of national rather than international concern, prioritising the building of a model revolutionary state in their own country. However, they understood real politics, the limits of their country's revolutionary powers and the country's need for external assistance in modernisation, and so concerned themselves with the reaction the revolution met with on the international stage. They were also pragmatic enough to realise the importance of good diplomatic relations and that internationally isolating the country would not pay off. As Sadri mentions, an example of a revolutionary realist is Ali Akbar Hashemi Rafsanjani, who worked against the isolationist tendencies within the new leadership. Despite such differences, a common belief on both sides was that the new regime needed a fresh approach to foreign relations.²⁰

After 1989, the evolution of Iran's foreign relations was implemented by Hashemi Rafsanjani. He began confidence building, established a *détente* policy and strengthened Iran's regional position. Also, by managing PG relations and by adopting a pragmatic and active regional policy, he began rebuilding much of Iran's international credibility. Despite the tendency of revolutionary states to forge a close-knit relationship between domestic and foreign policies, when its state security was at risk ideological Iran managed to temper its ideology with pragmatism. However, the primacy of foreign policy in Iran's scheme continued, even during the Hashemi Rafsanjani period, when he preferred to deal with national rather than international concerns, maintaining the same problems as the Shah during his period. It was not until 1997 that this policy was altered. During the presidency of Mohammad Khatami urgent domestic issues brought with them the realisation that foreign policy could no longer replace domestic performance; internal crisis could not

be met by foreign-policy activism. However, by ending isolation and increasing access to external resources, Iran could alleviate some of the pressures on the regime through foreign policy.

As Byman (et al.) mentions, Iran's security policy is a combination of Islamic and nationalist objectives. However, in recent years the necessity of preserving regional stability and improving Iran's economy has dictated the influence of geopolitics, economics and even ethnicity in shaping Iran's security policy. Also, from 1997 the presidency of Khatami added to the elements of the regime's security policy a clearer superiority and urgency of domestic issues. These additional influences led to the development of better relations with regional neighbours at the expense of revolutionary principles and to the following of more cautious policies than Iran's Islamic and nationalist ethos might otherwise have dictated.²¹ However, since the presidency of Ahmadinejad, the IRI has once again returned to its previous radical priorities.

In sum, Iran's foreign policy is infused with a desire for autonomy as well as for influence on its regional and even the international stage. Therefore, the concept of "national interests" as a guide for foreign policy has been mostly missing from Iran's policies, whether under the Shah's regime or that of the IRI. Iran's relationship to the international environment is described by Chubin as follows: "[L]ike those of other small states Iran's security and ability to manoeuvre largely depends on an international environment which it can little affect."²² Both national interests and the international environment have, from the period of the Shah, continued to present a real challenge to Iran's foreign policy.

Imperial Iran's security challenges

Introduction

The modern Iranian State is the product of many very complex and long-term social relations, deep-rooted political interactions and socio-economic processes.

A. Ehteshami (2000)²³

Domestic, foreign and security policies are not divided issues. It must be recognised that the major threat to Iranian society comes from within,

which is evidenced by the revolution. However, Iranian political regimes' endeavour has been characterised mainly by two factors: ignoring or being unaware of national interests, and laying blame on other internal or external events. An examination of domestic threats, particularly during the study period of 1962–1997, will involve consideration of the major socio-political issues, and economic and military development, both pre- and post-revolution.

Mohammad Reza Pahlavi's regime

Two interpretations are put forward of the internal threats to the security of the Mohammad Reza Pahlavi's regime (1941–1979), which was ended by the Islamic revolution, as Abrahamian explains:

One interpretation – accepted by supporters of the Pahlavi regime – claims that the revolution occurred because the shah modernized [1963–1977] too much and too quickly for his traditional-minded and backward-looking people. The other – favoured by opponents of the regime – argues that the revolution occurred because the shah did not modernize fast enough and thoroughly enough to overcome his initial handicap of being a CIA-installed monarch in an age of nationalism, neutralism, and republicanism.²⁴

However, according to Abrahamian both interpretations are only half right. The revolution began because the Shah modernised the socio-economic level, increasing both the middle and industrial working classes, but did not modernise the political level. This imbalance created strained links and blocked communications between the political system and the general population. The few bridges that had connected the traditional social forces, particularly the bazaars and religious authorities, collapsed. By 1977, the widening gulf between the two levels meant that an economic crisis was able to pull down the whole regime. The revolution took place not because of over- or under-development but because of uneven development.²⁵ Subsequently, under the Shah's rule, Iranian society was plagued by the following four major crises.

- 1) The crisis of justice, which was rooted in social relations, the living conditions of the people, the unjust distribution of wealth, social discriminations and the gap between the poor and rich. This gap

was created by the modernisation plan and social development, which was made possible by increasing oil revenues. It is also true, as Abrahamian remarks, that substantial amounts of money were wasted on royal extravagances, bureaucratic consumption, outright corruption, nuclear installation and ultra-sophisticated weapons. However, greater amounts were channelled into the economy and into the government-subsidised Industrial and Mining Development Bank of Iran.²⁶

- 2) The participation crisis emerged because of the Shah's personal fear of the people demanding the right to play a more active role in determining their own fate, which went completely against the ethos of his totalitarian and autocratic regime. Consequently, although he modernised the structure of socio-economics, he made little effort to develop the political system, thus preventing the formation of pressure groups and other social forces.
- 3) A moral and spiritual crisis shook the legitimacy of the regime to its foundations in terms of public opinion and conscience. The prevailing notion that "modernisation brings secularity", or "modernisation is a fundamental break with spirituality", together with the Shah's efforts to foster a Western-oriented culture, his glorification of pre-Islamic Persia (such as his celebration of the 2,500th anniversary of the founding of the Persian Empire, which was held at the site of Persepolis in 1971, or the imposition of a new calendar dating from the pre-Islamic monarch Cyrus the Great instead of from the prophet of Islam's *hijra*), the presence of thousands of Westerners in Iran, the increasing number of cinemas showing "decadent" Western films, as well as discos, bars and casinos for gambling (all against *Sharia* law), represented an ascending perfidious culture. These developments were against the beliefs of most Iranians and were construed by *Ulema* as destructive of Shiism. They were perceived by many as an effort on the Shah's part to destroy Islam and seemed inextricably bound to a decline in Islamic practices.²⁷
- 4) The prevailing security atmosphere that controlled opposition groups and the media was mainly led by a new secret police named *Sazman e Ettela'at va Amniyat-e Keshvar* (National Security and Information Organisation, SAVAK). This organisation was set up by the Shah who, after the Mosaddegh²⁸ experience, wanted an effective

internal security service. However, he also maintained additional intelligence services, partly to check on each other.

The regime's modernisation was unlike what was successfully experienced in other societies. The Shah's main motivation was his dream of developing Iran into a "Great Civilization" and making it one of the most powerful nations of the world: not only secure, but self-sufficient via oil money. However, by late 1974 the oil boom brought a completely different result than the "Great Civilization" promised by the Shah. The moderate decline of oil revenues in 1974–1975, which was followed by a sharp decline in the final year of the Shah's regime, brought an alarming increase in inflation and a widening gap between the rich and poor. By mid-1977, an economic recession, with high government deficits and high inflation, urban overcrowding, government policies that damaged the bazaar classes, and lack of political freedom contributed to the widespread perception that the "Great Civilization" was just a hollow dream without firm buttresses.

The modernisation of Iran had three shortcomings. First, it was forced upon the people from above, without allowing them to participate (due to the lack of political development), creating expansive dualism between traditional beliefs and modern secular ideas. This dualism was seen in the economy, in the culture, in the forms of thinking and particularly with regard to religious beliefs. The lack of an overarching ideology meant that the Shah failed to attract the population to the process of modernisation. The second shortcoming was the uneven development of the economic and political systems, as explained earlier. The third shortcoming was the lack of a single unique ideology to reconcile the people's beliefs and the Shah's modernisation. This absence was partly because the modernisation package was designed by America, enabling the introduction of American capitalism into Iranian society, which encouraged secular ideas.²⁹

Political policy

Far-reaching political, social and economic reforms, known as the Shah's White Revolution (1963), were encouraged by the US, which was happy to support the Shah's placing of great emphasis on reinforcing Iran's internal security. Consideration of the Shah's agricultural and oil policies demonstrates how the regime politically alienated the population and

increased its dependency on the West for survival, which ultimately destabilised the regime. The consequences of the Shah's economic strategy, especially in these two major areas of development, may, as Keddie notes, be seen as:

contributing to a capitalist type of agricultural and industrial growth, with a natural emphasis on state capitalism, given the autocratic nature of the regime and its monopoly control of the ever-growing oil income. (...) The years 1962–77 may be seen as a unit in this building up of a predominant state capitalism, undermining of semifeudal forms of landownership seen as a bar both to development and to central government control of the countryside, and encouragement and subsidy to private capitalists.³⁰

In the decade after the 1953 coup d'état, the Shah worked to consolidate his power and became increasingly interested in modernising the Iranian economy and society in a Western manner, and developing its military strength. In this regard he carried to the extreme displays of ultra-sophisticated and expensive weaponry, which, combined with his economic policy that had turned Iran into a huge consumer of Western goods, made Iran substantially dependent on the West – specifically the US. So, to achieve his goals, the Shah needed financial aid, which he received from America. He was able to solve his oil dispute with Britain and form a contract with a British consortium, which resulted in an increase in oil revenues. All these events assisted the Shah in gaining control of most of Iran's economy and the state itself. The additional revenues also increased Iran's military strength, which was necessary for the regime's survival.

Economic development

There were contrasting views concerning the Shah's socio-economic policies. Some, especially those outside Iran, thought they were a great success citing in support of this the increase in Iran's GNP, the impressive industrial, agricultural and infrastructural projects, and the number of social welfare activities. However, opponents of the regime saw the policies as artificial and fraudulent, arguing that the development had only benefited the regime and its Western supporters. Opponents also claimed there were no structural changes, and that the social and economic projects undertaken by the Shah's regime served only to reinforce

a capitalist system of agriculture and industrial growth, with the emphasis on state capitalism, as evidenced by the autocratic character of the regime and the monopoly it held on oil income. Increased oil revenues simply increased the disparity between the rich and poor because the Shah's over-ambitious fantasy led to associations with multinational corporations, which left the day-to-day needs of most Iranians unfulfilled. The government did not even try to use taxation to its advantage, yet this could more justly have distributed income and signalled that the people had a role in the government they paid for.³¹

Although the Shah's first major programme of modernisation ended because of economic difficulties, his later plan resulted in major transformations in Iran's society and economy, such as economic expansion, unequal distribution of wealth, profound changes in the class structure and a decline in the agriculture sector. These transformations were the result of a focus on an industrialisation programme that depended heavily on Western technology and managerial skills.

As Milani explains, when the Shah introduced land reforms in 1963 as part of his White Revolution, the coalition (made up of landlords, rich merchants, some top clergy, armed forces and the US) that overthrew Mosadegh in 1953 began to disintegrate. The subsequent establishment of the Triangle of Fortune or Triple Alliance, which was made up of the combined forces of the Iranian state, the industrial bourgeoisie and foreign capitalists, particularly the US, was necessary to ensure the survival of the Pahlavi regime and its modernisation plan for Iran. The drive behind each group was a desire for the speedy development of Iran's economy and an "open-door" policy, especially towards the West.³²

However, a major pernicious consequence of such economic expansion, which was not seriously considered, was the shifting of Iran's focus from agriculture to industry, resulting in an increased labour force with all its disadvantages such as rapid urban migration as well as excessive inflation. This massive movement of mainly young people from a very religious and political culture in the country actually assisted the ultimate downfall of the regime because, in the end, the strength of the revolution came from the urban areas where the political culture of the masses was Islamic so they could easily lend their support to Grand Ayatollah Khomeini.

Such a significant change from land ownership for agricultural production to investment in commercial and industrial projects also

resulted in the allocation of a considerable amount of the state's resources for the development of industries, as well as encouraging involvement in the private sector. Official records show that in 1980, out of 5,288 industrial units, more than 89 per cent were owned by the private sector while only 409 (around 7 per cent) were state controlled. Unsurprisingly, the Pahlavi family benefited the most from the economic boom; indeed, by the early 1970s they had established a huge financial empire and were controlling almost everything. They invested considerable funds – borrowed from state banks, often on very favourable terms – in various commercial and industrial businesses. Their other source of wealth was oil income. According to *The Washington Post*, in the last few years of the Shah's regime significant amounts (possibly about US\$2 billion), with no trace in the state treasury, were transferred directly from the state's oil income into the royal family's secret foreign bank accounts. As long as the royal family remained in control the strength of the private sector increased, due to extravagant financial incentives and the fact that Iran was introduced to foreign capital, the foreign banking industry and various economic agreements between Iran and the West, specifically the US.³³ The consequence of all this, as Milani notes, was that:

As the role of the state and indigenous industrialists increased, so did that of foreign capital. (...) The foreign role in the banking industry also increased. (...) Concomitant with increased foreign involvement was the deepening of Iran's dependence on the West. The imports of capital and intermediate goods rose from \$89 million in 1963 to \$886 million in 1977. The dependent industrialists of Iran had become the junior partners of elites in the metropolis countries. They identified with and emulated the West to such an extent that they became alienated from their own culture. This created a ubiquitous cultural gap between his small portion of the population and the bulk of Iranians.³⁴

The Shah's power was based on the three pillars of the armed forces, the court patronage network and the vast state bureaucracy, which enabled the state's control to expand into the day-to-day lives of its citizens. In the towns the state hired 50 per cent of full-time employees giving it control of a vast percentage of the population's salaries and benefits. Although this network did not yet include the *bazaaries* (market merchants), it did penetrate the countryside. It managed to supplant the local *khans* (landowners), demolishing the barrier that had once prevented

absolute government authority over the rural population. Now the government could reorganise the whole countryside. As the final step, in 1975, the Shah established the additional and fateful fourth pillar of a one-party state. Giving way in the late 1950s to growing pressure for more democracy, the Shah created two parties: the Melliyun (Nationalist) party and the Mardom (People) party. However, both parties were introduced simply for the sake of appearances and, with little difference between them, they remained under the control of their creator. It was not until more than fifteen years later that the Shah dissolved these existing two parties and created the Resurgence party (*Hizb-i Rastakhiz*) – headed by Amirabbas Hoveyda, the prime minister – whose main aim, as Abrahamian expresses it, was to turn the old-fashioned dictatorship into a modern totalitarian state.³⁵

Military development

Another part of the Shah's attempt to consolidate his power was his effort to increase his regime's military strength. His ambition was for Iran to become a leading military power, which would also provide the means to subdue domestic political opposition. To achieve his goal the Shah obtained US aid. The military relationship between the US and Iran began in the late 1940s. However, the real increase in Iran's dependency on the US occurred after the 1953 restoration of the Shah to power. This dependency was not only military but also financial, and lasted up until 1967 when Iran's oil revenues increased. The consequent increase in wealth, as well as the US' political agenda and the Shah's eagerness to buy sophisticated weapons, prompted the US to ignore Iran's attempts to prevent domestic or regional instability through the build-up of arms. Instead it established a new interdependent partnership.

After Britain's withdrawal from the region, the US was reluctant to involve itself directly. Consequently it needed a powerful and friendly state to protect US interests in the PG. Hence US strategic interests led to the creation of a regional security system and a strong Iran that remained independent of the USSR, which was increasing its military potential. Therefore, in May 1972, as a result of the Nixon–Kissinger decision to expand America's commitment to Iran's military build-up, Washington allowed the Shah to buy conventional (non-nuclear) arms. This indicates that the US–Iran relationship was seen as beneficial to both countries and did not require a direct US military role or significant

American expense. However, it did mean that the US had changed from being what Chubin described as a “restraining patron to [being an] acquiescent partner”. This bound the US’ interests to the fate of the Shah’s regime – even the Carter administration continued US agreements with Iran.³⁶ From 1973, when the price of oil began to rise, the West found it convenient to recycle Iran’s petrodollars and thus allowed the Shah to purchase large amounts of up-to-date and sophisticated military equipment, which led to Iran’s role as the policeman of the PG.

The main strain on the relationship was the Shah’s desire for more and newer military equipment, which led the US to forcibly encourage greater economic reforms to ensure stability and prevent upheaval or revolution. However, this was unbalanced by the Shah’s insistence on spending more of Iran’s growing oil revenues on weaponry rather than on Iran’s economy.

Dimensions of Iran–US military ties

Advantages

Iran’s military build-up, Chubin remarks, “held the potential for a regional equilibrium less susceptible to disturbance by outside powers”. This, as he explains, was because Iran’s arms were supplied by the US and thus the US’ ability to react quickly in this area was improved because of the compatibility between the US’ military equipment and that of Iran. In addition, the relationship meant that the US could use Iranian territory to gather intelligence and monitor Soviet missile testing.³⁷

Although the Shah’s ambition was for Iran to gain influence and become a leading military power, not just in the PG but throughout the ME and the Indian sub-continent, the deployments of its ground forces had the character of being almost solely concerned with defence and internal security. In this regard, as Canby remarks, a full three-fifths of Iran’s army was deployed near the borders with Iraq, and half of the remainder was located in the capital. The air force comprised only one brigade able to provide domestic reinforcement or be of use in the rest of the PG region. This meant that the Shah would only really have been effective in intervening in areas near his own borders. This concentration of forces near the borders, particularly the Iraqi frontier, with nearly all the Iranian army’s armour oriented towards Iraq, reflected both the obvious need to face the Iraqi threat and the American belief that such forces would be able to contain and delay any Soviet threat until the

arrival of US reinforcements. Forces were not placed any closer to the Soviet border because they would only be lost early on, and may have appeared confrontational during times of peace.³⁸

So a relative political stability was brought to the PG for about ten years as a result of the intensification of the US–Iran military relationship. The closeness of this relationship was promoted by Iran’s desire to assume the responsibility neither the UK nor the US wanted, combined with increasingly significant political developments of the region, especially in the context of the Cold War. Moreover, as no other states besides Iran could ensure the region’s security, a close military relationship was essential.

Disadvantages

The close military ties between the US and Iran had disadvantages for both the Shah’s regime and Washington, as outlined below.

- It led to an unwelcome number of foreign technical advisers, instructors and their families, who contributed to inflation and often caused justified indignation among Iranians. By 1976 there were some 25,000 military-related personnel (and their dependants) in Iran, and it was estimated that by 1980 there would be 50,000 to 60,000. One rise led to another and in industry the lack of training in Iran meant that the Iranian population lost out again as more foreigners were brought in to deal with the bigger, more technical and complex projects. This further contributed to overcrowding, shortages, inflation and an anti-American feeling.
- The aid and technical assistance given by the US, together with Israel, to the SAVAK, which was the most dreaded internal security agency, increased popular resentment toward the countries that helped the SAVAK.
- The Shah’s insistence on spending more of Iran’s growing oil revenues on weaponry rather than on Iran’s economy had serious socio-economic consequences.
- During Iran’s revolutionary period, the close military ties between the two countries became a disadvantage for the Shah; although it had contributed to his regime’s stability in a peaceful era. Moreover, during this period of crisis a demonstrative use of US force as a deterrent against external intervention in Iran could have

- backfired, as it could have been construed as an indication of opposition to the revolution.³⁹
- Regarding the possibility that purchasing arms from the US was among the causes of the revolution, Chubin remarks that it is uncertain whether the purchase of arms actually contributed to the economic problems that led to the revolution. However, if the Shah had been refused the weapons it would have weakened the Iran–US relationship. This in turn would have created a weaker, unstable Iran, which was eventually the case after 1976. It became clear that a weaker Iran was a greater destabilising regional force as well as a threat to US interests.

Opposition groups

The Shah, with his dictatorial character and zero tolerance – which had alienated all social groups and classes with the possible exception of the upper layer of the bourgeoisie – perceived opposition groups as a threat to his regime. Their demands that the regime observe the constitution, free political prisoners, and respect freedom and human rights, were ignored and they were severely oppressed by the regime, especially in the post-1953 coup d'état.

SAVAK had the main responsibility for identifying and destroying all who opposed the Shah's dictatorship in any way. It had headquarters in London, Geneva and Washington and developed ties with intelligence agencies from America, Britain and Israel. SAVAK was particularly suspicious of groups of intellectuals, students and religious clerics both at home and abroad. Due to its efforts the Shah's regime was stable and able to control discontent for a time. However, it could not last long; via a strong revolutionary movement started in 1978 the regime was overthrown within months and the Shah had to face the consequences of his oppressive policy.

The first problem for the regime was that of legitimacy, which for Iran was linked to the form and nature of governance of a Muslim society. The regime had alienated the masses. Discontent increased when the promised decentralisation of the political and economic systems failed to be realised. However, instead of destroying the roots of dissension the regime's oppressive policies actually resulted in the radicalisation of opposition groups. The response to the regime's oppression varied greatly from passive to violent. Many remained silent, not in support of

the regime but because economic benefits of developments outweighed the negative impacts of rapid changes. Some analysts indicate other reasons, including pessimism and a sense of hopelessness over traditional leaders' ability to confront the regime, combined with the massive losses of the 1963 uprising, which highlighted the Shah's greater power, as well as the lack of opportunity for mobilising people and forming political gatherings. All this paved the way for militia activities and the establishment of small secret groups, ranging from Nationalist to Marxist to Islamist, to carry on the struggle against the regime, thus politicising a generation of Iranians both at home and abroad to shake the foundations of the Pahlavi rule.

In order to understand the Islamic-led revolution in Iran the tactics and aims of opposition groups need to be studied. Generally speaking, several groups were opposed to the regime, including both secular and religious entities. With the exception of the Mujahedin-e Khalq, which adopted the strategy of armed struggle, those that held or supported Islamic ideology sought to replace the Pahlavi regime with an Islamic system through political and cultural actions. In contrast, those from secular backgrounds simply rebelled, with the aim of opposing the political participation crisis. They believed that an armed struggle was the path to political freedom. Opposition groups with secular backgrounds included the National Front, the Tudeh and the Fadaiyan-e Khalq. These groups were not interested in replacing the regime with an Islamic system. However, the regime had alienated them by centralising power and ceasing to act in accordance with institutionalised rules; as a result, parties were replaced by movements as an alternative form of political organisation.⁴⁰ Lack of influence and communication with the majority of people, whose political culture was Islamic, and also the adoption of strategies of leftist leaders in Latin-America which focused on armed action and ignored the potential or exploration of non-violent political channels, resulted in the failure of these leftist guerrilla movements. This strategy brought them into direct conflict with the regime, which damaged their networks and organisations.

Therefore, a growing number of oppositionists voiced their views in Islamic terms and many opposition groups had ties with the Islamic opposition. This was because Islamic ideology was linked to the political culture of the masses in such a way that the Shah could not easily contain them. The clergy had a significant influence on the masses and

had been a political voice – for example, in 1964 Grand Ayatollah Khomeini's opposition to capitulation or the granting of diplomatic immunity by the Shah to American military personnel.

In addition, the failure of the Fadaian-e Islam, the main Islamic armed opposition, led Islamic groups to recognise the need for cultural and political tactics rather than military ones when mobilising people against the Shah's regime. Although there were some other secret groups led by Ayatollah Beheshti and Ayatollah Taleghani, opposition activity took place mainly within religious settings, such as mosques (there were 100,000 mosques and 200,000 clerics), which gave more of a chance to mobilise the masses without the interference of the security forces. There were many reasons to form a new coalition – which included almost all different social classes and political forces, whether related to the Islamists or focused on a non-religious leadership outside the control of the regime. Among the most important were: the prevailing ideology, Islam, continuing political-cultural activity in mobilising the masses, and a charismatic, unique and popular leader in the form of Grand Ayatollah Khomeini “emerging before the Shah was overthrown”.⁴¹ In addition, as Abrahamian notes, the new leader's promise to bring social justice, in contrast to the regime's inability to satisfy people's increasing expectations, and also his “timely statements to woo the secular opposition and to assure all that the autocracy would not be superseded by a theocracy”, were important elements of forming the new coalition against the Shah's regime.⁴²

Although it was obvious that the regime would end sooner or later, the human-rights policy enunciated by President Carter, in hopes of making US foreign policy more benevolent post-Vietnam, helped to bring about the downfall sooner. Under domestic and international pressure the Shah began to make gestures in favour of public opinion, although these were later and less than people had expected. He eased pressure on political prisoners, cancelled the censorship of the writings of Dr Ali Shariati, an influential modernist Islamist leader, and, in 1977, after the economic crisis seriously worsened, replaced the prime minister. His new choice, Jamshid Amuzegar, was meant to be the solution to Iran's growing economic problems, given his background in economics and oil. However, the economic crisis continued and discontent increased. In 1978 opposition escalated, with widespread street protests. The revolution was spontaneous but not led by armed

opposition, as in the 1970s, or by a political organisation backed by the Soviet Union. The revolutionaries were led instead by Grand Ayatollah Khomeini, an exiled religious leader who had lived for fourteen years in Iraq and later in France and who was able to gather a unique coalition of opposition against the Pahlavi monarchy.

The Shah's regime had been economically and politically stable both internally and externally, particularly in its regional and international position. However, because this security was achieved through a system of oppression and fear, the regime was ultimately undermined from within. The Shah's regime was not considered a threat to the regional security of the PG because it had the same political orientation towards the West, which it lost after the revolution ignited anti-status-quo rhetoric and policies. Revolutionary Iran's problem was seen as a security matter for its neighbours. Although the post-revolution system, especially through the first decade, had more political legitimacy, it was faced with many different problems that resulted in the political and economic instability of Iran.

The Islamic Republic's security challenges

Introduction

A revolution, by its very nature as a significant change in a relatively short period of time, causes instability within a political system which appears as insecurity. In this regard the focus of the new regime in Iran, despite its efforts to manage the revolutionary fever, was on the struggle for survival against both external and internal opposition. Similar insecurity was felt by neighbouring countries, along with ultra-regional players, because of the new regime's anti-status-quo and revolutionary policies.

The main internal threats causing instability after the revolution were political and economic unsteadiness. These encouraged both internal and external threats because the regime was considered at its weakest position and, as such, the opposition saw a way to achieve its goals, e.g. the Mujahedin-e-Khalq armed struggle and Iraq invasion. However, the Islamic Republic of Iran (IRI), despite suffering many losses, has more or less been able to overcome such problems.

Despite the general stability of the regime since the revolution, the IRI has been strategically and structurally quite vulnerable. Such

vulnerabilities will be investigated in this section through studying Iran's most significant internal challenges during the first two decades of the revolution: 1979–1988 and 1989–1997, both of which will be considered from a political, economic and military point of view.

The first decade of the Islamic revolution: 1979–1988

Political issues

In the first decade of the revolution the IRI followed the “neither East nor West” policy. It was an independent power and had significant regional influence, particularly politically, affecting both east and west of Iran, including the Arab world. The revolution was widely popular in Iran and there was no real domestic threat, nor has there been any serious opposition since. However, this does not mean that none existed; many of those who initially supported the political system ultimately came to oppose it but it was not enough to amount to an effective offensive.

According to many observers it is incredible that the IRI has survived so many attempts, both Iranian and foreign, to destroy it. This survival has been credited to a mixture of social elements, economic control, and fear. A social base has supported the regime and its Islamic programme, motivated partly by a feeling of insecurity arising from the belief that the US is committed to the elimination of the Islamic Republic. A strong ideological commitment has thus powered the continuation of the revolution. Resistance to any foreign-inspired change or interference remains a strong undercurrent of nationalistic feeling among Iranians.⁴³

The economic system was central to the foundation of the regime, as it enabled direct control of employment. This control mechanism was strengthened by an increasing dependency on government subsidies, made possible by recruiting new supporters of the revolution into the government administration for civilian and military purposes, and also by using the oil revenues to influence Iran's economy. Finally, it is supposed that the regime's survival was also owed to fear because of the ideological confrontation against dissent. The combination of all three elements prevented the expression of open political opposition, and narrowed the options of resistance to either internal exile or armed action.⁴⁴

The most serious internal threat to the regime in this period was the Mujahedin-e-Khalq group. This organisation started an armed uprising

in June 1981, which later attracted several small leftist parties. Although immediately after the revolution it was widely popular among Shiite youth, it eventually lost its popularity and its members were deemed traitors by the Iranian people as a result of their support for Iraq in its war against Iran. Masoud Rajavi, the leader of the Mujahedin, failed in his attempt to achieve the sharing of political power through street demonstrations, so he joined forces with Bani Sadr, who was then president, and declared war on the Islamic regime, initiating a three-step strategy: destabilisation of the Islamic leadership; pressuring the government through street demonstrations; and finally creating a mass uprising. The Mujahedin spread terror throughout the population, from officials to ordinary people. Six of the seven well-respected elderly religious deputies whom Grand Ayatollah Khomeini had put in charge of different regions of the country were killed or seriously wounded. The Mujahedin claimed in the summer of 1982 that it had killed over a thousand members of the state security forces. Rajavi also claimed that the organisation had assassinated more than two thousand top political and religious leaders in 1981, the year before they went underground. However, these tactics proved to be counter-productive, and by 1982 numerous members had been killed or imprisoned, which enabled the regime to easily tear down the group. They continued with underground activities but left the country and began cooperating with Saddam in 1986, and in 1988 accompanied Iraqi forces on their offensives into Iran. In July 1988, after the IRI had announced its acceptance of UN Resolution 598 (which called upon Iran and Iraq to cease hostilities and observe a ceasefire as a first step towards a negotiated settlement), several hundred of the Mujahedin stayed behind to occupy the town of Islamabad in Bakhtaran (Kermanshah) province; however, Iranian forces of the Islamic Revolutionary Guard Corps (IRGC), in an operation named *Mersad*, destroyed a significant number of them. Hooglund alludes to the fact that the local population assisted the IRGC in defeating the Mujahedin and concludes from this that, "Most Iranians, whether they are fanatical supporters of the Islamic Republic, indifferent to politics or even opposed to the regime, including monarchists and leftists, consider the actions of the Mojahedin [Mujahedin] as unforgivable treason."⁴⁵

The regime faced other opposition, including Kurdish resistance, which supported the Mujahedin forces in the western mountains until

the attacks of 1982. Some plots attempted to overthrow the regime – for example, former Foreign Minister Sadegh Ghotb-zadeh was accused of and executed for plotting a coup and working for the US. Other opposition came from left-wing groups. After the rise of Hojjatieh, an extreme secret organisation that opposed communism and Bahaism, left-wing forces that had supported the regime appeared to lose their influence. Tudeh members were removed from the civilian and security forces, even though left-wing support continued for the regime's anti-imperialist and anti-capitalist policies. However, with the exception of Bazargan, the former prime minister, no prominent personality spoke out against the regime. After the regime consolidated itself it was faced with other emerging issues, including the absence of political parties because of resistance to the idea of giving representation to the people. Even the Islamic Republic Party (IRP), established by Ayatollah Beheshti and other official members, never served as a cohesive party and was disbanded by its prominent members at the consent of Grand Ayatollah Khomeini in 1987.⁴⁶ Another problem that emerged was the result of the continuation of previous political institutions, including the parliament, ministries and armed forces. Even the titles of the main newspapers remained the same, although with different orientations. Furthermore, only certain issues of specific interest to Islamist ideology were addressed, such as the status of women, who were ordered to wear religious clothing in public, and the harmonisation of the judicial system with Islam by removing all secular laws. Little attention was spared for other pressing matters, specifically civil rights. According to Halliday, this was mainly an attempt to win back support from the middle classes. These policies were criticised by Bazargan, who attacked the corruption, inefficiency, demagoguery and violations of human rights in Iran. However, despite such problems, the regime, according to Halliday, was successful because it attracted new workers to the old administration, and used the system of Friday prayer leaders, the IRGC and the *Basij* (a paramilitary volunteer force) mobilisation forces. This network was, to all intents and purposes, fulfilling the role of a ruling party; it was through mosques and associated institutions that forms of popular mobilisation and ideological strategy were being carried out.⁴⁷ Although the regime was no longer facing any internal threat to its power, the Kurdish and Mujahedin-e-Khalq opposition being weaker than before, other problems were arising.

Economic problems

The Islamic regime had little to show for its monopoly of power; there were major unemployment figures, the urban population was increasing, the rate of literacy decreasing and the non-oil sectors of the economy stagnating. Also, corruption within the regime was growing. All these factors compounded the difficulties of Iran's foreign policy and significantly affected the survival of the regime.

Furthermore, people's frustration about the continuation of war – with no sign of victory, no successful international peace delegations, mounting casualties on both sides, and growing anti-war sentiment, particularly among the young – and the 1988 attack by the USS *Vincennes* on an Iranian civilian passenger plane in the PG (which killed all 290 people on board), persuaded Iranian authorities to consider the domestic effects of the war and look for a political solution. By 1988 most of the country's leaders believed that continuation of the war posed a serious threat to the stability, even survival, of the IRI. Thus on 18 July 1988, Iran notified the UN's Secretary General, Perez de Cuellar, that it accepted the Security Council's document of Resolution 598 for ceasefire without reservations. Tehran was thus able, at last, to respond to the demands of its people, ease the international situation and escape from its isolation so that it could begin economic and social reforms.

The eight-year war, which had begun immediately after the revolution, had resulted in the deceleration of some major economic plans. The economic situation and people's expectations of the revolutionary leaders to do what they had promised pushed Iran to turn its energies to the enormous task of rebuilding the agricultural, commercial, cultural, industrial and social infrastructure destroyed during eight years of war. Iran's economy was a key issue in this reconstruction. The government wanted to release the economy from the hold of foreigners, especially the West; however, it realised that while Iran's economy relied on its oil reserves this goal would continue to be just a dream. Also, the Iranian goal of building an Islamic model by increasing standards of living, helping the poor and improving the agricultural system presented a major challenge to the regime and still remains unfulfilled.

Over the first decade, the IRI was confronted with several major economic difficulties. However, since everything depended on the balance of internal forces the post-revolution reforms were by no means smooth or organised. This weakness and the continuing internal debate meant that

Iran was so occupied with its own problems that it could not possibly have been perceived as a regional threat.

The second decade of the Islamic revolution: 1989–1997

As the regime entered its second decade it did not face any serious threats, just the challenge of reconstructing the war-damaged industrial and social infrastructures and keeping the promises made before the revolution, particularly those concerning greater economic and social justice. However, there was enormous disagreement within the country over Iran's domestic and foreign policy. The two major events of the second decade were the end of the eight-year war with Iraq and the death of Grand Ayatollah Khomeini, the founder and dominant personality within the IRI, in 1989. Both events disturbed the balance of the existing social, political and economic order.

Economic problems

Economic problems ranged from high inflation to unemployment, mass migration to the cities, growing corruption within the administration, underproduction, too inefficient utilisation of industrial capacity and lack of basic foods (especially wheat and rice). Also, the fall in oil prices and decrease in oil exports from the pre-revolutionary level resulted in low foreign exchange earnings. These problems were made worse by a dramatic population increase. However, the greatest challenge was the ad hoc management of the wartime economy and the regime's inability to decide on a method for the development of economic and social policy, and whether the policy should be centralised and state-run or left to the decision of the private sector, or both. The key issue was the level of integration of Iran into the international economy. Long-term survival of the regime hinged upon its success in rationalising the economy and improving living standards. After the death of Grand Ayatollah Khomeini a new team led by Hashemi Rafsanjani and Ayatollah Khamenei was quickly put in place and enacted several constitutional reforms aimed at strengthening the executive to the determinant of a multitude of competing centres of power. The team also eventually formulated an economic agenda in the form of a five-year (1989–1993) development plan. These reforms marked a new phase in the revolution, called the Second Republic, which, according

to Kaveh Ehsani, abandoned the dream of an Islamic development model.⁴⁸

The discussion about rebuilding Iran and the roles of both the government and the private sector was really a continuation of the ideological struggle between interventionists and the *laissez-faire* proponents from the IRI's early days. However, the current debate had more to do with political decisions in the future concerning the economic role of the government. Another key factor in the debate, from as early as September 1988, was the inclusion of foreign involvement offered from both Eastern and Western Europe and also Asia.

The debate was closely bound to the discussion about national reconciliation, some believing that an offer should be made to Iranian opponents of the regime in order to encourage them to contribute their talents towards rebuilding Iran. The most important issue was the financing of reconstruction and whether this should be undertaken by the government, the private sector, or both. As the private sector did not have sufficient resources the government relied heavily upon oil revenues. But as other OPEC members were over-producing, this lowered oil prices, which meant that Iran's oil revenues – from which came 90 per cent of the state budget – averaged less than US\$10 billion for the year. The solution was for Iran to align its foreign policy with its economic needs. This meant it had to gain influence over the limiting of output in OPEC, which would increase oil prices. To achieve this it was necessary to re-establish relations with the GCC, and particularly Saudi Arabia.

A long-term industrialisation strategy was needed to reduce this dependency, as was the persistent need to court the private sector for its resources, to enable reconstruction and reduce the size of the public and services sectors, as well as to expand the productive sectors, especially industry. To achieve a real structural transformation it was necessary to embark on comprehensive political and legal reforms that would allow Iran to replace oil as the income-generating basis of the national economy. Hence, as well as importing technology and hardware, it was important to build the social consensus necessary to mobilise available resources. This would have required the establishment of greater pluralism, national reconciliation, and some form of participatory democracy. However, as Ehsani observes, in the early 1990s Iran had no luck applying a long-term strategy; the resulting economic crisis is confirmation of

this view. The economic crisis was the result of applying a selective version of a “mixed” economy on the basis of the Five-Year Plan and the policies recommended by the International Monetary Fund. This version rhetorically stressed the leading role of the private sector but did not include any real economic reform, especially regarding the tax system and privatisation process.

Iran's torpid economic performance has continued up to the present. Even despite re-emphasising the importance of privatisation in the Fourth Five-Year Economic Development Plan (2005–2010), it has only been since 2007, and by the Supreme Leader's request, that government officials have begun to speed up the implementation of the policies outlined in the amendment of Article 44, though there have been some efforts to apply privatisation more widely. The Second Republic did not hesitate to seek international loans and direct foreign investments; however, such efforts in the early 1990s were counteracted by the negative image of Iran held abroad exacerbated by its countenancing the death sentence on Salman Rushdie and its continued support of certain movements – e.g. Hizballah in Lebanon.

Other economic features of the Second Republic were as follows.

- 1) The significant effect of favourable international circumstances on Iran's economic performances – e.g. access to capital and technology for growth and development during 1988–1991 as an effective element in achieving many targets of the Plan – and, in contrast, Iran's failure to gain access to such facilities in the years 1991 to around 1997.
- 2) The lack of social reforms and poor management after 1991, which resulted in massive foreign debt, inflation and economic stagnation. After 1992 this resulted in urban riots, anti-government demonstrations and vocal criticism of the development policies. Also, while the trade deficit and foreign debt shot up, oil revenues remained lower than forecast. This exposed Iran's seriously neglected internal structural problems and poor grasp of the global economic situation, as well as the extent of Iran's international isolation.

The whole situation, which had divided Iranian society, far from providing national reconciliation, led to the acceleration of the delegitimisation of the regime, whose major slogan promised to eliminate the gap between

poor and rich. The government's mishandling of the economy – which as Ehsani notes was the result of “a development strategy that emphasised growth over employment and export-oriented, government-owned industry over a privately-owned, grass roots national industrial base” – neutralised Iran's industrialisation efforts. Alongside US pressure on its allies not to reschedule Iran's debt or issue new credit, foreign investors were deterred by both the unstable economy and the insecurity of an unreformed political system.

Therefore, since 1993 Iran has experienced even more economic chaos due to poor political and economic leadership, a lack of government interest in applying real political and structural reforms, and the failure to formulate a long-term development strategy. The alternative Islamic model of development was not realised; in its place was created a model that, although generating popular and local initiatives, lacked the basic foundations of political and legal reforms.⁴⁹

Socio-political issues

As mentioned earlier, the debate over reconstruction was closely bound to discussions concerning national reconciliation. Two major events in the Second Republic provided the regime with an opportunity to overcome its strategic problems. A major socio-political result of the end of the war and the new political atmosphere after the death of Grand Ayatollah Khomeini, according to many observers, was a new era of civil society discourse. This not only resulted in increasing awareness among the various social forces but also contributed to competition among political elites and the formation of new political groupings. Additionally, it caused the diffusion of social and political powers into multiple centres with the opportunity to share power through various efforts, bargains and pacts.

However, despite the advantages of the new political environment, the regime could not achieve its domestic or foreign policy goals. Domestically, this was due to the inability of the government to address sensible if controversial internal debates, especially regarding demands from secular Iranians for more cultural freedom, which were in contrast to the demands of the lower classes, or received criticism from religious sides asking for greater political tolerance.

Solutions like the “China model” were discussed and implemented during Rafsanjani's presidency, 1989–1997. The model aimed to liberalise

the economy and improve people's livelihood, while maintaining sole control of political power. This was to be achieved by preoccupying the people with either the threat of foreign enemies or the promise of economic welfare. However, the model failed, just as it had done on similar occasions in 1925–1941 under Reza Shah and in 1941–1979 under Muhammad Reza Shah, and it is unlikely to work in Iran any time in the future. According to Abbas Milani, these failures were because, on the one hand, China has a strong industrial basis for its export sector and an impressive ability to attract foreign investment; in comparison, Iran has failed to export much more than oil and has a poor record in attracting foreign investments. On the other hand, economic needs are not the only ones in people's lives, especially in an era in which democracy has become an essential part of every nation's basic rights and demands. Milani points to historical evidence that economic riches not only lead to greater political demands but also provide the new affluent classes with the political, social and economic means to see their demands are met. This applies in Iran's vibrant civil society, which is far from dead.⁵⁰

Hence, at the end of the second decade of the revolution, despite Iran's tactical stability, it was confronting serious strategic challenges, including: Rafsanjani's failure to develop a civil society based on social justice; incorporating a sizeable middle class with political knowledge; forming a free market economy system. Such failures prevented Iran from establishing a democratic society able to attract the essential investments needed to solve Iran's economic difficulties and endemic unemployment problems. It also resulted in the absence of the rule of law in government policy, which led to a system of regular corruption, economic incompetence, ideological impoverishment, interference in the private lives of citizens, socio-political intolerance, oppressive policy against dissidents,⁵¹ millions of unemployed youth and the growth of the women's movement. All these issues, especially the last two, resulted in the second Khordad event at which the populace rejected existing policy and emphasised the need for real social, economic and specifically political reforms. This event ended with extraordinary support for Khatami's reforms in 1997. It was only after 1997 that civil discussions expanded from a small hesitant circle of intellectuals and assumed their current importance at the level of national politics in Iran.

Regarding Iran's foreign policy in the second decade of the revolution, there was a general wish to face domestic issues and economic problems by improving relations with the outside world and to change Iran's international relations. However, the multiplicity of power centres, the lack of a single centre for designing foreign policy, and the great dependency of external relations on politics within Iran dominated by rivalries and significant disagreements between left and right wings (later, reformist and conservatives forces) over domestic and foreign policies, all meant that vigorous debates among the factions prevented a clear foreign policy being formulated. As a result, Iran was not able to establish constructive and cooperative relations with the West, especially regarding its negative international image.

In sum, all internal and external challenges during the first two decades of the IRI decreased the regime's legitimacy, added imperativeness and motivated the democratic movement. But what helped to strengthen the tactical stability of the IRI was the continuance of Western, especially US, antagonistic policy, including long-term embargoes. This helped the regime to justify its failure to implement the revolutions' promises; by opposing the US it could still count on the support of some part of the population. As foreign threats increased, strong Iranian nationalism was added to the equation, strangling reforms and the democratic movement. Embargoes placed on Iran imposed heavy costs on the population. Meanwhile, according to Abbas Milani, domestic right-wing allies, particularly the *bonyads* and the IRGC, gained much benefit. They attained power, privilege and illicit gains through "import licenses" for embargoed goods. Without such embargoes, Iran could have integrated into the global economy, resulting in more legal and economic transparencies and the emergence of a more vibrant middle class, which would have strengthened the private sector and civil society.⁵²

Domestic military: the role of military forces on Iran's society

Socio-politically

Historically, the Iranian military has always played a significant role in Iran's society. However, it is impossible to separate its security role from its role in domestic politics. As well as being used to secure national sovereignty, it has also been used to control the masses and strengthen the government – although the IRI has tried to limit its influence on

society and has purposely excluded it from everyday politics, like previous regimes.⁵³

This study will first describe the military's role in the IRI's politics and then explore the question of whether the armed forces might be a threat to the regime or to the people. It also will consider their role in Iran's policy with respect to its difficulties in the PG. Particular consideration will be given to the increase of political strife and the surrounding ideological issues.

After the revolution one of the most important steps taken to institutionalise the regime was the establishment of the Islamic Revolution Guards Corps (IRGC), which gained a permanent position in the security of the regime. The IRGC offset the distrusted regular military at the beginning of the revolution and became a popular force during the diplomatic hostage crisis, which threatened a possible US invasion. Also, a huge number of volunteers (of the *Basij*) were trained by the IRGC and were established to fight Iraq as an auxiliary to frontline operations. In addition, these were used to confront the revolution's domestic threats and uphold Islamic norms in society.

The division of Iran's armed forces affected the unity of command, resulting in rivalry, and decreased the military's effectiveness. There were distinct differences in the methodology of the two branches regarding their preparation for war. The regular military focused on hardware, technology and the human component, while the IRGC concentrated on the human element, particularly ideological commitment and morale beliefs. However, the regime could develop a more balanced understanding of these various elements of the military.

The second decade of the revolution saw some success in the structural reform of the security system. This included integrating the visions and values of the regular army and those of the IRGC, allowing there to be more of a balance of power between the two forces. Examples of this include the establishment of the Ministry of Defence and Armed Forces Logistics (MODAFL), under which both the IRGC and the regular army were to operate, and choosing commanders from each side for the other organisation.

In the first decade of the revolution, all military forces were engaged with Iraq's invasion. Subsequently, they have been making preparations for the eventuality of a foreign attack, procuring and developing new armaments. In particular, they have also re-engaged with civilian plans.

The Artesh has done the latter both in strategic and practical terms. Strategically, it has emphasised its ability to defend Iran against its external enemies. It has also carefully given the impression that it has stayed above the factional politics of the regime not because it is unable to engage in national politics, but for the good of the nation. Practically, it has assisted civilian projects with the manpower and expert technical knowledge required, playing a central role in the reconstruction of those areas of the country damaged by the war and generally opening up access to its assets. The IRGC, as well as being massively involved in civil society plans, perceives itself as the vanguard of the revolutionary regime and feels that it has a right to intervene in internal politics. However, it has its own interpretation regarding what socio-political reforms are necessary. It has also reacted to political issues according to the makeup of the political leadership and the scale of the violence. For instance, despite massive popular support many among the IRGC and the *Basij* interpreted President Khatami's reforms "as challenges to the interests of those who have been loyal supporters of the Islamic Republic and defenders of the *Faqih*". Such interpretations, and even criticism of the president's reforms, are often encouraged by conservative political forces, which encourage radical groups like *Ansar-e Hezbollah* and the *Basij* to become politically involved.⁵⁴ Both these factors have raised serious concerns to Iranian society as well as the defence system.

- 1) President Khatami's reform process became contentious within the defence establishment and its constituent parts in the *Entezamat* (the law and security enforcement agencies). Inaction towards it on the part of the political establishment could threaten the complex defence structure that had been so carefully created. In this regard, for example, the IRGC responded differently to the 1994 Qazvin riots and the July 1999 Tehran student riots. In the Qazvin riots, some IRGC officers refused to carry out orders that they thought were unnecessarily against the people, believing that the IRGC should not always defend the existing political regime when it is attacked by domestic pressure or criticism. However, during the 1999 student riots IRGC commanders publicly criticised President Khatami and his reforms, believing that his reforms were the cause of the riots and were endangering the regime.⁵⁵

- 2) From the social perspective, the IRGC's self-interpretations about the socio-political issues have been criticised by the Artesh, the intelligentsia and the reformists, who have maintained that the defence establishment should not have a view on political matters. These groups also voiced concern over the military's determining the fate of the country, fearing that the gap between Iranian society and its political leaders is likely to get wider as the IRGC becomes more involved in socio-political matters and Iran's youth grow in numbers and in culturally diversity. This factor may contribute to the country's tendency to secularise. As a result the regime's reliance on coercion as a mean of control may well increase. Iran's intelligentsia, however, prefers to avoid direct confrontation and will take any conciliatory means possible towards opposition.⁵⁶ Since the advent of Ahmadinejad's presidency and a concomitant increase in the IRGC's involvement in affairs of state, the problem has become all the more salient.

There are no signs that the armed forces are lacking in loyalty towards the regime, despite some differences of opinion and disputes between them. Traditionally, the armed forces have always had close ideological affinities to the conservative elements of the regime, and have far from presented a threat to them. Historically, the Artesh has always been dependent on a political master, and the political establishment has deliberately deprived it of having one. It would thus only interfere in internal politics in a situation of social chaos or where the government was facing near-collapse, as Byman (et al.) mentions. The IRGC leadership is closely allied to the regime, and is unlikely to become politically active against it. Furthermore, both the Artesh and the IRGC consider the stability of the regime to be the red line, though if the IRGC perceives a danger to Islamic or revolutionary values it may feel compelled to intervene. Although there is no serious dispute between them, the IRGC's leaders have different points of view regarding Iran's socio-political issues. According to Byman (et al.), "some believe that this can be done only through reform and openness, while others believe that such reforms pose a mortal threat to the character and nature of the Islamic Republic".⁵⁷

As Byman (et al.) also remarks, there are concerns about the IRGC's inaction or slow response to social crises, which may be due to the

large numbers in the IRGC's rank and file who are less ideological, more sympathetic to calls for reform, and are likely to prefer political discourse to the use of force. In addition, there has been a large presence of IRGC (and other pillars of the revolution) members' children at anti-establishment demonstrations – for instance, at the July 1999 student demonstrations in Tehran. This is of special concern because it is unclear how the IRGC would respond to the elite's splitting, particularly if those who currently support the Supreme Leader were divided. According to Byman (et al.), however, what is most unclear is how the IRGC would react to an extensive reform movement that was popularly supported by Iranians claiming to be upholding an Islamic system. It is hard to predict how the IRGC would react in the event of further riots like those in Qazvin in 1994 and Tehran in 1999. Whether or not it would support the official response would largely depend on the makeup of the political leadership and the scale of the violence. According to Byman (et al.), in an effort to respond to concerns regarding the IRGC's inaction or slow response to civil strife, the political leadership has formed special units (the Ashura, Zahra, Sayid-ul Shohoda battalions) specifically designed to handle problems of popular unrest.

Although there is consensus in Iran, the possibility of military intervention in Iranian politics has not been ruled out by analysts if certain red lines are crossed. These red lines include threats to the rule of the *Vali-e Faqih*, open disrespect of Grand Ayatollah Khomeini and his legacy, overly dramatic social reforms, and relations with the US and Israel. In the context of a process of socio-political and economic reform, these red lines are beginning to fade, however. In addition, as Byman (et al.) argues, despite the intervention that would ensue were these red lines to be crossed, Iran's military apparatus is likely to be a force for the stability of the country. Further, it is much harder to arrive at consensus on economic and social policies than on security policy, since there are more interests and revolutionary sensitive issues involved in the former.⁵⁸ However, arriving at a consensus on Iran's security policy is getting more difficult. This is due to the military and security organisations' (especially the IRGC, *Basij* and the police) greatly increased involvement in various political and economic projects in the country as well as the impact of their emphasis on cultural and religious issues.

However, provided that Iranian politics remain stable and avoid widespread strife, "the IRGC leadership would prefer to devote its

attention to improving its military standards and competing more effectively with the Artesh".⁵⁹ Yet, the recent experience of "unified governance" after 2005 under the control of the conservatives has shown that the IRGC is not content with developing its military capabilities, but will also seek to secure for itself a wider and more influential role in Iranian society.

The IRGC already has a very influential economic network as a result of the privatisation of the economy in the 1990s. Its strong military-economic role was given a political dimension by the majority secured at the seventh parliamentary election for its members and the conservatives, and by Ahmadinejad's victory in the 2005 presidential election.

According to Byman (et al.), the probability of military intervention on the part of the major military forces (i.e. the IRGC and Artesh) is likely to increase if Iran's elite becomes increasingly divisive and political factionalism turns into widespread violence. If this view is correct, then such a scenario would in turn culminate in the armed forces' (especially IRGS, *Basij* and the police) increased interference in Iranian society. But such a reaction (including more direct interference, less tolerance, and the closure of the political space) would pave the way for more opposition, an increased tendency towards secularisation and even more direct public confrontation with the regime as well as with the military forces. The IRGC should recognise that aggressively opposing any reform of conservative policies would result in further aggravating its existing internal ruptures, galvanise its external opposition and lead to further marginalisation of its position.⁶⁰

Economically

One of the major regional and domestic impacts of the Iran–Iraq war was the growth and empowerment of Iran's military forces' manpower. What was to be done with this during peacetime proved to be a major dilemma. Iraq used its surplus troops to wage another war against Kuwait. By contrast, Iran used the privatisation of its economy in the 1990s as a way to occupy a significant number its soldiers during peacetime, in order to prevent them from becoming embroiled in any anti-government activities such as coups.⁶¹

The soldiers were given various opportunities, including buying shares or working at local (as well as international) industrial, commercial

and housing companies. This was achieved on a large scale – for example, by 2007 *Khatam-ol-Anbia* headquarters (known in English as Ghorb Khatam) had already completed more than 1,200 projects and had been contracted to work on 250 others.⁶² This process gave the IRGC a strong economic network, which, especially since Ahmadinejad's presidency, it continues to enjoy. The conservative forces have thus been able to take advantage of the IRGC's economic influence in the struggle for absolute power. However, according to a former general manager of one of Iran's largest steel factories, this solution has created another problem – namely, involving troops in economic affairs risks abandoning in them the idea that the state is worth sacrificing oneself for.⁶³ While this has indeed been a problem, it is also true that military men tend to prefer military solutions and to that extent a sense of selflessness has remained.

Although the new situation benefited the IRGC's high ranks, many of its lower ranks, especially in the *Basij*, were left marginalised in the post-war reconstruction period. Ahmadinejad addressed this issue, which, together with his militant view of politics, re-enfranchised those feeling marginalised and ensured the IRGC's support during the presidential election. Today, this translates into a continued relationship between the IRGC and the presidency of mutual reinforcement and support. This relationship has meant that the IRGC has gained control of huge assets in the country and heightened its economic role, which began during Rafsanjani's administration. It has profited more than anyone from Ahmadinejad's election in 2005. For example, the government has awarded the IRGC (and its associate companies) in excess of US\$3.4 billion to pursue engineering projects in the oil and gas industry, and in one case alone was given US\$1.3 billion to pursue a civilian services project.⁶⁴

The IRGC has been criticised by reformists for its lack of accountability and for its monopoly on contracts that no outside party can bid for and for which the IRGC does not necessarily have any expertise. Although this enormous economic role can partly be accounted for by the official distrust of foreign and private sector companies, these factors have, in recent years, fed speculation that the government's vast generosity in handing out contracts to the IRGC is fuelled by its increasing dependence on the IRGC and the need to pay back its dues incurred by the IRGC's support during Ahmadinejad's election. The international embargoes imposed upon Iran have also helped ensure

the IRGC's economic domination, including in the energy sector. They have put obstacles in the way of international financing, which has given state-run companies the upper hand in their battle with private companies. According to Abbas Milani, they have also made it possible for IRGC's domestic allies, such as the right wing and the *bonyads*, to profit from the illegal trade of goods that, because of the embargo, have become hard-to-find commodities. Ending embargoes, as he suggests, would thus have a number of positive effects: it would reduce the power of radical right-wing groups, and it would challenge the IRGC's economic monopoly by encouraging international companies to do business in Iran, thus taking away the IRGC's concessions. As Milani concludes, this would thereby assist the development of an emerging middle class closely allied to the presently restrained democratic movement. If the international community would like to give Iran's process of democratisation a chance, it should end its sanctions upon it.⁶⁵

Military development

Policies

Having been engaged in a revolution and a war, and having faced embargoes, Iran's military has been somewhat depleted. Its main focus since 1988 has not therefore been on expansion due to an increased willingness to use force but, rather, on the rebuilding and replacement of its forces in an effort to remedy its deficiencies, particularly with regard to technological advancement. Its arms programmes are designed to deter attacks from those parties whom it consider it is under potential military threat from, such as the US, Israel and, until 2003, Iraq.⁶⁶

The official line following the revolution was that Iran no longer serves American interests in the PG and would discontinue all military agreements with the US. However, despite this and its handling of the war with Iraq, Iran has continually displayed a pragmatic side to itself with regard to its defence strategy, visible in both military procurements and domestic defence production. Soon after the end of the war, the government made it clear that the country's rearmament strategy was one of its main priorities, and increased the governmental budget for military expenditure. As explained earlier, since the Second Republic, Iran has been attempting to replace, rationalise and modernise its military structures as well as accelerate the development of its defence

industries, partly engendered by a review of its rearmament strategy. A pragmatist-led move towards “moderation” in foreign policy properly began in the mid-1980s when President Rafsanjani himself made diplomatic visits to China and North Korea. The President’s support enabled the pragmatists to begin to take fuller control of the country’s military affairs, and between 1988 and 1992 they had managed to ensure that about a quarter to one-third of overall government expenditure was on defence and defence-related matters.⁶⁷ All this raises the general consideration of how and when Iran intends to use its growing military strength: is it becoming a source of regional concern, or does its military strategy merely reflect local realities and the regional arms race?

Rearmament

Under the Shah, most of Iran’s weapons were imported from the West and Iran’s military industry was limited to the assembly of such foreign weapons. After the Islamic revolution, Iran faced growing isolation and a weapons embargo imposed upon it by the West. This meant that Iran was subsequently dependent on a domestic arms industry lacking in technological expertise and thus had to also rely on military imports from various Eastern countries as well as its existing Western weaponry.

Iran has the lowest military budget in the PG and, due to continuing sanctions and economic problems, cannot compete in the region’s arm race. Moreover, not only are its military imports overly disparate and of questionable quality, but it is also not guaranteed the long-term aftersales service required for aircraft and so forth, since exporters such as Russia, China and North Korea are susceptible to US pressure. Furthermore, it has had to abandon the idea that domestic arms production will provide a significant solution to these problems and has decreased its expenditure since the end of the Iran–Iraq war to less than one half of what it was spending previously. Although, according to certain sources, it continued to spend US\$4 billion a year on its military,⁶⁸ in 1989, according to Michael Eisenstadt, the *majlis* allocated US\$10 billion over a five-year-period for arms imports in support of its conventional arms build-up, for instance. It has sought to increase its role in the market for military technology (for which domestic arms production can serve as a medium) and powerful arms transfer; it is also using missiles and fast attack boats in order to become less dependent on problematic aircraft imports.⁶⁹

Although Iran's rearmament since the end of the war in 1988 has been comprehensive, it has been limited due to the Western embargo and Iran's resultant inability to acquire exactly what it might have done had the embargo not been in place. As Terrence Taylor of the International Institute for Strategic Studies (IISS) puts it, "There is certainly an attempt to increase the capabilities of the Iranian military, although the full extent of it is not clear."⁷⁰

The Iranian military is one of the largest in the region. It totals about 545,000 personnel, 420,000 of whom serve with the regular armed forces and 125,000 with the IRGC. It also includes a paramilitary volunteer force called the *Basij*, which is made up of 90,000 full-time uniformed members, up to 300,000 reservists, and a further 11 million men and women who could be mobilised. Despite its size, the Iranian military also spends less as a percentage of GNP than any other PG nation, except the UAE. Nevertheless, it has been described, for example by General John Abizaid, the US commander in the region, as the most powerful force in the ME.

Aside from the different problems regarding Iran's military already outlined, there is a general concern regarding Iran's attempt to develop its unconventional weapons. Despite the fact that Iran has publicly condemned the use of chemical weapons, from whose use it greatly suffered during the 1980–1988 Iran–Iraq war, and in that in 1997 it ratified the Chemical Weapons Convention, many worry about its intentions regarding unconventional weapons. As Chubin remarks, "Iran's policies are a product of various factors including its recent experience, its world view, its capabilities, the global and regional opportunities and its other values. Its intentions are thus variable although its inclination is fairly steady." He then concludes that Iran's strategic inclinations towards developing unconventional weapons are predictable.⁷¹ Like Chubin, most Western analysts assume Iran's strategic weapons programme to be its top priority. Some, such as Eisenstadt, believe that in trying to develop its strategic weapons programme, Iran is displaying its wish to become the dominant power in the PG, as well as expressing how vulnerable it is feeling.⁷² Others, Barry Rubin for instance, believe that Iran is pursuing the development of missiles and perhaps nuclear weapons as a cheaper substitute to fully addressing the needs of its run-down conventional military.⁷³

Together with these assumptions, the lack of transparency in Iran's military statistics has further compounded suspicions, despite Tehran's

denial of developing unconventional weapons. Iran's military capabilities are largely kept secret. Only in recent years have official announcements highlighted the development of weapons such as a large arsenal of missiles as well as its own tanks, armoured personnel carriers, submarines and a fighter plane (it is known that the IRGC is responsible for the development of Iran's military industry and for making procurements such as those listed earlier). However, despite allegations made by US officials, in its February 2006 report on Iran's nuclear programme, the International Atomic Energy Agency (IAEA) found no evidence to support the claim that Iran is developing nuclear weapons.

As Jerrold Green remarks, some Middle Eastern strategic analysts, such as Ahmed Hashim, have highlighted the fact that regional actors Israel and Pakistan have nuclear weapons, that some of Iran's northern neighbour states may be littered with stray former Soviet weapons, that the Arab states in the PG are protected by the US, and that the US as a consequence is militarily active all along the PG's coastline. According to such analysts, not only do these factors make Iran's nuclear ambitions likely, they also make them understandable. However, although Iran may well have the intention to develop WMDs, it has limited possibilities available to achieve this, rendering "reports of secret nuclear sites being built unsubstantiated". A major difficulty facing Iran's putative unconventional weapons programme has been acquiring the requisite technological expertise. While Russia and China have not altogether toed the US line, most countries, partly down to US pressure, have been unwilling to provide Iran with the assistance it needs in order to properly develop its nuclear and chemical weapons capabilities, as Green mentions. Iran is also likely to be mindful of Iraq's ill-fated putative nuclear programme which caused an Israeli air attack on its Osirak nuclear reactor and, following years of UN inspections, culminated in its eventual invasion by the US and its allies. This has meant that while most Middle Eastern strategic analysts agree that Iran could potentially become a nuclear power, they are uncertain as to how and when such a capability could surface.⁷⁴ This is specifically true following the release of a report of the US National Intelligence Estimate (NIE), in December 2007, which acknowledged that Iran has no weapons programme.

Defence role in the Persian Gulf

In general, particularly because Iran's economy is centred on the PG's

natural resources, the continuing presence of foreign forces in the region has resulted in Tehran feeling very threatened. This has led it to the conclusion that it should adopt a policy of strengthening its military capabilities dovetailed with a foreign policy that will deal with external threats (especially from the US) to change the regime, prevent another experience such as the unexpected eight-year war from occurring again, and will, as Brigadier General Rahim Safavi puts it, "better defend Islamic ideals and safeguard territorial integrity".⁷⁵

As Chubin remarks, Iran's military weakness, which was in part due to US sanctions, as well as poor relations between the US and Iran, paved the way for an Iraqi invasion. Iraq perceived these as ideal conditions for it to attempt to change the balance of power in the PG and dominate the region. Iran's military weakness thus proved to be a destabilising force in the PG threatening instability for all interested parties. It is no surprise then that Iran felt the need to strengthen its military power after the revolution.⁷⁶

The US strategy also appears premised on a faulty analysis of Iranian politics. The US argument has been that putting pressure on the regime will expedite a change in Iranian policy as well as restoring the respect in the US necessary for a more balanced dialogue to take place. US strategy has thus been to increase its military presence in the PG, place embargoes on Iran and hint at intentions towards regime change, all in an effort to prove to Iran that it means business. However, such a strategy is more likely to retard than accelerate an Iranian policy change; all it has achieved is to make Iran feel under threat and that it must engage in escalating its own military agenda as well as adopt a more radical and sceptical policy towards the US. The same goes for the policy of exaggerating Iran's military threat to its neighbours in the PG, which has had the added disadvantage of increasing the destabilisation of the region by encouraging an arms race in the GCC. GCC countries have felt compelled to purchase expensive, and sometimes unnecessary, weapons, and the recent emphasis on Iran's nuclear ambitions (albeit denied by Tehran) has led many states to consider undertaking their own nuclear projects (though they have announced plans for achieving nuclear energy, they have not announced any intention to develop nuclear weapons). Such a potential arms race in the ME is highly unlikely to lead to regional security and only benefits Western arms companies.

As has been discussed, although Iran's military growth has been fairly extensive, it is built upon foreign and sometimes incompatible weapons system imports and still has a long way to go. It is also questionable whether Iran's unhealthy economy is capable of enabling it to compete with its wealthy neighbours in the region. For instance, in 1996 Saudi Arabia's defence budget was US\$13.9 billion; Israel's was US\$7 billion, while Iran's was only US\$3.4 billion. This has led many analysts to believe that Iran's displays of military strength are merely cases of diplomatic posturing born out of a sense of its own weakness in the face of overwhelming US military strength.⁷⁷

A confrontational US policy also has some internal impacts. Under heavy pressure from the US, Iranian nationalist and radical anti-foreigner sentiments, as well as government support for these, are likely to increase. As a result, the government will come under decreasing criticism and be able to present domestic failures as the effect of such external threats, thereby assuring that the domestic process of democracy continues to be in trammels. In the words of a prominent reformist, Behzad Nabavi: "Those who threaten and pressure from the outside forget that we still think in traditional ways about national sovereignty. If we have to choose between individual freedom and national sovereignty, we will choose the latter. We hope we don't have to choose."⁷⁸

Iran's perception, as articulated by Ayatollah Khamenei, that the US will not be satisfied until it goes back to the same patron-client relationship it enjoyed during the Shah's regime, is shaping some of its foreign policy. In particular, it has allowed the armed forces and intelligence services to influence many of its decisions, especially in regard to its security challenges.⁷⁹

Much of Iran's use of the armed forces in pursuing its foreign policy goal in the PG is really just "diplomatic posturing" on the part of Tehran. As Rathmell observes, the intensification of Iran's military exercises and procurement (constituting part of the aim of becoming the dominant power in the region, as mentioned in the 20-year development plan) are attempts to assert Iran's right to the PG. Or, as Chubin argues, they are there for the dual purpose of reminding the Arab states that Iran is a major power, and reminding the Americans that an attack on Iran would be against their interests.⁸⁰

By developing relations with its neighbours in the PG, Iran has sought to encourage them to enter into collective security arrangements

that exclude outside powers. It has also assured them that “as long as the territorial integrity of Iran is not threatened, the military and defence power of Iran will not be a threat to any country” (Mohsen Rezaei, then Commander in Chief of IRGC) while at the same time warning them of its slogan “security for all or for none”.⁸¹

As Eisenstadt observes, Iran's military build-up is motivated by a number of factors: first, by its perception that it faces threats from regional and non-regional potential enemies. Second, by its religious and nationalistic desire to become a regional power. The IRI believes that it ought to play a major role in world affairs and that, as the defender of the interests of all Muslims and the guardian of Iran's national interests, it should be treated as a beacon for revolutionary Islam throughout the world. Finally, by its leadership's belief that Iran is geographically optimally situated to become the dominant power in the PG. After all, it has the largest coastline of any PG state and has vital interests in the region.⁸²

Iran has pursued a dual policy of economic and political engagement with its non-Arab neighbours and a sceptical, unstable attitude towards the GCC. This, together with an inability to estimate Iran's true military capabilities due to a lack of transparency, has fuelled concerns and uncertainties on the part of the GCC and the West.⁸³ Added to these concerns is Iran's desire to dominate the PG, in order to have a more powerful position regarding outstanding border and territorial disputes with its Arab PG neighbours, and its willingness to considerably influence oil production levels and prices, Iran having the ability to close the Strait of Hormuz, through which about 20 per cent of the world's oil flows.⁸⁴ However, analysts do not believe that the Iranian army is in a position where it could successfully carry out any meaningful invasion. It could pose only a limited threat to GCC targets through its missiles and the laying of mines by submarines.

In the event of a US attack, Iran has announced its reservation to attack US interests around the world as a means of defending itself. Ayatollah Khamenei, for instance, on different occasions throughout 2007, stated that a US invasion of Iran would cause it to target US interests worldwide. Iran has portrayed the current situation as a win-win case for itself, as Ayatollah Khamenei has stated: “If the US doesn't attack us we will become stronger. And if it does attack us, we will become more united and find a lot of friends throughout the world”; the US “is

the main loser because it boycotts Iran”.⁸⁵ From the US’ perspective, increases in Iran’s military activity as well as the potential use of terrorism as a means of hitting its targets around the world constitute a great threat. Meanwhile, Iran sees its current foreign policy as vital to the prevention of any threat to its sovereignty, even if it is in reality only political posturing. The result is an escalating security chain that threatens to worsen regional stability and assures neither regional nor global security.

In sum, disturbance in the military balance of power in the PG has been followed by an unstable situation, which has consequently proved to be a threat to all internal and external players. Such instability has also attracted foreign forces to the region in order to protect their interests. This has caused complaints from some regional states and led to a rise in anti-Western sentiments among people in the whole region. It has isolated weaker players and compelled them to implement more radical policies, which in turn has encouraged all sides to build up their military capabilities and has engendered a new arms race. Although such a situation has set the scene perfectly for arms suppliers, it has created a more unstable climate by causing regional players to have increasingly antagonistic and sceptical attitudes towards one another. Under such circumstances, a violent reaction from internal or external players is inevitable. These parties may use invasion or terrorist attacks as a way of implementing their foreign policy objectives, both of which would affect the regional, as well as the international, community.

The prevailing view on US foreign policy is solely coloured by security and military concerns. Thus, only those who place more emphasis on their security and military capabilities can follow their foreign policy goals in such a situation. So the US could only enter into dialogue with those who have power in these two fields, as Akbar Ganji argues.⁸⁶

Facing such an attitude, the empowerment of military forces, especially the IRGC, in the decision-making system of Iran looks like an inevitable solution to the country’s survival. Even though Iran has not announced an intention to seek nuclear weapons, the current situation, together with the US’ continued threats of regime change, makes it reasonable for it to do so in an effort to defend itself in a region where some of its neighbours have, or may subsequently develop, nuclear capabilities and the support of the US.

The IRI is also partly responsible for the current tense political situation. It has failed to establish a stable relationship with its neighbours

or the West (especially the US), or to acknowledge Western interests in this geopolitical region. It has also failed to reconcile its differences with the West and assure it of its vital interests in the PG. This has meant that Iran's goal of establishing collective regional security arrangements excluding foreign powers has not been achieved, and has therefore contributed to the wider presence of foreign forces.

Nevertheless, the question is: what is the reason for the US' strategy in this region, especially its antagonistic policy towards Iran – particularly considering the negative impact US embargoes have had towards the security and stability of the region as a sub-system of the ME, significant to the international community? This is a question that featured prominently in the old discussion between the EU and US regarding Iran, with the EU taking the opinion that threatening, or indeed using, force against Iran would only make the situation deteriorate, since crises work like chains: one instance generates several more.

Perhaps there are two lines of response to this question. The first is that US decision-makers are ignorant of regional sensitivities and issues. If this is true, which is unlikely, the US should discontinue its insistence on pursuing the dream of global leadership. The second is that they are aware of the negative consequences an antagonistic policy may harbour, but that they are motivated by some hidden political or economic agenda. For instance, perhaps the secret US agenda is to turn Iran into the domestic ME enemy in an effort to solve the problem of Israel's regional recognition. This would not only deflect attention away from Israel, but, in maintaining a regional enemy, would create a scenario suitable for the continuation of a divide-and-rule strategy to implement US foreign policy objectives, including its desired effects on oil prices and increasing arms sales.

If something like this is the case, which looks more likely than the first response, then all the US allegations concerning ME states' military ambitions drastically begin to lose credibility – particularly since its antagonistic policy and foreign policy's prevailing view on security and military concerns has created a haven for undemocratic governments as well as strengthening the military's role in the whole socio-political life of ME nations. The US should thus stop pretending that it is trying to instigate democracy in the ME.

In sum, despite all the foreign threats and antagonistic policies against the IRI since the revolution, the major challenges to its survival

have been internal issues. In particular, the IRI should be extremely worried about political and economic instability as well as the social pressures in people's lives. Tension in foreign relations (especially with its neighbours in the PG and also the West, particularly the US), as well as international isolation and sanctions, which have resulted in Iran's failure to integrate in the global economy (e.g. not becoming a member of WTO), could constitute a threat to bring the regime down. If uneven economic and political development in Iranian society forced the Shah's regime to be overthrown, the threat to the new regime cannot be ignored or underestimated.

Therefore, the regime's survival depends upon opening up the political system to more democratic participation and economic reforms in order to address its strategic weakness. As Abbas Milani remarks, the IRI is relatively stable despite serious problems such as: having millions of unemployed youths; peoples' exclusive dependence on patronage and subsidies of the regime whose transparency and ability in economic policies have been criticised and are under question even by statesmen; its failure to curb growing poverty, despite the wide wealth sources in Iran; and the existence of women's and democratic movements that are a response to unanswered demands. Despite existing tensions and disagreements between political groups, such as the regime's divine legitimacy in contrast to popular sovereignty, a popular uprising, or less violent government change, seems very unlikely at the moment; a view shared by Abbas Milani and other observers.⁸⁷

However, the regime's failure to establish a government based on the rule of law, or to deliver on the revolution's reform promises, as well as temporary and unsuccessful policies like the "China model", will not help it displace the political demands made upon it. As Abbas Milani also observes, the new regime's supposed stability is comparable to that which the Shah enjoyed in the mid-1970s when none of the major Western powers (nor the Shah and his powerful secret service, SAVAK) had any suspicion at all that there was a revolution to follow. Therefore, because of the revolution in particular, democracy is a necessity, not a luxury, for Iran more than for any other state in the ME. Democracy, and its promise to attract the investments Iran needs to put an end to high unemployment, is the only solution to its huge economic problems. External pressures and antagonistic policies, such as the threat of invasion and the imposition of sanctions, risk further postponing the advent of

such democracy and the integration of Iran in the global economy.⁸⁸ Furthermore, the IRI's authorities should not, as Mohsen Milani mentions, assume they have more time than the previous Iranian leaders had to implement their promises.⁸⁹

Domestic issues are the pivotal problems facing Iranian society. Hence, as long as satisfying its people, the provision of wealth (as a major element in the success of a society,⁹⁰ as well as a significant element of power and influence), and preparations towards democracy (giving the government soft and hard power as well as political legitimacy) are not the top priority of the IRI, Iran cannot become a stable regional power. This will especially be the case if Iran fails to reduce tension in its relations with its neighbours in the PG and with the West – particularly the US. Military strength with the support of the masses alone (assuming that Iran's foreign policy is supported by the people of other countries) cannot help in this regard without the administrative lever of the governments with whom it has tensions.

Democracy is indispensable to Iranian society with its long history of independent thought. However, implementing democracy takes time and requires patience and sustained effort. It faces three major challenges in Iran: first, in overcoming people's impatience, especially on the part of the youth; second, in overcoming anti-Western sentiments that the conservative and more religious factions of society wish to instil; and finally, in the reconciliation it must attain with *Sharia* law. Facing up to the last two challenges means facing up to the perennial social tension between the demands of the traditionalists and modernists – an issue that the reformist government of President Khatami also had to address.

The US' use of military force to attain its foreign policy objectives in the ME has helped to ensure the empowerment of deep-rooted security and intelligence organisations in the whole socio-political life of Iran, as well as in other countries in the region. This has in turn slowed down and encumbered Iran's domestic process of democratisation, the potential impact of which should not be underestimated as has been evidenced since the presidency of Khatami.

Thus, like any other country, a shift in Iran's political climate in particular can only be achieved if it is initiated within the framework of domestic debate. Attempts to impose it from outside will only stifle the process of change; however, the international community could support democratisation by encouraging an atmosphere that is germane to such

a process (for instance, by ending the current embargoes and thereby helping Iran solve its economic problems and actively participate in the global system). This means that the internal challenges facing Iran could translate into security concerns. These issues, together with the IRI's relative political immaturity, show that Iranian society needs time to educate itself about its rights, needs, and the methods (such as establishing powerful parties) it can use to achieve its goals.⁹¹

As Bernard Hourcade observes, "Today we are facing a new political landscape with the emergence of a new generation of leaders and political actors [who have] (...) a new political history, originating from the Islamic Revolution and not from the imperial regime."⁹² This new generation of leaders should be given a chance to develop the kinds of reform that are needed, especially since these will only work if they are sensitive to local cultural and religious norms, such as being consistent with *Sharia* law.

Conclusion

Iran's domestic history during most of the latter part of the nineteenth century consisted of efforts to defend itself against British and Russian attempts to dominate the country as part of the "Great Game". Russia, Britain and later the US helped to end Iran's democratic revolutions by a series of occupations, by supporting undemocratic, totalitarian regimes, intervening when such regimes were under internal threat, and by overthrowing nationalist and democratic governments in Iran. Based on their geopolitical world-picture, not only did they have a political vested interest in doing so, but also they gained economically from it. Although all of these factors contributed to a growing antipathy towards the West, Iran continued to serve Western interests under pro-Western regimes like the Shah's. However, after the Islamic revolution in 1979, when Tehran discontinued such a pro-Western policy, the West re-engaged its old policy of interference in Iran's internal affairs and has since made numerous attempts to depose the existing regime through war, isolation, sanctions and threats of direct invasion. Therefore, Iran's foreign policy, and its ability to achieve its objectives as well as its political orientations, has mainly depended on its security environment, which is influenced by the international system. In a cooperative international environment and through the use of a *détente* policy, imperial Iran was able to build

CBM with the PG states and assure the extra-regional powers that their interests in the PG were being maintained. This meant that the presence of foreign forces in the region was prevented. However, the emergence of the IRI was not welcomed by the superpowers, who found that the IRI was disturbing their influence and the balance of power in the ME. The new republic, with its commitment to political Islam and revolutionary rhetoric, was perceived to be a threat to the Arab PG states (the CBM with whom were thereby in decline) and was unable to ensure the maintenance of the extra-regional powers' interests in the region. These factors, as well as policies ranging from a revolutionary stance to pragmatism evidenced in the three decades of the IRI's existence, provided a good pretext for extra-regional direct interference in PG states' affairs and regional military presence.

As Mohsen Milani observes, this was especially the case for the US, for whom the demise of the USSR had threatened the conceptualisation of the world as consisting of two rival camps of good and evil. The demise of the USSR had also created a geopolitical crisis for the US and some of its allies in the ME, since some of the latter had lost their strategic value, which could only be regained if they became influential in dealing with a new threat. Thus, the threat posed by Iran was greatly exaggerated in order to replace that posed in the eyes of Arabs by Israel. After the end of the Cold War the Iranian and Islamic ideological threat was played up to replace that posed by Soviet Communism, much to the benefit of US-PG states' arms sales, which were now given a reason to continue.⁹³

There is a sense in which both Iran and the US were in a dilemma: both sides needed each other but realised that positively engaging with one another came at a price. As Abbas Milani remarks, the IRI needed US approval in order to secure the flow of capital necessary for Iran's economic problems to subside, as well as a guarantee that the US would not seek to overthrow the regime; however, much of the regime's legitimacy rested on its opposition to the US. Similarly, the US needed to engage with Iran, qua influential PG power, in order to secure regional stability and thereby US interests; however, Washington feared that engaging with Iran would strengthen a regime it opposed. The US has been unable to develop an effective and permanent strategy towards Iran; its policies have been reactionary and have thus only lasted until the next crisis.⁹⁴ The IRI did make some attempts to improve US-Iranian relations. For instance, it supported the liberation of Kuwait after the

Iraq invasion, and it has had a positive role in Afghanistan. Also, in order to face its greatest challenges (reconstruction and economic problems), and although the rise of the IRI was considered to have “subdued those voices in favour of pursuing an accommodation with the US”,⁹⁵ a pragmatic Iran was prepared to forge such relations. However, in doing so, it faced two problems: first, it was not willing to give up its policy regarding independence; and second, conservative forces, in a climate of relative internal instability, wanted to be seen as the ones who rebuilt relations with the US; they did not want a rival camp, especially the leftists/reformists, to have this accolade.

The US, however, did not display any intention of reciprocating such conciliatory gestures and mending its frustrated relationship with Iran. This meant that the bilateral relationship between them remained stagnant. It also meant that the Arab PG states were being persuaded to take up a similarly isolationist stance towards Iran. The corollary of all this has been that the IRI has had to operate in a difficult international environment, which has pushed it towards more independent policies and has delayed its better and closer integration with the West.

Three decades of such a policy has caused many crises in the ME and a growing fear on the part of Arab PG rulers regarding their political stability. It has also caused an increase in anti-Western (especially anti-US) sentiments, which has highlighted that, first, the ME/Arab PG states are tired of the economic and socio-political impacts of regional crises and that even though the instability of the situation has been exaggerated by the US, they prefer a peaceful atmosphere. Second, the importance of Iran’s role in the security and stability of the region has been stressed; by ignoring and diminishing its role, the security of both regional and extra-regional states is threatened, as well as effects on the oil supply and market. Due to Iran’s geopolitical situation, all its political regimes, despite their differing political orientations, including those both before and after the revolution, have converged on what Iran’s general security policy should be. This is that Iran should develop its natural role in the PG’s security.

The regional importance of Iran makes it vital for there to be relations between it and those extra-regional powers with interests in the region. Attempts to circumvent this necessity, such as the US’ strategy of placing the GCC instead of Iran as the region’s most influential player, have not been successful. The IRI perceives Iran’s value in this respect, as

well as the US need to cooperate with it in order to solve its crisis in Iraq, for instance. The IRI has, in this recognition, shown a diminishing tendency to accept US pressure – for instance, regarding its nuclear programme. The lesson to be learned from the experience of the most geopolitical region in the world, the PG, is that in order to attain regional security it is imperative that the major regional and external players have suitable relations. No other alternative strategy would be able to fulfil regional and ultra-regional interests, and meet security concerns.

However, what Iran needs is coalition-building with the West to feature in its foreign policy. As Sariolghalam observes, “Iran’s unique political ideology and foreign policy objectives prevents it from entering into meaningful coalition with other countries in its neighbourhood as well as in the entire Muslim World.” Thus, the main way it can acquire technology, wealth, science and power in the contemporary world is via the West. This is why, as Sariolghalam continues, the IRI needs to reach a consensus on the issue of relations with the West. Only by doing so can Iran grow and develop economically, improve its global image, and secure its national interests⁹⁶ – a matter that can pave the way for stable CBM with the PG states too.

The antagonistic relationship of Iran and the West has provided the GCC with the opportunity to take advantage of Tehran’s political isolation to sort the issue out in a way that has benefited its members. For example, even Iran’s territorial disputes became a lever for the GCC on different political occasions. Before the revolution, the PG Arab states placed little emphasis on the islands dispute because of their Western orientation and fear of the Shah, who was supported by the US. After the revolution, however, the advent of the IRI’s revolutionary rhetoric made Arab states more frightened of Iran and so they increased their claims regarding the islands on different occasions as leverage against Iran.

The lack of relations between Iran and the US, as the major regional and ultra-regional powers in the PG, has been a major obstacle to the establishment of a stable regional security system. This has resulted in more international pressure being put on Iran. This international pressure has helped the IRI to justify its domestic failure and to keep the country unified. Due to its geostrategic position, its Islamic political ideology, its energy resources and its nuclear programme, Iran is currently at the forefront of international concerns. However, as Hourcade

observes, being the focus of such attentions has made Iran work towards independence; its perception of the balance of power has made Iran become more confident that it will not be attacked by external players. This has also united the country against the West, making it harder for it to integrate with the rest of the world, the opposite of what the international community would have liked. Iran is now protected from the imposition of heavy sanctions due to its building strong and efficient ties with several different countries, organisations, and economic and oil lobbies.⁹⁷ In the interest and security of all, the need to have CBM between Iran and the West (especially the US) should therefore now be understood.

By applying the outcome of the previous chapters dealing with the different security concerns and different perceptions of regional and ultra-regional players of what constitutes a threat to regional security, in the next and final chapter this book will study the future shape of security arrangements in the PG, addressing the need for a stable and peaceful structure of relationships to provide security.

NOTES

- 1 Shahram Chubin and Sepehr Zabih, *The foreign relations of Iran: A developing state in a zone of great-power conflict* (Berkeley, Los Angeles, and London: University of California Press, 1974).
- 2 Daniel Byman, Shahram Chubin, Anoushiravan Ehteshami and Jerrold Green, *Iran's security policy in the post-revolutionary era* (USA: National Defense Research Institute (RAND), 2001), xi, 1.
- 3 Rouhollah Ramazani, *Iran's foreign policy 1941–1973; A study of foreign policy in modernizing nations* (USA: The University Press of Virginia, 1975), 442, 444.
- 4 Chubin and Zabih, op. cit., 4.
- 5 Daniel Byman (et al.), op. cit., 2.
- 6 James Rosenau, "Introduction: political science in a shrinking world". In James Rosenau (ed.) *Linkage politics: Essays on the convergence of national and international systems* (New York: The Free Press, 1969), 1–17; also James Rosenau, "Toward the study of national-international linkages". In *ibid.*, 44–63.
- 7 Details in Chubin and Zabih, op. cit.
- 8 *Ibid.*, 18.
- 9 Ramazani, op. cit., 452–453.
- 10 Chubin and Zabih, op. cit., 300–304.
- 11 Hooshang Amirahmadi, "Iran's power structure", *Internet Concepts*, <http://www.iranian.com/Mar96/Opinion/AmirIran.html> (accessed 24 August 2006).
- 12 *Ibid.*
- 13 Amir Ali Nourbakhsh (July–August 2004), "Who calls the shots in Iran's foreign policy offensive?", *Iran Focus* [a political-economic monthly publication], <http://216.109.125.130/search/cache?p=iran+domestic+sources+of+foreign+policy&fr=FP-tab-web-t500&toggl=1&ei=UTF-8&u=www.iranexpert.com/2004/foreignpolicy1august.htm&w=iran+domestic+sources+foreign+policy&d=fOZZByQ8NRGN&icp=1&intl=us> (28 August 2006; can no longer be accessed).
- 14 *Ibid.*
- 15 Byman (et al.), op. cit., xiii.
- 16 *Ibid.*, xiii–xii.
- 17 *Ibid.*
- 18 Nourbakhsh, op. cit.
- 19 Byman (et al.), op. cit., xii.
- 20 Houman Sadri, "Trends in the foreign policy of revolutionary Iran", *Journal of Third World Studies*, vol. 15, no. 1, April 1998.
- 21 Byman (et al.), op. cit., xi.
- 22 Chubin and Zabih, op. cit., 296.
- 23 Cited in the foreword section of Ali Ansari, *Iran, Islam and democracy: The politics of managing change* (London: Royal Institute of International Affairs, 2000), vii.
- 24 Ervand Abrahamian, *Iran between two revolutions* (Princeton, New Jersey: Princeton University Press, 1982), 426–427.
- 25 *Ibid.*
- 26 *Ibid.*, 427.

- 27 Nikki Keddie, *Roots of revolution* (New Haven and London: Yale University Press, 1981), 240–224; also Mohsen Milani, *The making of Iran's Islamic revolution: From monarchy to Islamic republic* (Boulder, San Francisco, and Oxford: Westview Press, 1994), 64.
- 28 Mossadegh, who was the prime minister of Iran from 1951 to 1953, aimed to establish democracy and end the foreign presence in Iranian politics, especially by nationalising the Anglo–Iranian Oil Company's (AIOC) operations in Iran. His leadership resulted in the Shah's exile from the country. He was removed from power in a coup d'état on 19 August 1953, organised and carried out by the US Central Intelligence Agency (CIA) at the request of the British Secret Intelligence Service, MI6.
- 29 Details in, e.g., M. Milani, op. cit., 70; and Asaf Hussain, *Islamic Iran: Revolution and counter* (London: Frances Printer Publishers, 1985), 44–45.
- 30 Keddie, op. cit., 160.
- 31 Ibid., 160, 170.
- 32 Statistical details in M. Milani, op. cit., 60.
- 33 Details in ibid., 61.
- 34 Ibid.
- 35 Abrahamian, op. cit., 435–441.
- 36 Chubin, *Security in the Persian Gulf 4: The role of outside powers* (UK: Gower, 1982), 10, 13–14.
- 37 Ibid., 11.
- 38 Steven Canby, "The Iranian military: political symbolism versus military usefulness". In Husein Amirsadeghi (ed.), *The security of the Persian Gulf* (London: Croom Helm, 1981), 101–102.
- 39 Chubin, *Security in the Persian Gulf 4*, op. cit., 14–15.
- 40 Adam Przeworski, "Institutionalisation of voting patterns and mobilisation", *American Political Science Review*, vol. 69, March 1975, p. 67, cited in Hussain, op. cit., 119.
- 41 M. Milani, op. cit., 246.
- 42 Abrahamian, op. cit., 533, 535.
- 43 Among many, see Fred Halliday, "Year IV of the Islamic Republic", *MERIP Reports*, no. 113, *Iran since the Revolution* (March–April 1983), 7.
- 44 Ibid., 7–8.
- 45 Eric Hooglund, "The Islamic Republic at war and peace", *Middle East Report*, no. 156, *Iran's Revolution Turns Ten* (January–February 1989), 12.
- 46 According to some sources the debate over power distribution and economic policy in Iran, which began in 1986, sufficiently stalled the IRP party for members to disband for political expediency.
- 47 Fred Halliday, "The revolution's first decade", *Middle East Report*, no. 156, op. cit., 20; also Halliday, "Year IV of the Islamic Republic", op. cit., 4, 7.
- 48 Kaveh Ehsani, "Tilt but don't spill: Iran's development and reconstruction dilemma", *Middle East Report*, no. 191, November–December 1994, 16–17.
- 49 Details in ibid., 11–20.
- 50 Abbas Milani, "US foreign policy and the future of democracy in Iran", *The Washington Quarterly*, vol. 28, no. 3, summer 2005, 47.
- 51 Such as the series of assassinations known as "serial killing", which eliminated dissident political and intellectual figures.

- 52 For details see Abbas Milani, op. cit., 49–50.
- 53 Byman (et al.), op. cit., 53–54.
- 54 Ibid., 46.
- 55 Ibid.
- 56 Ibid., 47–48.
- 57 Such a difference was indicated in a poll in 1997. “Reportedly, 73 percent of the IRGC and 70 percent of the Basij voted for Khatami.” Ibid.
- 58 Details in ibid., 48–52.
- 59 Ibid.
- 60 Ibid., 52.
- 61 For details see International Crisis Group (ICG), “Iran: Ahmadi-Nejad’s Tumultuous Presidency” (Tehran/Brussels), no. 21, 6 February 2007, ICG interviews in Iran, Tehran, 2006.
- 62 According to Brigadier-General Abdolreza Abed, deputy commander of IRGC and head of Ghorb, cited in ICG, op. cit., 13.
- 63 ICG interview, Tehran, 9 July 2006, op. cit.
- 64 ICG interview, former senior diplomat, Tehran, 6 August 2006, op. cit., 12–13.
- 65 More details in Abbas Milani, op. cit., 49–50.
- 66 Shahram Chubin, “Iran’s military intentions and capabilities”. In Patrick Clawson (ed.), *Iran’s strategic intentions and capabilities* (Washington, D. C.: Institute for National Strategic Studies – National Defense University, 1994), 73–75; also Michael Eisenstadt, “DÉJÀ VU all over again? An assessment of Iran’s military buildup”. In ibid., 118.
- 67 Ibid., Ehteshami, *After Khomeini: The Iranian second republic* (London: Routledge, 1995), 168–169, cited from *Kayhan Havaï*, 29 January 1992.
- 68 Cordesman (30 October 2000), <http://www.iranwatch.org/privateviews/CSIS/csis-iranarmstransf-103000.pdf>.
- 69 More details in Eisenstadt, op. cit., 99; and Darius Bazargan, “Iran: politics, the military and Gulf security”, *MERIA Journal*, vol. 1, no. 3, September 1997.
- 70 Bazargan, op. cit.
- 71 Chubin, “Iran’s military intentions and capabilities”, op. cit., 66.
- 72 Eisenstadt, op. cit., 101.
- 73 Barry Rubin, “The Persian Gulf after the Cold War: old pattern; new era”, *MERIA Journal*, vol. 3, no. 2, June 1999, <http://www.biu.ac.il/SOC/besa/meria/journal/1999/issue2/jv3n2a6.html> (accessed 23 September 2004).
- 74 More details in Jerrold Green, “Iran and Gulf security”. In David Long and Christian Koch (eds), *Gulf security in the twenty-first century* (Abu Dhabi, UAE: The Emirates Center for Strategic Studies and Research, 1997), 22–24.
- 75 Bazargan, op. cit., cited from the Iranian news agency IRNA quoting the Revolutionary Guards’ Deputy Commander, Rahim Safavi.
- 76 Chubin, *Security in the Persian Gulf* 4, op. cit., 30, 35.
- 77 Bazargan, op. cit.
- 78 ICG, op. cit., 25.
- 79 Byman (et al.), op. cit., 53.
- 80 See Bazargan, op. cit., for citations.
- 81 Ibid.
- 82 Eisenstadt, op. cit., 95–96.
- 83 Green, “Iran and Gulf security”, op. cit., 21.

- 84 See Eisenstadt, op. cit., 95.
- 85 ICG, op. cit., 25.
- 86 Akbar Ganji, speaking in the Council on Foreign Relations of the US, in 2007.
- 87 Abbas Milani, op. cit., 45–46, 49.
- 88 Ibid., 45.
- 89 Mohsen Milani, op. cit., 65.
- 90 For example, Adam Smith argues in his *The Wealth of Nations* that the notion of justice is inextricably allied to that of wealth, so that a government cannot provide justice to its people without eliminating their poverty and evenly distributing its revenues. He also argues that a political economy should make it possible for both the people and the sovereign to enrich themselves, and he criticises those groups who use their political influence to manipulate the government in order to gain economic advantage for themselves. This analysis seems relevant to the situation vis-à-vis Iran's economic problems, and suggests a reason why Iran's economic policy is not working.
- 91 See Bernard Hourcade, "Iran's internal security challenges". In Walter Posch (ed.) *Iranian Challenges*, Chaillot Paper (Institute for Security Studies – EU) no. 89, May 2006, pp. 41–41, <http://www.iss-eu.org/chaillot/chai89.pdf> (13 June 2006; can no longer be accessed); also Abbas Milani, op. cit., 50.
- 92 Hourcade, op. cit., 42, 57–58.
- 93 Mohsen Milani, op. cit., 243.
- 94 Abbas Milani, op. cit., 41, 55.
- 95 Analysts like Calabrese, op. cit., 7.
- 96 Mahmood Sariolghalam, "Theoretical renewal in Iranian foreign policy (Part II)", *Discourse; an Iranian Quarterly*, vol. 3, no. 4, (spring 2002), II, 58. Ibid.
- 97 Hourcade, op. cit.

Final conclusion: shape of security arrangements in the Persian Gulf

Introduction

The intention in this chapter is to provide a conceptual and analytical foundation for a discussion about the future shape of security arrangements in the PG in order to address the need for a stable and peaceful structure of relationships that provides security for all littoral states, as well as protecting the interests of the external powers. To this end, three fundamental schools of thought in international security will be briefly examined in order to explain the major strategic choices available to both the PG and the external powers' decision-makers. The schools of thought that will be explored are: the realist school; the hegemonic or counterproliferation school; and the neo-liberalism or cooperative school.

Through a historical and theoretical study of the security systems in the PG during the 1960s–1990s, this chapter will identify the different models' elements of success and failure and suggest a more durable and pervasive system. Some key factors, such as inclusiveness (for all regional players), legitimacy and authority, will be investigated in order to cast light on the issues involved in creating a regional security regime.

The goal of the suggested system is that of any security system, namely to “be able to reduce, prevent, or meet potential threats”¹ or, as Kraig expresses it, “to create a stable and peaceful structure of relationships that allows every state to meet its minimum security needs and develop its economy and political institutions without at the same time increasing the level of threat toward its neighbors”.²

This chapter will also include a study of the failure of the existing security situation as well as a look at scholars' diverging solutions to it. Doing so will make it possible to assess what a more ideal endpoint could be. Once the latter is achieved, it will be possible to suggest better future security arrangements – for instance, one whose agenda is to manage

relations between states, or whose grand strategy is the management and regulation of power.

The perception of what constitutes a threat to regional security varies among Arabs, Iranians and the ultra-regional powers, and all accordingly have different solutions to what they perceive is the problem. The West sees the potential use of force by regional players armed with WMDs, domestic instability, social and economic decline and terrorism as cause for grave concern. The regional PG states, on the other hand, are worried that their national sovereignty is under threat, via domestic problems and the danger of political instability contributing to socio-political turmoil, or via external pressure. All the PG states are in different ways victims of non-regional states' interventionist policies. Some have experienced invasions, others sanctions, and others again have endured the presence of foreign forces, all of which have resulted in regional crises. Nevertheless, regardless of the relevant parties' differences of opinion, all these issues, along with three decades of crises in the PG, illustrate how urgent it is that the problem regarding regional security be resolved.

Thus, to be able to analyse the determinant factors of a security system this study has drawn upon the level of analysis framework in international relations. As Steven Spiegel (UCLA political science professor and author) notes,³ a state's foreign policy, within a system of international politics, can be analysed on three levels. Doing so makes it possible to identify the forces that affect policy at each level. The implications of such identification can then be used to suggest ways in which innovative methods for attaining more stable regional relations can be developed. The first, or "systemic" level, concerns the interaction between different states. At this level the nation-state in the central unit of analysis, which is driven by national interests, is defined in terms of power. This means that the sovereign nation-state is the main factor to consider when an outline for security and stability is being drafted. It also means that national security is essentially "a relationship between the state and its external environment", according to Maoz,⁴ and thus that states' behaviour will partly depend on the international security system's structure.⁵ At the second and third levels, the "domestic" and "individual (leaders)" levels respectively, the domestic dimensions of stability are recognised. Indeed, based on the outcomes of previous chapters, the greatest dangers in the PG, according to many analysts are

more the potential internal socio-economic and political changes than any regional or non-regional aggression.

All three levels of the PG states' foreign policies and the forces that affected them, especially the debate that occurred at the domestic and individual levels, have been studied in the previous chapters. However, using analysis framework, it will be argued that the best solution to the regional security problems in the ME, including its sub-region the PG, is through dialogue – that is, to promote unofficial, informal contacts and negotiations in creating a functional regional security arrangement, a matter that puts emphasis on soft, as opposed to hard, power. Some analysts, such as Kraig, believe that such a strategy presents a good model for defence and economic policy. According to him, the proposal recommends “a situation in which the financial and human capital of nations is used primarily for social, political, economic and spiritual development, rather than for military and security/police forces”. The proposed framework also addresses the question of legitimacy and authority, and sees them as inextricably linked to that of sustainability. It acknowledges the need to persuade regional states that the security framework is not purposely disadvantageous to them and that if it is to last it must be supported by most, if not all, of the players involved. This is only possible if all parties concerned consider the security framework's aims to be the attainment of mutually beneficial results.⁶

Security theories

When faced with perceived threats from other states, the reactionary choices nation-states make (as units of international politics) determine the structure and various institutions of the security system, which will, in turn, define the options available to such states. To understand nation-states' choices concerning the use of their power, whether political or military, to attain national security in response to threats from other states in various international systems (see Table 9.1), three fundamental competing schools of thought regarding the practice of international security will be examined. The following text will attempt to define these schools of thought as well as evaluate some of their strengths and weaknesses.

TABLE 9.1
Security models

	Unit level: national security strategies				
	Unilateral action		Multilateral action		
Military means	Security through strength		Alignment		Collective security “Humanitarian intervention”
	Offensive strength	Defensive strength	Against power	Against threats	
Military means	Diplomacy Neutrality Accommodation		Containment Trade		Arbitration
	Systems level: structure and institutions				
	Anarchy		International society		World order
Military means	Balance of power		Alliances Confidence-building Arms control Security regimes		Collective security Peacekeeping
	Parity	Mutual defensive superiority			
Military means	Common security		Cooperative security Institutionalization		International law “Democratic Peace” Integration

Source: Bjørn Møller

The realpolitik/realist school

The main assumption of (neo)realists is that states naturally prefer conflict rather than cooperation in their relationships. In such an atmosphere of anarchy, their behaviour is motivated by a desire for power and security, influenced by the key political players in the system with regard to their

relative strength. As Møller notes, a system of international relations entirely based on either “national self-help” (unilateral action) or “collective self-help”, where states create alliances against one another, will unavoidably result in anarchy. Realists believe the main principle of order in such an anarchical environment is the balance of power, limited by how polarised the system is. This is especially dependent upon the number of factions within it and how closely integrated these camps or blocs are. Although realists will regard unipolarity to be at best a transitory stage, they will regard the distinction between bipolarity and multipolarity as central in a debate as to how best to achieve a balance of power. Whether the system becomes bipolar or multipolar will depend mainly on whether the states attempt to achieve balance against absolute strength or against strength combined with hostile goals. Also, the level of conflict produced by the system will largely depend on which security approach is chosen.⁷

Realpolitik as a guideline for foreign policy is related to realism and can be considered one of the foundations of realism. It is the pragmatic notion that politics or diplomacy is based principally on practical considerations rather than ideological thoughts. It was, for example, introduced by the US Secretary of State, Henry Kissinger, to the Nixon White House to help develop a new relationship with communist China.

Due to the emphasis in realpolitik on securing national interests via the most practical means, pursuing its directives can sometimes mean violating ideological principles. For instance, the US under the Nixon, Carter and Reagan administrations supported authoritarian regimes in the ME/PG, such as those of the Shah in Iran and Saddam in Iraq, despite their violations of human rights, in order to secure the US’ national interest in the stability of this region.

While supporters of realpolitik would consider actions such as these defensible given the restrictions of practical reality, which preclude a fixed set of rules, political ideologues would label them amoral. According to the latter group, realpolitik is the selfish pursuit of national interest in a well-calculated play of power to which ethical norms are inappropriate. Political ideologues, who prefer principled action above all other considerations, usually reject any compromises and accept failing to achieve their short-term political gains in favour of adhering to principles.

As mentioned earlier, *realpolitik* can be regarded as one of the foundations of realism because both implicate power politics and concentrate on the balance of power between nation-states. They act in one direction with two different tasks. Realism acts like a theoretical paradigm, providing a description and prediction of international relations, while *realpolitik* is a normative outline for policy-making. As Kraig notes, *realpolitik* prescribes diplomacy on the basis of military threats but it never ignores other sovereign states' core national interests or security concerns. It also recognises commonalities as well as areas of competition for all nation-states and rejects any definition of allies and enemies on a permanent basis. Such kinds of *realpolitik* diplomacy were developed during 1648–1789, the years of nation-state development in Europe, prior to the French Revolution. During this period, most competition was centred round expansion and the reinforcement of the state, with little connection to people. National expansion was not ideologically motivated but mainly pragmatic. However, traditional *realpolitik* started to dissipate as radically diverse ideologies and value systems among nation-states began to emerge in Western Europe, with a wide range of mutual misperceptions about security. This worsened when those states that wanted to secure some relative advantage over their rivals were able to guarantee security via traditional methods of weakening or eliminating the rivals, while, as Kraig notes, “[T]he conflicting value systems made cooperative efforts look too costly and even immoral.” In addition, in the nineteenth century, the activities of the growing number of sub-national or trans-national actors (many of whom were part of ethnic nationalist movements and terrorist groups), subverted the strong sovereign control that is essential for a security system based on principles of balance of power to be rational. When this occurred during WWI it resulted in greater interstate competition between the Great Powers and eventually undermined the use of power balancing as a conflict-management mechanism.⁸

While, in general, a balance of power signifies parity or stability between competing forces, as a term in international law it also expresses intention to prevent any one nation from becoming strong enough to compel others to obey its political agenda. According to the traditional balance-of-power logic, conflict management operates best under particular circumstances. Nation-states, says Kraig, should define national security and stability in kind (according to their common values

and interests) and should rely on their rivals to respect the system and the independence of all other states more than their interest in spreading their doctrine or ideologies. The central role of sovereign states is not undermined because of the existence of trans-national or intra-national movements. Eventually, by applying stable domestic and foreign policies, states will be able to prevent radical changes in ideology from shaping foreign policy. This is a major element that allows mutual trust to build up and to pave the way for stable confidence-building measures.⁹

With these considerations in mind, as well as the different political ideologies and foreign policy objectives of the PG states, the major factor of balance of power cannot be ignored in any PG security system.

The hegemonic or counterproliferation school

Another strategy for regional security is provided by the hegemonic or counterproliferation school, which justifies the operational use of military and economic instruments to achieve the interests of one state, or one set of states over the others, through compliance and deterrence. This is a strategy the US is pursuing, based on a network of friends and allies who share the US' foreign policy goals. In this regard, confronting new challenges of the post-Cold War era, the US seeks to further strengthen and adapt its Cold War security relationships with its allies to establish new security relationships.

Different tools for implementing this kind of strategy have been introduced, such as export control (especially the denial of technology to the developing world), methods of deterrence including advanced technology and powerful military equipment (e.g. nuclear arsenal), and proactive techniques of defence based on pre-emptive strikes and reactive measures. The main aim of Washington's national security planning has been to improve the implementation of this strategy by applying such methods. As Kraig remarks, there is some similarity between a hegemonic strategy and the mercantilism of the eighteenth and nineteenth centuries, which held the belief that traditional alliances would guarantee collective security for them and their friends and allies. According to this vision of international politics, a selective globalisation of the free market was necessary while developing countries were being denied dual-use commercial advances with military applications with the intention of

gaining political or military power. Therefore, security was only seen in terms of cooperation of allies in their joint military and economic relations against their enemies, who were perceived as stubborn and impossible to integrate within the hegemonic security framework. To summarise, in the hegemonic or counterproliferation theory, diplomatic relations is defined largely in terms of bilateral and selectively multilateral relationships between friends and allies. For the US, for instance, such relationships in the ME have been formed with Israel and the GCC. Similar to the balance-of-power principle, this theory depends on both the explicit and implicit use of threats. However, unlike traditional *realpolitik*, as Kraig notes, “[T]he goal of these threats is not to establish a roughly equal balance among all sovereign actors but rather to consolidate economic and military supremacy among friends and allies.” Under this framework there is no attempt to build conceptual bridges between a nations ideology and those of its enemies; rather it is an explicit attempt to make its interests and those of its allies predominant.¹⁰

The cooperative school

The last and most relevant school of thought to be considered in terms of this study is neo-liberalism or cooperative theory. According to this school of thought cooperation is possible and will occur when states calculate that it is in their best interest. There is no argument between neo-realists and neo-liberalists that the state is a rational, unitary actor driven by its interests; however, their disagreement is centred round the nature of states and their interests. The neo-liberals believe cooperation is feasible among states because they are motivated by their interest in wealth and are concerned with absolute and not relative gains. While liberals emphasise the significant role institutions can play in negotiations, realists see them as an extension of a state’s interest. Hence, according to Spiegel, neo-realism seems to have the best conceptual resources to explain modern ME history. However, while in neo-realism much of the focus for achieving security is on predicting conflict rather than cooperation, neo-liberalism suggests the theoretical possibility of the prospect of cooperation through institutions as a way that the creation and acceptance of cooperative norms will influence states’ interests. The various approaches discussed here emphasise the importance of providing solutions to security concerns, and at the

same time, an attempt is needed to create an environment encouraging cooperation.¹¹

The main hypothesis of the cooperative school of thought is that it is not only a nation-state's friends and allies who should participate in security arrangements. This school's fundamental tenet is that "all nation-states will find greater relative security through mutual obligations to limit their military capabilities rather than through unilateral or allied attempts to gain dominance". The thesis works via certain assumptions such as, all nation-states (friends and foes alike), despite the existence of considerable mutual mistrust, will accept the terms of such proposed mutual obligations, and also, that such obligations will be mutually advantageous and verifiable. Therefore, according to this school of thought, security can be obtained only through the outlawing of policies that aim to achieve inter-state dominance.¹²

The most important strategic problem facing the theory, according to the Brookings study group, is reassurance and not deterrence as in the Cold War. In order to achieve the reassurance sovereign states need to address their national security, cooperation must first be instigated and then maintained. The key to such reassurance is a reliable normative and institutional structure. Achieving cooperation depends variously on economic incentives and inducements, political legitimacy, threats against bad behaviour such as the imposition of sanctions, and an inclusiveness that rewards nation-states for their involvement and continued compliance.¹³ To summarise, according to the cooperative framework, due to the globalisation of social and economic trends, security is increasingly clarified as a collective good. Therefore, nation-states cannot be divided into the categories of "friends" and "enemies" but, rather, should all be treated as mutual partners struggling to achieve mutual security, even when different states are ideologically radically different.

The differences between and similarities of these theories have been summarised by Kraig as follows: proponents of traditional *realpolitik* consider international security to be a balance of interests based on a rough balance of power, whereas the more recent US strategic model is based on an imbalance of power and interests (hegemony) and on the use of both offensive and defensive threats. According to neo-liberals, however, the cooperative model can be considered a balance of interests based upon mutual reassurance. Nonetheless, despite the similarity of

realpolitik and the cooperative theory, in that both strategies advocate the importance of brokering a balance of interests, they differ in their preferred model of guaranteeing this balance. Realpolitik relies to a great extent on implicit military and economic threats (and temporary alliances to build up power), while cooperative theory relies on promises and reassurances as firm and impenetrable factors. Both of these schools are quite different to the evolving US hegemony strategy, which is increasingly focused on establishing a unitary and dominant value system based on a network of friends and allies supportive of US foreign policy objectives. The hegemonic approach brooks no competitors with different goals and values, while the realpolitik and cooperative security models believe that each nation-state's national interests should be guaranteed at some minimal level. In addition, the cooperative school of thought shares some of its theoretical assumptions with realism, e.g. requiring a set of geopolitical circumstances. Both assume that the primary actor is the sovereign state and that such states will be domestically stable, immune from the sort of domestic turmoil evident in Iran's 1979 revolution, and therefore that the mutual agreements ordering relations will remain stable.

Thus, in order to achieve durable security, it is necessary to design a security model that will be able to give such basic assurances to all its members. The security model should construe the gains it aims to achieve as mutual gains for all participants, not as gains for one particular player or set of players, and thereby be able to assure that remaining in the system will be in all the relevant parties' interests. The model should also be immune to any internal turmoil or changes (in this particular case) to the littoral states. With these constraints in mind, as well as the results of our earlier study of security theories and that which follows, concerning these models' history in the PG, an attempt will be made to suggest and develop an appropriate model for security in the region.

The Persian Gulf's security systems

The aim of this book is to attempt to create a comprehensive strategy for peace and stability in the PG. In order to do this the relative strengths and weaknesses of the three theories, as well as the various historical challenges in applying the frameworks to the PG security environment, need to be assessed.

In the period between the collapse of the Ottoman Empire and Britain's departure from the ME, the security system in the PG was founded on realpolitik's balance-of-power principle. The security system at this time worked due to a number of factors. First, the complex policies pursued by Britain included the application of the policy, which stated that "to dominate a region it is necessary to weaken regional powers". As explained earlier (Chapter 5), for this reason Iran's efforts to establish power in the PG were totally unacceptable to and annulled by Britain. Britain severely vetoed every action, measure, or proposal by Iran to establish a navy for security in the PG. Second, Britain combined consolidating its military superiority in the region by placing troops in well-chosen bases, supported by offshore naval forces and the secondment of officers in key areas, with the installation of proxy regimes, which thus created and supported friendly governments in this region. Third, the Sheikhs were at this time ready to welcome the help and support of Britain in making the political changes that led towards the establishment of their new countries, despite London's action in keeping competition among them within limits.¹⁴

Following Britain's departure, the PG region, particularly because of its huge oil reserves, became a platform on which the feuding Cold War powers could compete. Competing for control over this geopolitical region, the US assumed the role of regional security guarantor from the British, and could thereby take over the role of security manager of the region. Nevertheless, numerous attempts to find an effective regional security arrangement after the British departure were ended ineffectually. At first the US followed its containment policy against the USSR by supporting the Baghdad Pact (1955–1958); however, the 1958 military coup in Iraq converted such formal alignment to bilateral ties and agreements between the US and every state in the region. From the late 1960s through to the late 1970s, seeking to maintain regional stability, the US persisted in a realpolitik strategy of attempting to support a rough balance of military power between the most dominant powers in the region, Iran and Iraq. Iran, as the military pillar of Nixon's doctrine, was supported by the US against socialist, anti-Western Iraq. Nixon's "Twin Pillars", or the strategy of local hegemony with US dependence on local powers, did not work; however, this was mainly due to the US' underestimation of the domestic side of security. The lack of the US' regional allies' political legitimacy due to their carelessness about

domestic developments and political reforms was in large part responsible for security failure in this region. Hence, as Kraig notes, the strategy of local hegemony, which eventually led to Iran's revolution in 1979 and later to the terrorist attacks by Saudi citizens on the US on 11 September 2001, also failed. Consequently, the factor of legitimacy is essential for establishing any new PG security order, as is the awareness that a strategy based on structures of power, particularly when one relies on local military powers that are prone to fail or change, is bound to be unsuccessful.

Following the Iranian revolution of 1979, which effectively removed one of the "pillars" of Nixon's "Twin Pillar" doctrine, and also the USSR's invasion of Afghanistan, US policy for PG security became based on what was to become known as the "Carter doctrine". According to this strategy, Washington would resist any outside forces' attempts to gain control over the PG and its oil flow.

During the 1980s, the US' aim was to achieve a pure balance of power in order to keep the peace, by limiting both Iran and Iraq from growing too powerful. This included the support of Baghdad in its war with Tehran in order to prevent the emergence of revolutionary Iran as the local hegemony, also providing immediate security to the newly established GCC. Simultaneously, because of the military weakness of the GCC states and their ideological opposition to socialist, anti-Western Iraq (and hence the lack of a strong pro-West pillar to fill the place of the Shah), the US was persuaded to be drawn more directly into the region. Therefore, the Rapid Deployment Force (RDF) was established and Washington invested in regional military bases. Regarding the RDF, in 1983, a new US Central Command (US CENTCOM) was established by the Reagan administration to project power and command, particularly regarding the US, which was ill-prepared to project power in the PG. RDF, as its central base, was extended from the East Mediterranean to Pakistan and from the shared Turkish and Iraq borders (NATO frontiers) in the north to the African Horn region in the south with Diego Garcia Island in the Indian Ocean. Besides the US' major nuclear facilities in Western Europe under NATO command, nuclear weapons were also deployed in the ME and PG region (Southwest Asia) under US central command. As Nassar comments concerning this issue, "[T]hese weapons had been deployed with the full consent and approval of European countries, whereas these weapons can be deployed at any time in South West Asia (...) without any agreement concluded with the countries

concerned.”¹⁵ Regarding regional military bases, while US military help in the event of absolute emergencies was highly esteemed, the GCC states were not interested in institutionalising a US military role, preferring whenever possible to take advantage of diplomatic manoeuvring, including providing financial aid to thwart any potential threats. Being aware of their military weakness and comparatively small population, the GCC (with the exception of Oman) was pleased that the RDF was located “over the horizon”, believing that a direct US military presence in the region could provoke the anger of Iran, Iraq and several other Arab states as well as arguably the USSR. Therefore, none of the GCC members took part in any official agreement with the US over defence until two events that resulted in volatility in the region in the period between the early 1980s and 1990s, viz. the war on tankers and the Iraqi seizure of Kuwait. The US, which had little physical or institutional involvement in regional defence schemes, responded to the former with a reflagging operation and embarked on direct military activity by escorting GCC tankers carrying a US flag. The operation, which was an escalation in terms of intervention and was sanctioned by the UN Security Council and the participation of other Western states, convinced both the US and Kuwait (which had initiated the idea) to take steps to characterise the operation as merely an international policing activity rather than US defence of GCC states. Therefore, the reflagging operation, with wide international dimensions and very limited GCC states’ assistance, was not a new kind of US–GCC alliance but rather a limited US military operation.

Disadvantages of the US’ strategy in the 1980s

There were several disadvantages to the US’ use of the balance-of-power strategy in the PG. First, ignoring Iran’s security concerns and national interests as the major regional player resulted not only in the failure of the US–PG security system but also compelled Iran to take a more radical approach to a foreign policy that placed more emphasis on military empowerment. Second, the strategy authorised Iraq to proliferate offensive military power and entailed ignoring Iraqi human rights transgressions, including the replacement of WMDs.

Until 1990 the US had stuck to a strategy of maintaining a low-cost security system in the PG. Until then it had relied merely on a

naval presence and on its regional allies, mainly the GCC and, to some extent, Iraq. However, Iraq's invasion of Kuwait in August 1990 indicated the failure of this policy. In contrast to previous situations, in a direct reaction to Iraq's invasion and the growing threat to Saudi Arabia, the US assumed its new role as main military defender in the region. This security approach was not welcomed by the GCC and included extensive forward basing and regular military engagements of US forces that sometimes turned into significant deployments. However, it was the GCC's best choice, since none of its allies in the Arab world could offer help.

As mentioned earlier, the additional factor resulting in Washington changing its strategy and causing the US' reflagging operation was the war on tankers initiated by Iraq and resulting in Iran's escalating its attacks on shipping serving Arab ports in the PG. Furthermore, according to some sources, the invasion of Kuwait was the consequence of the US green light to Iraq to do so. Arguably then, both of the "reasons" for an increased US military role had been part of a US premeditated and engineered scheme. In any case, regardless of whether these speculations seem logical and consistent, by the end of the "Desert Storm" operation in 1991, the US was practically the major military force in the region.

Shortly after "Desert Storm", the 1991 "Damascus Declaration" (a US-encouraged treaty that entrusted GCC land defences to Syrian and Egyptian infantry and armoured divisions) was signed to show that the US did not seek to be the dominant force in all PG defences. However, the GCC states were not eager to accept the declaration, since they did not trust Egypt and Syria, politically or militarily. This meant that Washington was able to sign several different military agreements with GCC states and seemed enthusiastic about accepting its new role of offering security and selling arms. These military treaties were different: there was no US-GCC pact, and Washington had to deal with each state separately and with varying success. For instance, while Saudi Arabia decided not to endorse an official agreement with the US (because of certain technical problems with Washington as well as a fear of the consequences of angering Iran and Syria), Kuwait did (following it up with pacts with Britain and France) and so did Bahrain.

Despite stationing several thousand infantry and armoured forces in the PG, US forces mainly relied on air power. However, although this strategy had been successful in the "Desert Storm" operation, the use of

such air power demonstrated major deficiencies faced by US military power in the region. The importance of physical occupation was realised, whether for a conclusive victory in battles or to bring about the political change Washington saw as necessary to prevent future threats in the region. This shortcoming, however, was overcome later by the US invasion of Iraq in 2003. However, shortly after the “Desert Storm” operation, the new strategy of “Dual Containment” marked the US’ distance from reliance on regional allies via the balance-of-power doctrine and movement towards its more muscular regional attendance. Washington’s strategy of “Dual Containment”, to some extent a response to the deficiencies that were made evident during the Kuwait crisis, sought during the Clinton administration to replace Saddam Hussein, establish a new government in Iraq and force Iran to change its foreign policy through military and economic sanctions. It also included new military agreements with the GCC states, with whom the US now entered into increased arm sales to equip pro-US local military, who, despite their inability to operate the less sophisticated arms they had bought previously, planned to use these new arms as supplemental weaponries to US forces. Since 1991 in particular, due to the removal of Soviet threats to Europe and East Asia, the PG region has become the centre stage in terms of US strategic thinking and force planning. Therefore, the new strategy of both Iran and Iraq containment also indicated that a large portion of total US military operating, force-structure and investment costs were devoted to military issues in the PG. Consequently, these developments signified a growing interdependent US–GCC relationship which, before 1990, had largely been a potential alliance, but since then has been implemented as a very real and strategically crucial one for both sides.¹⁶

After “Desert Storm”, besides military protection, the GCC’s other expectation concerning its military pacts with Washington was that the US would make some efforts to resolve the Arab–Israeli conflict, in order that the PLO and Syria would not be angered by this newly implemented alliance or seek retribution against the GCC states. In response to this, Presidents George H. W. Bush and Bill Clinton had initiated a multilateral security approach known as the “Madrid process”, which included producing a practical Israeli–Palestinian peace process among its goals.

However, in the second half of the 1990s, with the fading of the Arab–Israeli peace process and with the US bombing raids in response to

Saddam's not completely cooperative attitude towards the UN inspection regime, the new US security approach failed to achieve its major objectives. In particular, the cooperative mode of the GCC with the US evolved into a more critical position. This was especially due to Egyptian and Syrian anger with Washington, which inspired the GCC states to seek additional security cooperation (in the event of a new crisis with Iraq) with these two countries and Iran. The other reason was that the US bombing raids, which were very unpopular throughout the whole Arab world, caused great sympathy in both Iraq and other Arab states, where public opinion felt strongly for the Iraqi people's suffering caused by UN sanctions. Moreover, there was growing criticism and voiced concerns from many regional intellectuals, journalists and others who felt that, in addition to the cost of the US presence for the GCC states, the crisis in Iraq was only helping to establish US dominance in the PG. These factors convinced the GCC states to seek Washington's military intervention only in times of need, believing that by seeking supplemental security cooperation with the assistance of Egypt, Syria and Iran, led by President Khatami, tensions in the region would dissipate.¹⁷

Disadvantages of the US' security strategy in the 1990s

During the 1990s, the occurrence of some intra-regional developments undermined the US security system in the PG. In the case of the GCC, Qatar emerged as an independent player. This shook up the kaleidoscope of relationships within the GCC six-member grouping. More importantly, Iran gradually moved towards receiving a more moderate security approach, although still with Tehran's stipulation that Iran be recognised as the natural regional hegemony. Iran's regional policy of *détente* was accompanied by various domestic democratic developments, including democratic elections. Consequently, the dual containment policy began to look futile as, on the one hand, Iran's moderation brought hopes that at least cooperative measures such as CBM could be established between the GCC and Iran, and, on the other, Washington failed to contain Iraq, the immediate threat to the region.

In the post-Cold War world, the security arrangement under the desired US unipolar system did not work for a number of reasons. While Europe was mostly hospitable to American forces after WWII

and during the Cold War, the PG was not.¹⁸ Neither was the PG as hospitable to American forces as it was to Britain before its departure in 1971. It was also a mistake to exclude key players, viz. Iran and Iraq, from security arrangements in the most geopolitically significant region in the world. In order to attain peace in such circumstances one needs good relations between the strongest global and regional players, in particular Iran. Moreover, the US military presence was costly, dysfunctional and shifted from being reliant on regional allies to a more immediate presence. The dual containment policy, which was designed to strangle Iran via economic sanctions, was largely unfeasible, as some GCC members as well as European and Asian countries continued and even extended their economic ties with Iran in the absence of American companies. In addition, many security problems of the GCC were internal and mostly connected to potential foreign threats or to a local reaction to their governments' cooperation with the US. Since "Desert Storm" these states have been harassed by local opposition and terrorism, in particular from religious extremists. Furthermore, GCC states that suffered from inter-state disputes and differences (especially regarding non-demarcated borderlines and security cooperation with Iran) also had serious concerns about the backlash of dissatisfaction from Arab states such as Egypt and Syria regarding their alliance with the US, or feared that they would be left unsupported in times of need. Washington was unable and also was not asked by GCC governments to deal with their domestic issues, while Egypt, Syria and Iran's contribution to ease domestic and inter-group problems and to cooperate for the sake of regional security, in particular as a way to counter Iraq, was welcomed. Hence, there was a great divergence in the threat perceptions of the GCC and the US, as among GCC states themselves. These were some important diversities and variations that were not considered in the simplistic dual containment strategy.

Furthermore, as Kraig explains, the Madrid process had various structural problems and so was unable to tackle any of these concerns. It too was founded on a selectively multilateral approach of collective security, relying on friends and allies to provide security for the whole region; thus it suffered from the systematic exclusion of key regional players, viz. Iran and Syria. Furthermore, it was part of a US foreign policy that was overly focused on military strategy and tactics rather than on a consistent political scheme for the PG as an ME sub-region.

The Madrid process' only political objective was to broker peace between the Israelis and Palestinians as the answer to all problems in the ME, including the PG. However, such an assumption left the political and security questions in the PG unanswered and no political structure for a contained Iraq and Iran was drawn, except continuing to rely on military tools as well as economic strangulation as the strong option to bring down regimes in Tehran and Baghdad. It was a quite different approach to regional security to that adopted in Europe during and after the Cold War, in which security was brokered by a combination of military means in the form of NATO, and extremely strong and inclusive political and economic frameworks to create a system based upon common norms, institutions and the rule of law.

Similarly, despite the successful experience of applying the Marshall Plan for Europe after WWII, the defeat of Iraq in 1991 only resulted in bilateral defence pacts. This process weakened any potential regional security interdependency and, in contrast, increased the security dependence of the GCC on the US. Moreover, domestic issues in the GCC, the rulers' major security problem, were being given no consideration. From the military point of view too, US security strategy in the ME had structural problems. Of the three major goals of the US Pentagon for security in this region, namely: improving the capabilities of the RDF through bilateral defence-cooperation agreements, strengthening the local defence capabilities of GCC states, and promoting intra-GCC cooperation, only the first easy goal was accomplished. These failures in US strategy have had several repercussions. Besides the inherent regional geopolitical dynamics, they too have been responsible for the maintenance of traditional notions of realpolitik to form the political agenda among the littoral states. Consecutively, these states have stuck to the security calculus of a rough balance of power and thus continue to rely on external powers (e.g. the US, China and Russia), sometimes by proxy such as via the importation of weapons technology and in other cases via actual US military deployments, to defend their sovereignty, regimes' permanence and domestic identity.¹⁹ In addition, it is very likely, if not definite, that the surge in active US military deployments since the early 1990s has radicalised many against the US and thus indirectly contributed to the attacks of 9/11.

Present security problems of the key players in the Persian Gulf

The United States

The US hegemonic approach to security is increasingly focused on ensuring a stable and pro-Western system via the establishment of a commanding value system that includes promoting regional political change. So the start of the twenty-first century has seen the US attempting to broker security in the PG by putting in place an extensive, growing military presence. On the one hand, this presence was motivated by the US understanding that, over time, intervention had failed to be a strong enough deterrent. On the other hand, it was motivated by its national interests and foreign policy goals. Economically speaking, the US arms market profits from this stance. Furthermore, the US needs a well-integrated world economy, and the latter depends on stable oil supplies and suppliers, secured in past by impeding the development of WMDs by those regimes that may threaten PG oil flow. Politically speaking, this stance helps bring about its hegemony in the international system and assures its own domestic security.

Despite the failure of its security policy, the US is still trying to convince the GCC to continue its reliance on the US security umbrella and to purchase US arms. However, as in the inter-World War period in Europe, the absence of an inclusive security arrangement has only made the possibility of insecurity and warfare look more likely. This means that the Arabs have been made dependent on a security arrangement they consider increasingly unreliable.

Washington faces a strategic dilemma: it wants to secure its national interests and its need for a well-integrated world economy. But in doing so it has not chosen the best options, pursuing instead a costly and dangerous military strategy, and supporting the weakest and politically least stable of the three regional powers in the PG. Further, political discontent and radicalism within the GCC pose a direct threat to US national security. Both are fuelled by US support for Israel and regional dictatorial regimes as well as by the socio-economic woes that grip the region. The current US military presence in the PG only fans the flames of such discontent and, since September 2001, it has become obvious that, as well as being very expensive, the US strategy in the PG has caused dangers to its homeland security to become very real and immediate.

It also puts in danger whatever remaining regional allies the US has left, especially Saudi Arabia. Hence, although as Rathmell (et al.)

argue, “the United States does not have the option of withdrawing from the Gulf as the British did 30 years ago”, Washington does have some alternative options available, and which it should take. For instance, it could pursue a comprehensive political strategy to broker CBM with Iran (with whom it is the only nation in the PG not to have relations). Iran is a key regional player with direct interests and security concerns in both its very long western and eastern borders with Iraq and Afghanistan, and so building CBM with it could help engender a situation where the US could more easily withdraw from the region. Such a political process between two adversary countries is likely to take time; however, not pursuing this option would have far greater long-term negative consequences for the US. This is especially true for a number of reasons, as outlined below.

First, Iran’s influence is rising due to the US’ removal of its local enemies, namely Saddam Hussein and the Taliban, an influence that was always largely due to its advantageous geopolitical position. It is thus unlikely that Iran will easily surrender when it feels under threat. Second, although the Arab PG states feel under threat from Iran, the latter is unlikely to present a real threat, particularly if it is included in a comprehensive regional security apparatus. Third, the Arab PG states are unenthusiastic about putting their security solely in the hands of the US, and their leaders have recently supported the idea of a collective security arrangement for the region that includes Iran (as voiced, for instance, by Saudi Foreign Minister Saud al-Faisal at the 2004 Gulf Dialogue in Bahrain) and are growing increasingly frustrated with US reluctance to have any dealing whatsoever with the Iranians. Furthermore, the recent US invasion of Iraq has led to much regional anti-US sentiment that has put Arab leaders under a great deal of domestic pressure to discontinue their US security alliance. In addition, there is considerable fear of a US–Iran battle, which would overflow into the Arab countries.

Finally, Iraq’s internal crisis has had a considerable impact on the GCC, which now faces the serious possibility of a shift in the political balance of power between Sunnis and Shiites by losing the Eastern flank of the Arab world through Iraq’s conversion to a Shiite state and thus becoming Iran’s ally. Due to its geopolitical features, Iraq will always be both politically ambitious and a major player in the Arab world as well as the PG, regardless of who rules it. This fact, together with the deep insecurities felt by Iraq about its geopolitical restriction in the PG and

the fact that actual and potential enemies sit astride its oil export routes, all encourage the GCC to deal with Iran in a more peaceful manner in the interests of maintaining a balance of power.

Therefore, Washington has no real choice as to whether to postpone or deny its need to enter into positive dialogue with Tehran. The US also needs to invest in a less expensive and more sustainable PG security system that promotes, rather than resists, political change. It is uncertain how political change is best achieved; however, it is clear that the worst way to decrease tension and radicalism is the US strategy of putting pressure on the region's rulers to develop domestically.

Iran

Iran wishes to be recognised as a regional power (a position it feels has been ignored) and to play its role accordingly. It has the capability of posing a sea-denial threat in the PG and could develop nuclear weapons. Nevertheless, despite the US confrontational policy, the West's concern regarding Tehran's threat to regional stability by, for instance, spreading its revolution, and the GCC's fear of Iranian ambitions, is unfounded; some analysts, such as Rathmell (et al.), feel it is unlikely to present a threat at all, depending on its role in the security system. This is because the PG is the major lifeline of Iran's economy and so requires its stability. Also, the future of US security policy in the PG looks uncertain, both to Iran and the Arabs in the southern peninsula who, along with the Arab World in general, question the US' role and intentions in the region.

The GCC

The GCC's concerns are: its weakness in terms of defending itself, the impacts of a direct US presence and Iran's ambitions (i.e. will it pursue a policy of expansionism, or develop nuclear weapons?), and the impact of Iraq's internal crisis on its political as well as socio-economic situation, especially with regards terrorism. The GCC also fears the introduction of a rival democratic system and the shift in the political balance of power between Sunnis and Shiites. Finally, it questions the competence of foreign powers in their dealings in the region, including the US, with which it originally wanted to keep an "over the horizon" relationship and which is still its *de facto* partner in PG security arrangements.

Strategic conditions of the Persian Gulf

The PG has some strategic properties that affect how successful a security system will be, and which have not been effectively dealt with in the attempt to construct a new and viable multilateral PG framework for security. These properties are as follows.

First, the PG comprises three poles – Saudi Arabia (including the GCC), Iran and Iraq – which all need to be taken into account when designing a lasting security system. None of these countries, including Saudi Arabia, is happy with the existing balance of power, which is kept in check by the threat of American intervention. The relationship between the three poles is asymmetric, with Iran's geography and population giving it a naturally dominant position and strategic depth. Though Iraq was able to compete with Iran in the 1970s and 80s, this was only via an unsustainable and oppressive militarisation of its people and economy as well as through help from the GCC and the Great Powers during its eight-year war with Iran. The GCC is powerful from a financial point of view (largely acquired from oil revenues), but it has been unable to turn this strength into the strategic leverage necessary to balance Iran or Iraq. The asymmetrical dynamic that exists in the PG has meant that it has been along the lines of *realpolitik*. However, this has been done in a situation where it is impossible to find balance and a general acceptance of the status quo, and this has meant that the region has remained insecure and dangerous to its people and the rest of the world.²⁰

Second, the new global security thinking of cooperation, which indicates the decline of traditional realist perceptions of international relations and an end to a zero-sum notion of national security, is difficult to implement in the PG. This security thinking was initiated by the USSR's President Gorbachev in terms of arms control in the late 1980s and coincided with certain Western definitions of security, evidenced in cooperative security theories with an emphasis on economic and political legitimacy. The cooperative security system succeeded in Europe, East Asia and Latin America during the 1990s mainly because these systems were supported by political transformation, meaningful reform and, thus, stability, a necessary political element missing in the PG, where – despite some debates regarding a regional cooperative security system in the mid-1990s – it was not taken seriously. Therefore, the balance of power in the PG has remained unstable. None of the three major PG players, including the GCC (as a cooperative organisation),

has displayed a functional interest in cooperating with the other two. So, while the US was able to depend more on an organic regional progress in lieu of mere military force in its security approach in Europe, East Asia and Latin America, the contextual aspects of the PG have made this impossible.²¹

Despite these issues, as well as those regarding potential American unwillingness to countenance it, there are some good reasons in favour of establishing a regional multilateral security arrangement. These reasons include, as Kraig observes, the comprehensive failure of different unilateral or selective bilateral or multilateral security frameworks in the PG via foreign power intervention, as well as the systematic exclusion, economic and military, of major state and non-state actors from the prevailing security mandate. Furthermore, it is conceptually impossible to have a system that is considered to legitimately be in all the involved parties' interests when the prevailing strategy is to create a coalition whose existence is defined in terms of being opposed to one or more of those involved parties.

Kraig has similar views to those of Sariolghalam, who has serious misgivings about the possibility of Iran entering into coalition (cooperative)-building with the GCC, because of different cultural, ideological and political differences. As Kraig mentions, it seems that the preferred form of achieving stability and security is not via a multilateral coalition in the PG, but via a two-party coalition across regions' bilateral agreements with an outside power (based on the hegemonic principles or on traditional *realpolitik*).²² Hence, regional multilateralism only plays a secondary role in PG security. For instance, the GCC, qua multilateral organisation, does not have the necessary expansion potential via its membership or the organisation's authorisation to be able to be the basis for a new PG security arrangement.

First, its too exclusionist character does not allow for easy expansion (to include Iraq, Iran and Turkey, for instance), unlike analogous European organisations. The GCC is limited to Arab monarchies with mostly similar domestic structures and foreign policies which share similar interactions with the US. Other similarities among the GCC members are that they all see Islamic fundamentalism a threat, widely agree about intra-GCC trade expansion, and share similar political alignments with other PG and non-PG countries. However, despite their similarities, GCC states have often been engaged in arms-buying as a means to deter

and balance one another or as a way to obtain leverage within the organisation. Unlike NATO in Europe during the Cold War, which was able to harmonise and conduct its different countries' military capabilities towards a collective and overarching political objective, such integration in the case of the GCC states looks to have limited potential. While GCC states may have established viable deterrents against each other and Iran, they have not done so with regard to other potential foes and remain a net consumer, as opposed to net producer, of security. Under such conditions, it is hard to accept that the GCC can have a serious role in a regional collective cooperation model for the PG.

Second, reconciling the GCC's relatively new nation-states to a greater authorisation of this organisation is debatable. Consensus on such a strong multilateral security organisation requires conceding some of their sovereignty over diplomatic, economic and military affairs. It also requires much liberalisation and transparency and GCC states are less than enthusiastic about joining a wide cooperative effort that would give every member the power to oversee and influence the domestic issues of other members, and thereby lose control over information, finance and defence choices. Generally speaking, it is the GCC states' fragile political base, along with an emerging sense of each state's national identity, that have thus far alleviated attempts to cooperate more productively in different fields of foreign policy. Thereby, economic and military levers have thus remained largely under these states' sovereign control rather than been applied through a joint plan for action. Moreover, the reliance of each member of the GCC (instead of the whole organisation) on outside powers has been to the benefit of cooperating partners, especially the smaller ones, at the regional level when dealing with large nation-states. Accordingly, due to the relative deficiency of technology and industry and in some cases population among many ME countries, it would be impossible to deal with crises without considerable contributions from external powers.

Other studies, such as that by the Bertelsmann Group, also highlight the importance of foreign actors' contribution to ensuring security in the PG, due to the enormous amount of mutual suspicion in the region. However, the Bertelsmann Group, while emphasising the positive contribution of foreign actors, stresses the necessity of reducing the foreign military presence in the region and emphasises that the main responsibility for establishing a new approach to PG security should lie with regional states. The problem, as this study explains, is that:

Regional actors do not share a common threat perception, let alone a joint approach to regional security. They have tended to view interaction as a zero-sum game, and their relations have almost exclusively been conducted on a bilateral basis. A shared approach to regional security has never emerged and multilateral designs have never been seriously considered.²³

US hegemonic power in the region, Kraig notes, significantly contributes to such a network of merely bilateral relationships. It signifies that in any future PG security plan, US actions should be taken into account, a matter that could easily become a prohibitive factor and de-motivate the spending of large amounts of political or financial capital in constructing a security model when Washington gets what it wants through bilateral means regardless. In addition, there is not any certainty about the US trend for multilateral local cooperation in the economic fields; evidently it is in its interests to sustain oil prices as low as possible. Cooperation in the PG would result in its attaining more economic power, particularly if an independent regional energy organisation was established. Such regional cooperation has been successfully experienced in Europe, where the US goals have been to promote a strong side-by-side EU and NATO for concurrent growth of economic and military power. Yet, there is no resemblance between US goals in Europe and its goals in the PG. However, without greater economic cooperation between littoral states, a basis for stronger security interactions in the PG does not seem to be approaching. In order for there to be regional security, the US has to prepare for higher oil prices, which will seriously examine Washington's security strategy in the PG.²⁴

Furthermore, from a political point of view, the US does not support any kind of coalition or regional cooperation of the GCC with Iran. As James Bill notes:

The US seeks to prevent the rise of independent-minded regional hegemony [such as Iran] (...) [and] seeks to control the behaviour of regional hegemony in regions rich in geostrategic significance and natural resources. (...) [Hence], as part of its policy of containment and control, the US enlists the support of regional allies. In the Middle East, this role is played by the GCC countries and Israel.²⁵

Nevertheless, Kraig provides some reasons why the multilateral policy options should at least be tested alongside traditional bilateral ties: stating,

for example, that the reliance on bilateral coalition with external powers has had numerous negative consequences that contribute to domestic instability by showing the government's inability to defend the country, thus giving the impression that the state is dependent on "neo-imperial powers". The role of external powers arguably prevents any possibility of the regional states creating their own defence frameworks. It contributes to the current policy inertia that favours bilateral, and not multilateral, agreements for defence. Such outside contributions may also remove the need for greater regional cooperation in general, and may bring with them the particular ideological value systems and associated foreign policy goals of the outside players. The latter includes the effects of systemic competition between external powers, such as the US, China and Russia. Aid to ME/PG countries with antipathy towards the US, especially Iran, is widely seen, for instance, as uncooperative practice by China and Russia against the US. It may also embrace the domestic, political and economic objectives of the non-regional powers, i.e. the fact that the US, Europe, Russia and China need to keep their arms industries at high levels to satisfy domestic lobbies and facilitate employment.

Most important, external powers' interference – particularly the US' preferred strategy of bilateralism – may in the end overwhelm the stabilising aspects of the balance of power in the region; in such a context, actions such as the purchase of weaponry and the forging of alliances would have completely different meanings for competitors; what one side might see as a deterrent action the other side might perceive as an offensive action. The latter can evidently be perceived in the differing perceptions of Arabs and Iran related to whether Israeli nuclear weapons are there only as a deterrent. After all, there is a fundamental security dilemma in the region – that is, the lack of systematic interregional relationships, specifically in respect to political and military affairs. Consequently, there is no specific interaction between the large and small regional states, nor between the three PG poles (Iran, Iraq and Saudi Arabia), nor a systematic way for Iraq and Iran to interact with the GCC states. Moreover, no serious process or forum exists for this interaction to take place.

To sum up the results: different policies of selective multilateralism, bilateralism and unilateralism have been ineffective and even disastrous in bringing about security in the PG. The reason for such a failure is simply that the most prominent states inextricably support exclusionary

types of coalition. The outcome of all of the mentioned policies, besides a general political isolation, is the systematic exclusion, economically or militarily, of a major state and of non-state actors in the security order. If the major idea of a coalition is being opposed to someone else, then it is in principle impossible for that coalition to be seen as legitimate to all, and therefore it would be unable to assimilate all the regional actors' major interests.²⁶

Alternatives

Various changes in the global political landscape, most especially those that have occurred since the end of the Cold War, have provided a fresh opportunity to develop a new approach to international security. This new approach places particular emphasis on patterns of cooperation. One viable path towards a more sustainable security situation in any region would be to stress the growing importance of economic developments and the role of regional and international organisations in increasing security. Examples of this would be the European Union (EU) and Asia-Pacific Economic Cooperation (APEC), which increase security by fostering interdependency with other regions through increased cooperation; or the UN, which affects regional security affairs by means of its different peacekeeping missions. Not only have the changes in the global political landscape enabled the development of a new general approach to international security, they also offer an opportunity to develop a sustainable form of security in the PG, which is the most geopolitical region of the world. This can be achieved by a close analysis and evaluation of various successful cooperation models that are to be found in other regions of the globe.

Given the new global landscape, the best proposal for a new security framework for the PG would be one that relied on fostering cooperative relationships among national military establishments, rather than confrontational relationships. The justification for this is that according to many theorists, such as Nolan, traditional security methods that are based on massive military confrontation are no longer particularly effective or even acceptable to global public opinion.²⁷

Furthermore, as Ehteshami, Russell and Kraig observe, in any appropriate alternative strategy for security in the PG that aims to ensure sustainability it is crucial to maintain a clear distinction between

short-term requirements and long-term goals or expectations.²⁸ *Apropos* this distinction, see the argument of the previous chapter on Iran. There it was argued that in addition to the need to construct comprehensive multilateral coalitions, it is important to recognise the significance of the relationship between major regional and non-regional powers to achieve a durable and long-term security situation in any region.

In addition to these conditions, the situation since 2003 and the downfall of Saddam's regime (which was the greatest obstacle to developing lasting security in the PG), has also created a greater and unprecedented opportunity for regional cooperation. Moreover, in doing so, this has inadvertently provided the conditions for the creation of new security arrangements in the region.

One possible approach to the issue of security in the PG is to study security models applied in other regions of the world and consider whether they may be profitably applied to the PG. Among the various alternatives, the Asian model in the form of trade, financial and political arrangements among countries of East Asia has been proposed as that most suitable for developing a better partnership between Iran, the GCC and the EU. The types of arrangements of the new Asian regional architecture include bilateral free trade agreements (FTAs), regional trade pacts, currency and monetary arrangements, and political and security arrangements. The East Asian regional architecture is supported by two distinct pillars. The economic pillar is strong and growing more intense through plans to develop a web of bilateral and regional bilateral free trade agreements – like an East Asian Economic Community (with 13 nations), an East Asian FTA (with 16 nations), and an Asia Pacific FTA (with 21 nations) – where the political and security pillar has remained relatively underdeveloped. Regarding security, the most progress has been made through the Association of South East Asian Nations acting as convener and has taken the form of the ASEAN Security Community (10 Southeast Asian nations) and ASEAN Regional Forum (25 nations, including the United States). As the Bertelsmann Group, and others such as Jones, remark, as a starting point this model is likely to be the most appropriate one for the PG, because it offers a set of arrangements that in the fullness of time could be extended to the rest of the ME too. This model is supported by a set of overlapping bilateral and multilateral dialogue structures that have, in turn, been built around several general principles of regional conduct.

Here, the EU will be looked at as an interesting framework for PG security, as it is itself a successful model using the supporting method of dialogue structures. In any case, an alternative approach would be to encourage the involvement of Asian-Pacific countries, such as China, India and Japan, whose growing dependence on energy supplies from the PG has increased their desire to have a greater geopolitical role in maintaining security in the PG independent from the US. This may be a key to promoting regional stability.²⁹

In general, what the discussion thus far has shown is that the important interlocking elements needed to establish a workable, legitimate and authoritative security model in the PG can be categorised as follows: an inclusive and multilateral approach; a balance of power, preferably through arms control negotiations among all three regional key players; and domestic developments and reforms in the littoral states, such as those suggested by different authors including Rathmell (et al.). This study proposes that these would add to an appropriate international political environment with a proper international security system's structure.

The key issue for achieving a durable collective security approach will remain Iran–US relations. However, it is possible to create a counter-balance to the US hegemony through dialogue within the region, as well as dialogue with the non-regional powers with interests in this region. By building partnerships with major international powers, such as China and the EU, so that they take a greater role in the PG security matters, the US hegemony could be reduced.

Lessons from the establishment of the European Union

The issue in this section is whether the lessons learned during the transformation of Europe from an area of conflict into a security community could be validly applied in the PG region. If the lessons are applicable to the PG region, then studying the EU's security framework will be instructive and useful. Bjørn Møller's study of security models and their applicability to the PG is one of the best and most comprehensive studies of the European transformation. Consequently, the discussion here will mainly follow his.

Bjørn Møller

During the Cold War, realists argued that the West's political strategy of containment, with its purpose of maintaining the status quo and preventing the USSR from expanding towards Western Europe, would result in stability. This was subsequently shown to be mistaken. As a defence strategy, containment soon became militarised and even nuclearised. It was perceived as a matter of impeding or deterring a military attack by military tools. The result was the necessity of a military alliance similar to NATO, which resulted in a rough and disproportionate balance of power between the Eastern and Western pacts of NATO and Warsaw. Another consequence was a permanent arms race. However, there was little support in the West for alternative security models, such as "defensive", "non-provocative" or "confidence-building defence" models, which place more burden on the balance of "mutual defensive superiority" rather than military strength to deter an attack from the other parties. Anyhow, Europe's military security problem was only solved when in the late 1980s President Gorbachev's initiative for arms control was suggested.³⁰

In discussing the concept of "mutual defensive superiority" as an integrated issue with the political strategy of common security, Møller argues that it was perceived as a way of obtaining the most advantage from the military stand-off. This is because of the implication that there would be no absolute winner from conflicts but mutual losses, particularly in respect of the use of nuclear weaponry. Hence, despite constraints on security concerns that arose from national interest and also in spite of divergent conceptions of common security, collaboration – even between opponents – was the more reasonable course. Trade was the major factor of the European security approach that engendered peaceful interaction, a real interdependency, and led to integration. The evidence for this lies in the fact that the EU, which evolved from the "European Coal and Steel Community", is the most successful of all European security models.³¹

This model of developing security through interdependency, which offers a completely non-military path to security and peace, may nonetheless, as Møller remarks, be combined with such military safeguards through collective security arrangements. Hence, even after the Cold War and in spite of the dissolution of the Warsaw Pact and the Soviet Union in 1989 and 1991 respectively, NATO is still active and even seeks out new activities in other parts of the world. Among the new

activities its role was limited to being a peacekeeping force within its traditional geographical bounds and to providing so-called “training” for former Eastern bloc member states on the civil–military relations befitting a democracy. However, it has recently extended its ventures beyond such geographical limits with the new role of military interventionism. As Møller notes, though, despite some humanitarian interventions, “suggestions to the effect that for NATO this was the logical behavior of an alliance that had simply abandoned its geopolitical self-definition in favour of seeing itself as a ‘community of values’ ring rather hollow”.³²

However, the task of the Organisation for Security and Co-operation in Europe (OSCE), one of the most important European organisations after the EU, which during the Cold War had a major role in maintaining regional peace, has since had a low profile. This is an organisation with a long history during the Cold War of supporting and encouraging the signing of agreements on CBM, as well as confidence and security-building measures. Even some attempts, such as those pursued by Moscow, to raise the OSCE’s role by developing this organisation into a major institution in Europe tasked with maintaining collective security, have effectively been made redundant by NATO. Møller observes that, despite this barrier, the OSCE can still play an important role in fostering peace and security in the region via democratisation.³³

Hence, Møller, in a review of the old theory of “democratic peace” (which has its origins in Immanuel Kant’s “Perpetual Peace” of 1795) by authors such as Bruce Russett, Nils Petter Gleditsch and Havard Hagre, concludes that this theory has experienced a significant renaissance since 1990. Møller finds the “monadic” version of this theory implausible on account of its claim that democratic countries are inherently peaceful: the pre-emptive military actions of the US and Israel are cases in point. The “dyadic” version, despite involving the less radical claim that democracies do not go to war against each other, also comes under criticism. It is unable to give a clear definition of war or an adequate answer to the question of how high to determine the standards for democracy (e.g. NATO’s war against Serbia).

Møller also rejects the third version of “democratic peace”, the “strong systemic” version, as unrealistic insofar as “it envisages a democratic structure for the world”. Møller himself suggests a “weak systemic” version according to which, as he explains, “the system would be more democratic the more its constituent parts are so. The number

of state dyads, between which war would be possible, would simply decline with the spread of democracy". He concludes that if the "democratic peace" theory is correct, then it would be rational for states, including democracies, to democratise their neighbours, not just peacefully but using force if needed. The EU, being an organisation that offers various economic and security advantages, is a unique community that every European state would like to be part of. Therefore, the EU has the power and influence to require them to meet demanding standards of reforms before they are permitted to join the organisation.³⁴

To explore whether European security models are applicable to the PG region, Møller examines the fact that the PG states interact on security issues more than they do with other countries (except the US). For this, Møller employs Barry Buzan's concept of a regional security complex (RSC), which places emphasis on the undividable relationship between the common primary security concerns of a group of states and their individual national security concerns. As a means of understanding regional dynamics from both inside states and beyond states to international organisations, Møller places his emphasis on the interaction among states. The assumption of stable regional dynamics is that states have "socio-political cohesion based on a well-defined 'idea' of the state, as well as the appropriate physical basis and institutional expression". This is a stable base for preventing states from being driven by domestic political agendas to cause regional instability.³⁵

However, the PG states are categorised as "weak states" because of their domestic and regional problems, such as religious or ethnic minority issues, lack of democracy, unresolved border disputes with each other, and what Møller calls "procedural legitimacy". They also suffer from a low amount of "maturity", where mutual recognition of sovereignty is still an unsolved issue among neighbours and there is the risk of conflicts and war developing between neighbours as well as with ultra-regional states. In sum, such domestic political instability with its impact on inter-state relations would result in regional instability as a whole. Despite the lack of common threat perception among the PG states, and notwithstanding such fragile interstate relations and the absence of experience in coordinating a collective security approach, Møller notes that, "[T]he region does exhibit certain patterns of restraint, based on a shared commitment to important values and a certain commitment among states to the survival of all as well as an embryonic institutional framework."³⁶

However, especially in reference to the present situation, Møller concludes that there is definitely not a unipolar system; neither is there any possibility of fostering a new form of bipolarity or a stable security approach to the balance of power in the PG. In this regard he notes that the new definitions, like Huntington's, which divide the globe between the West and the rest of the world, might even work as a unifying agent for the region. Regarding the region's lack of a major divisive issue over which there could develop bipolarity among neighbouring states and further encourage clashes between them, Møller notes that despite the great divergence between Shiite and Sunni groups, the division is not strong enough to serve as the basis for entrenched polarisation and conflict between and within the PG states. Given the existence of the three major poles of Iran, Iraq and Saudi Arabia (GCC), Møller believes that a tripolar structure is likely. However, the problem is that the balance of power between these three is delicate and very asymmetrical (see Table 9.2); also, temporary alignments of the classical kind of two against the third pillar have proved fragile. The other problem is that, in comparison with Europe, institutionalisation in this region is far more promising; there are no inclusive regional arrangements or institutions dealing with the various issues facing the PG. Most regional problems are discussed bilaterally. The GCC is the only form of institutionalised security cooperation but, as Møller points out, "rather than seeking to involve Iran and Iraq, the GCC has (so far) merely sought to deter them, mainly by serving as a vehicle for ensuring US support". Another problem is that despite the significance of indirect means to achieve security, such as establishing a network of economic and other ties for promoting peace and stability via interdependency, as did the EU, PG states have not been able to take advantage of such methods.³⁷

TABLE 9.2
The balance of power between the three regional powers

Rank order	Population	Wealth	Military power	Friends
Iraq	2	3	<i>2/3</i>	<i>3/1</i>
Iran	1	2	1	<i>2/3</i>
Saudi Arabia	3	1	<i>3/2</i>	<i>1/2</i>

Source: Bjørn Møller

Note: Legend: Normal: prior to 2003, italics: after 2003

Consequently, as Møller also recognises, the security situation up to 2003 was the best opportunity to provide a stable security approach in the PG. Iraq was weak, Iran’s military threat was much weaker than it is today, with Tehran’s more pragmatic foreign policy looking for normalisation with the GCC, especially under the presidency of Khatami and his dynamic *détente* foreign policy. The weak GCC, which was taking advantage of the US security umbrella, instead of making war against Iraq had the opportunity to stabilise the situation via diplomatic means as well as arms control negotiations (see Table 9.3). However, by electing to pursue a dual containment strategy against Iran and Iraq Washington missed this great opportunity.³⁸

TABLE 9.3
Possible stabilisation measures (–2003)

	Iraq	Iran	GCC
Dual containment	Roll back (military, economically)	Contain (economically, militarily)	Support (militarily)
Alternative			
Phase 1	Contain (militarily)	Normalise (integrate)	Support (militarily, defensively)
Phase 2	Normalise (integrate)	Support (security guarantee)	Support (security guarantees)
Phase 3	Support (security guarantee)	Support (security guarantees)	Support (security guarantees)
Phase 4	(Security community, collective security, general security guarantees)		

Source: Bjørn Møller

Other studies of security models

Other analysts, like Richard Russell, also believe that for stable security architecture in the volatile region of the PG (even in the post-Saddam era) there is no alternative to balance-of-power politics, nor can Iran be excluded from any regional security arrangements. As Joseph McMillan, Richard Sokolsky and Andrew Winner argue, “[T]he

region needs regularized multilateral connections on security and related issues that encompass all the key players in the region, namely, Iraq, Iran and Saudi Arabia.”³⁹

Such multilateral connections will promote transparency and build trust that will enable the development of a new security network with more formal security institutions, similar to those used in Europe during the Cold War. As Pollack, Takeyh, Cook and Ehteshami, for instance, have detailed in various ways, the PG needs a gradual approach, which would begin with the establishment of a regional-security forum for debates, the exchange of information and even the formulation of agreements. This could be a move towards confidence-building measures, such as exchanges of views, information and even observers, or also building links for multilateralism with the final intention of developing arms control pacts. Eventually, these would lead to a full security system similar to institutions such as the OSCE.⁴⁰

Hence, Russell praises the flexibility of a balance-of-power strategy for the PG and argues that this would be a very good thing for the US. He emphasises that if this strategy is employed alongside over-the-horizon military capabilities, it would be beneficial to the mutual interests of both the US and the regional-security partners.⁴¹

Analysts and scholars, as well as policy-makers, have drawn similar conclusions concerning the two dominant contending frameworks for PG security: US hegemony and principled multilateralism. These conclusions are viewed as even more valid in the post-Saddam era.

Rathmell (et al.), for instance, argue that in the post-Saddam era none of the US alternative models of security, either to unilaterally attempt to enforce a democratic system or to act merely as an external balancer in the traditional balance-of-power approach, will work. They emphasise the disadvantages of the US hegemony strategy and the heavy dependence on a forward US military presence to provide the region's security. Instead, Rathmell (et al.) suggest that, because of a wide range of national, regional and international issues related to developments in the PG, the US and Europe need to work together to construct a more sustainable PG security system based on a combination of balance of military power between Iran, Iraq and the GCC, and broad political and economic reforms to tackle the political and socio-economic problems causing reasons for discontent and extremism in the region. Besides Europe's strategic interest in the PG, such as its greater dependency than

the US on PG energy supplies, close ties with the region by a network of economic and political linkages and deep concerns regarding US permanent hegemony in the ME/PG, the EU's perception that it needs military power to back up its soft power and prove its ability to be a more effective partner to the US in this region is understandable.⁴²

However, what makes the European Union's role in the PG security especially valuable is its less confrontational policy towards the region than that of the US. Also, it has the power and influence to foster practical reforms. Its policy of "critical dialogue" with Tehran in the 1990s, despite US discontent, and its demanding standards of reform before expanding its economic ties with the GCC, are some examples of when it has used its considerable economic and institutional ties to make a real contribution to moderation and stability in the region. Moreover, as was mentioned in previous chapters, since 2004 the EU decision to create a rapid reaction force (RRF) independently of NATO, in spite of its small and limited size, could be a starting point for the EU to take a more significant geopolitical role in the strategic region of the PG. Hence, there is a long list of reasons for not only the US, but also the littoral states, to involve Europe/the EU more in any future PG security system.

Kraig is another writer who has questioned the continuing strategy of US hegemony. He suggests that an alternative, quite different, security approach would be a "principled multilateral" approach, distinguished by its inclusiveness and basic recognition of the inherent rights of all PG states – especially those regarding legitimate measures for self-defence and regime survival. It also includes a rules-based system in which international law is applicable to all actors in the PG, including the US. The major hypothesis of principled multilateralism is that, "[S]ecurity is sought with other states, rather than against them, and that domestic developments in the Gulf will follow a more beneficial course if all states are gradually intertwined in a web of military and economic agreements that create strong interdependence."⁴³

An alternative: A PG Pyramid Security Model

In designing a model that addresses the need for collective security architecture for the PG region, this study has come up with a model of developing security through the feelings of attachment and interdependency

that should occur when the littoral states have a single geopolitical vision. The following factors, with some new mechanisms, are its major principles.

- Geopolitics, which, being the most fixed and firm feature of the region, will provide the basis for discussion. Geopolitics is the major convergent element among the PG states: it shows that every state, as a part of this geopolitical region, has a unique and non-ignorable place in the security system. Regardless of their size, all states have a similar, though unequal, weight. Geopolitics also shows how important it is for regional states to take advantage of the geopolitical significance of the PG as a power/knowledge which would enable them to play a major role in balance-of-power politics in the international system and be able to take advantage of various opportunities resulting from geopolitical developments, to their best interests as well as to the region's security and stability. Urging littoral states to have global and not merely regional geopolitical perspectives would result in a single geopolitical vision as a power/knowledge for all the regional states in the PG. Only by addressing this fragile region as a whole, not as divided states and groups of individuals ranged against the other states or groups, would it be possible to prevent further geopolitical problems in this region and change the traditional disruptive role of geopolitical significance of the PG in the region's security to enable it to become a convergent element. Under such circumstances, geopolitics would work as an element for encouraging cooperation among all beneficiary parties instead of being an expansion lever of the external powers.
- The need to include all littoral states. The attitude of all PG states should be that of mutual partners attempting to achieve global and regional security, regardless of a diversity of dissimilar state ideologies.
- The balance of military power between the region's three major players: Iran, Iraq and Saudi Arabia (GCC). This balance should not be of the classical kind of two against the third, but should preferably be maintained through arms control negotiations.
- The need to assure the interests of all regional and non-regional players.
- Acknowledging the necessity of a proper and positive relationship between the strongest regional actor and the non-regional player

(with great influence and interest in that region), as a general and certain principle to attain regional security in any region, including in the PG. Based on the single successful occurrence of the twin-pillar security model in the PG, as well as the need to construct comprehensive multilateral coalitions, the key factor in achieving a durable collective security approach in the PG will remain Iran–US relations.

- The need for there to be no foreign military presence (in the long term) or dominance (in the short term) in the region, as this affects the regional balance of power and is a source of instability. It is also a cause of radicalism and a major obstacle to reform.
- Introducing a fourth element to previous categories of the important, interlocking elements needed to establish a workable, legitimate and authoritative security model in the PG. An appropriate international political environment with a proper international security system's structure is added to the other three elements of: an inclusive and multilateral approach; a balance of power, preferably through arms control negotiations among all three regional key players; and domestic developments and reforms in the littoral states.
- The last and most important element of integration is people's communication/interconnections. Developing and capitalising on these will increase a nation-state's soft power and also strengthen the regional security situation.

The importance of this model stems not just from the role that states have in its architecture and their effect on its functionality, but also that some consideration is given to the role of people (even sub-national groups), their interactions, as well as their satisfaction. The reasons for this emphasis are as follows.

- 1) As the fundamental part of any nation-state, people have a significant role in the success of any cooperation model. Therefore, in the process of reform in the PG, states' national governments will be obliged to consider their role more seriously, which in the current century should be a compulsory requirement.
- 2) Interpersonal communication is important to prevent an escalation of confrontational feelings between Arabs and Persians, or the further development of political theories that specify the clashes

- between civilisations as a reason for the differences in cultural and religious identities (according to Huntington's theory). At present (the twenty-first century) this is a major challenge that confronts all littoral states.
- 3) President Khatami's theory of dialogue among civilisations in international relations should be acknowledged within the PG to be significant. The theory has been recognised internationally to correctly emphasise the importance of dialogue, despite cultural diversities. However, its particular applicability to the PG is owing to the experience of peaceful coexistence of the people in this region long before foreigners' dominance over the PG, which began in the fifteenth century, and the policy by foreigners to "divide and rule" to increase ethnic confrontational feeling among people in this region. Hence, emphasising this theory at present is specifically important because of current regional ethnic disputes, which have greatly increased since the US invasion of Iraq in 2003.

In other words, the emphasis of this model on the role of people is supported by the modern world's wider and more complex set of interactions, in addition to the growing capacity and importance of and emphasis on reforms that encourage nations and groups to have more influence on world affairs. Even expansionist geopoliticians such as Huntington acknowledge the growing influence of people (individuals and groups) where he downplays the continuing major power of the nation-states and assumes "cultures" of people as the dominant source of conflicts in the future global politics. It is in such a world that Huntington's post-Cold War strategic debate, with its aim of maintaining the US as the premier global power, is based, stressing the importance of "renewing its Western civilization from within and actively containing, dividing and playing off other civilizations against each other".⁴⁴ PG states should be aware of such a divide-and-rule policy and overcome their domestic and regional problems. This argument is supported by the efforts made to spread the concept of the new war against terrorism, and ideas like Huntington's perception of the potentially rough conflict between Western and Islamic civilizations as a defining feature of an evolving world order.

Moreover, the new political climate after Saddam, which has caused a growing sectarian divide in the region, would urge the PG states

(especially the GCC, which has discriminated against and oppressed Shiites, who form a large segment of several of their populations, and the growing anti-government religious militancy, specifically Sunni radical Muslims) to overcome their domestic and regional problems. It is important to include Yemen in the Pyramid Security Model, since it is a major state in the vicinity, and a source of radicalism.

As was studied in previous chapters on internal threats, the GCC states are aware of the need for domestic reform to make their regimes more stable and their economies more vibrant; however their domestic socio-economic and political problems confront them with rigorous restrictions in their attempts to carry out real reforms. Despite this fact, the GCC states are advised to implement real reforms sooner rather than later.

Moreover, as Turki Al-Hamad states, due to issues, especially the consequence of very high corruption and uncountable government spending levels, "The unconditional social agreement of loyalty in return for free social services between the rulers and the ruled in the GCC states has been shaken."⁴⁵ Also, due to potential reductions in oil revenues (which have worked as a legitimate factor for all regional states), unrest may increase as government resources diminish in the future; this will probably contribute towards further socio-political instability. Any decline in socio-economic opportunities – e.g. imposing a tax system – may motivate requests for political reforms and deliver greater political participation to citizens. However, the reform process needs time and a specific education of the people (especially in this region with a combination of traditional values and modern culture and other current socio-political issues which have increased radicalism) to prevent social unrest or any possible confrontation with citizens – especially the large and restless younger generation who are unemployed and have high expectations.

Domestic issues are pivotal problems facing Iranian society, too. Uneven economic and political development in Iranian society caused the Shah's regime to be overthrown, so the threat to the new regime cannot be ignored or underestimated. Because of the revolution in particular, democracy is a necessity, not a luxury, for Iran more than for any other state in the ME. Democracy, and its promise to attract the investments Iran needs to put an end to high numbers of unemployment, are the only solutions to its huge economic problems. Hence, as long as satisfying its people, the provision of wealth (as a major element to

the success of a society, as well as a significant element of power and influence) and preparations towards democracy (giving the government soft and hard power as well as political legitimacy) are not the priority of the IRI, Iran cannot become a stable regional power. This is particularly the case if Iran fails to reduce the tension in its relations with its neighbours in the PG and the West, particularly the US. Therefore, the regime's survival depends upon opening up the political system to more democratic participation and economic reforms in order to address its most strategic weakness.

In sum, wider economic reforms and creating a regional economic interdependency would be a solution to the difficulties that all the PG states are facing. In the pyramid model, NGOs, private sectors and people's communications/interrelations are employed to help shape dialogue as the basic step towards any CBM and interdependency.

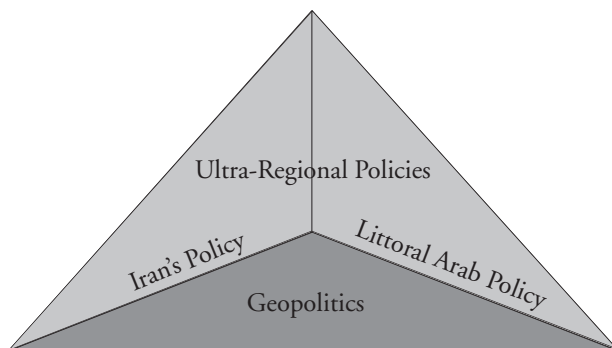
The orientation of future global politics is important as to whether they serve the interest of a premier global power or serve the benefit of a world that appreciates diversity and contains different nations and civilizations. This study has thus come up with a fourth element in addition to the previous categories of the interlocking elements needed to establish a functional security model in the PG, "an appropriate international political environment with a proper international security system's structure". Therefore, it has stressed the necessity of considering more seriously President Khatami's theory of dialogue among civilizations in international relations. This theory, which was mainly provided in response to Huntington's, emphasises the importance of dialogue, despite cultural diversities, in a time where all nations and the globe itself need maximum cooperation and harmony; some major examples of present-day threats being global warming, environmental degradation and resource depletion.

Geometrical functionality of a pyramid model

I have designed this model as a pyramid (see Figure 9.1) with three sides comprising:

- 1) the policies of the littoral Arab states
- 2) the policies of ultra-regional powers, and
- 3) Iran's policies.

FIGURE 9.1
The Pyramid Security Model



As the most powerful regional player, with its geopolitical features, Iran has strategic depth and a naturally dominant position in the PG.

One side of the pyramid is dedicated to Iran because, as mentioned earlier, to establish any long-term multilateral security approach a coalition of the strongest regional and global powers is needed to guarantee peace and stability.

In addition to the three sides, the base of the pyramid, which interacts with all three sides, is the geopolitics of the PG. The reasons for taking geopolitics as the base are as follows.

- 1) The geopolitics of the PG should be treated as the determining factor of all regional and ultra-regional interactions and relations, as geopolitics has an impact on every single nation-state's interests and national security, and hence must always be the base of pyramid. It is the major axis of the security model.
- 2) In any instance of an attempt by any of the three regional and non-regional elements to change the base of the pyramid in its favour, the model will be destabilised and regional instability will be the result. In other words, in a balance of power based on geopolitics (including military power, arms races, or cultural/nationalist issues),

- if any party tries to ruin the balance (i.e. if there is too much movement of the vertex, which means the picture of vertex will not be seen on the base “geopolitics” any more), history will repeat itself. If one of the countries involved gains too much weight, the other two would feel threatened and try to compensate.
- 3) Each one of the three sides of the pyramid interacts with geopolitics as the regional axis, but also each member of any pair of sides has some interaction with each other. In other words, there is bilateral as well as multilateral interaction between the sides. Also, at the vertex of this pyramid, triple interactions come together as the basis of the models’ balancer. So long as the vertex of the pyramid is projected onto the geopolitics base, the stability of the region is guaranteed.

Some factors influencing the functionality of the model

I believe this model can work on the basis of the mixed approaches of a cooperative-security (liberalism) framework and realpolitik (realism). What is needed is a balance of interests between the three sides of the pyramid. Without interaction and cooperation between these three sides, such that there is interdependency between them, this balance will not be achieved. Also, according to the cooperative model, the factor of equality and prosperity for all will mitigate any humiliations and weakness, and consequently reduce radical behaviour. This will also give all states and nations opportunities to improve their own opportunities for peace, security and prosperity, to lower hostility and increase cooperation and a healthy interdependency. This can be achieved by decreasing investment in military capabilities and investing more in social wealth and prosperity.

In this model the primary actor is the sovereign state, which will enter into verifiable agreements with other states; however, a wide role is allocated to the people. Since the interactions of the nation-states, people and governments are important to strengthen the cooperation model there should be a greater emphasis on promoting the convergence elements and eliminating the divergence elements. The stability of the pyramid arises from the interaction of nation-states through the axis of convergence elements existing between them. So, to prevent instability and preserve the authority of this model in the PG we should bear the following points in mind.

- 1) We must pay attention to all major strategic elements of the PG (in the long term), including the concerns of all states, which affect any regional security system. In insisting on this as a requirement of any new and viable multilateral PG framework, it would increase the possibility of all the littoral nation-states defining their national security in terms of their common values and interests, such as Islam, rather than their differences, such as the Shiite and Sunni division, or energy as the major economic source of all PG states.
- 2) This model, with its emphasis on a balance of power by means of negotiations for arms control, along with its CBM, also aims to establish and encourage a broad understanding of security that includes its economic and social dimensions. This would also include making issues such as political reform, economic diversification and educational reform the key pillars of any sustainable framework. This argument is supported by the prevailing global atmosphere, which, since the end of the Cold War, has placed particular emphasis on patterns of cooperation, as well as on real domestic reforms – a pre-eminent global security issue in the post-9/11 world. Added to this is the fact that, due to growing political discontent and radicalism within the GCC along with the spread and evolution of terrorism from radical religious militants in the whole region, which has intensified since 2003, the issue of applying domestic reforms is construed not simply in terms of political prestige but as a necessity. Moreover, recent regional developments support the argument that littoral states, both Iran and Arabian, have shown increasingly serious interest in supporting the idea of an inclusive collective security arrangement for the region.⁴⁶ Each state, by increasing its stability via improving its social-economic standards and values, can upgrade its weight in this security framework, so social-economic dimensions will gradually become the most important geopolitical features of each state, irrespective of the size of the country. In such circumstances (i.e. a broader understanding of security), communication will become increasingly important for a more stable region.
- 3) Construing geopolitics as the basis of this model could work as a deterrent system, due to its mentioned role as a convergent element among the PG states and as a shape of power/knowledge resulting

from a single geopolitical vision. As mentioned earlier, only by addressing this fragile region as a whole would it be possible to prevent further geopolitical problems in this region. However, the littoral states would be able to take advantage of a single geopolitical vision in the international system if they make efforts to solve their domestic problems as well as their long-standing regional disputes – e.g. territorial and boundary disputes. This could be done through the improvement of the political conditions via extending confidence-building measures and regional cooperation, especially by having greater economic interaction, and in particular by establishing various organisations to promote cooperation and the rule of law. Such a process, one that puts emphasis on soft, as opposed to exclusively hard, power, would pave the way for the creation of a functional regional security arrangement. It may also effectively deter aggression or hostile actions that would otherwise undermine the pyramid. One of the organisations for promoting the rule of law should be an organisation tasked with preventing aggression or antagonistic actions that would undermine the new system.

By emphasising the geopolitical elements, especially socio-political and economic power rather than military power, it is possible to maximise domestic stability and political legitimacy while at the same time minimising the strength of the fear of bigger states by smaller states. The pyramid model connects the issues of legitimacy and authority closely with the issue of sustainability. This is primarily because the model construes the gains it aims to achieve as mutual gains for all participants, not as gains for one particular actor, or set of actors. It can thereby more plausibly make the assurance that remaining in the system will be in the interests of all the relevant parties. This would in turn lessen the possibility of any states withdrawing from the model because of any sudden ideological or political changes.

Some details and suggestions

- 1) The role of people and the private sector: among the various possible socio-economic interactions, trade is a particularly significant element for creating interdependency, which would in turn be peace-promoting.

- 2) Europe and the key Asian Pacific region's states would also need to play a greater security role. However, the best security role can be obtained through increasing the interdependency of these regions with the PG states. Continuing efforts to strengthen the cooperation axis and interdependence between the EU–AP and the PG may result in the following corollaries for the region: encouraging domestic developments in the PG; encouraging greater CBM among PG states as well as regulating regional and non-regional powers' relations and in some cases, such as US–Iran, establishing new relations; and cooperating with all relevant parties to control insurgencies and terrorist attacks in the region. This could assist the PG states to stabilise this model of cooperation until their CBM have been sufficiently developed and they have been assured of the functionality of this model. After this the over-the-horizon presence can even be reduced to nil.
- 3) Given the considerable effect Iran can have on the security of the PG, its domestic stability as well as its permanent and stable foreign policy is very significant for the security and steadiness of this region. *Détente* foreign policy with an emphasis on the convergent elements with its neighbours is needed to assure regional and non-regional parties of Tehran's peaceful goals. These can pave the way for guaranteeing long-term security, which could result in foreign forces withdrawing from the region.
- 4) Arab states will need to understand that the idea of multilateral security structures and the improvement of relations between Iran and the US are in their interests. Furthermore, they need not be concerned about a devaluation of their political weight and of being excluded from future decision-making in this region. To assuage the Arab states, especially the smaller or weaker countries, of their fear of Iran they would need to be assured that the establishment of regionally based security structures will not result in a reduced US military umbrella with a reciprocal Iranian move. Moreover, they would need to know that even if Iran had such ambitions it should, within the Pyramid model's regulation, first develop bases like CBM to assure its neighbours of its peaceful goals.
- 5) Since integration in the PG has not been welcomed by the West, and any multilateralism in this region might face some resistance, it is especially important to emphasise that stability in this geopolitical

and geostrategic region has been proven to be essential to global peace and prosperity. So despite any possible resistance, forming such integration would be in the interests of everyone, rather than just flattering to the concerns of the Great Powers with huge interests in this region.

- 6) A further factor in favour of regional integration is that any regional cooperation and integrity within Islamic countries would be to the advantage of the Islamic world. Given that no unity can happen at once, it must occur region by region. This is an idea that is no doubt not particularly welcomed by the Great Powers, especially as they are spreading ideas like Huntington's or the concept of the new war against terrorism, which places great emphasis on reactions rather than its true causes. This can be addressed by considering and confronting real causes and problems, which is an approach that has been effective in other places, such as the recent IRA peace process in Northern Ireland. If there is any true desire for peace in the ME there are many examples to follow: a plan like the Marshall Plan could easily work here.

Some practical solutions

The pyramid model can avoid the typical problems that arise for models based on a competition for power between states with conflicting national interests and agendas, like Russell's,⁴⁷ as it does not base a balance of power on such confrontational foundations. The other tools for achieving this balance, like political-military contacts, confidence-building measures and arms control, can be provided via the following.

- Forums, used as initiatives for CBM in different fields. These forums could be the beginning of the establishment of different regional institutions in various fields (i.e. arms control, counter-terrorism, economic/trade, security, cultural/educational, etc.).
- Continuing current bilateral agreements and starting new multilateral agreements until there is real reassurance. New ties and agreements between Iran and the US, and with the GCC, should be explored, especially over geopolitical issues such as oil and gas, transportation networks, goods transition, etc.

- To increase the geopolitical position of the PG and decrease the security threat to the status quo, Yemen should be included as a member of this region.

Final outlines

Various developments in the modern world have generated greater interconnectedness and interdependency between nation-states. Traditional security approaches based on military confrontation rather than co-operative relations have become increasingly untenable and are unlikely to succeed at all, especially in a significant geopolitical region like the PG, where issues of security have wide local, regional and global effects.

It was observed that only a security model that contained interlocking elements of inclusiveness, power balance and domestic reform within an appropriate and just international political environment that has a proper international security system structure – whereas the region lacks all – would be able to manage relations between PG states and create a power regulation that would ensure the rule of “law” rather than the rule of “the powers”.

As it was shown, in order to attain regional security, besides the importance of considering the security concerns and national interests of both regional and non-regional players, it is imperative that the major regional and external players have suitable relations. No other alternative strategy would be able to fulfil regional and ultra-regional interests and meet security concerns. In this regard, one of this study’s major topics of analysis has been the behaviour of Iran and the US. Therefore, the pyramid model – a cooperative model for a security system – whereby one of its major mechanisms is such a relationship, has been developed.

It was noted that the general consensus among different authors and analysts is that dialogue between states and organisations is the best tool for building confidence, settling disputes and deterring conflict in the PG. It was emphasised that engaging in dialogue is the only way to promote transparency, build trust and create a new security network with more formal security institutions.

The result of such processes would be similar to the consistent political strategy (Marshall Plan) employed alongside a military strategy (NATO) in Europe during and after the Cold War. The PG states are wealthy enough not to require international financial aid to supplement

regional collective cooperation; they would mainly need the political and technological support of ultra-regional powers for a multilateral security approach.

However, despite all the disadvantages of a selective security approach in the PG, Washington still prefers and employs bilateral defence arrangements and military tools rather than a political framework by offering to sell more arms to its regional allies against Iran. This is evidenced by the US Secretary of State Condoleezza Rice and the Defence Secretary Robert Gates' recent (August 2007) trip to the region with the aim of launching Washington's new ME strategy of containment against Iran, arming its allies, obtaining support for an Iraq Shiite-led government and arranging a new conference for peace between the Israelis and Palestinians. The arming of US Arab allies – e.g. the GCC states through deals worth US\$30 billion – was announced as a response to the growing threat of Iran. The aim was to reassure them of long-term US support, especially after Washington and Tehran appeared to be entrenched in their stances on Iran's nuclear programme. In this regard, Gates remarked during his trip that, having been in the PG for some 60 years, the US has "every intention of being here for a lot longer".

Moreover, Iran's failure to recognise the geopolitical significance of this region from non-regional players' points of view and also its unstable and unwise foreign policy, especially towards its PG neighbours, has paved the way for the US to continue its hegemonic regional security strategy. Its policy, especially regarding its nuclear programme, has served as an opportunity for the US to make a wider front in the ME against Iran. It has also paved the way for closer ties between old enemies, the Arabs and the Israelis, as they both see Iran as a common threat.

However, US direct military involvement in the PG has not just been an expensive exercise for Washington, but has resulted in competing reactions from other parties with interests in this region, viz., China, the EU and Russia. It has also stimulated popular discontent in the host countries, particularly against Arab regimes. This situation has resulted in increasing militarism, either in the form of terrorist attacks or the extension of the military presence and power of different regional and non-regional parties, directly or indirectly. However, since the US' interests have been guaranteed in both peace and crisis situations in this region, some major questions are raised, and answered, especially with respect to the two most important traditional objectives of Washington's

policy in the ME: the preservation of the oil flow at an affordable price; and the security of Israel. This causes some questions to arise. What are the US' real foreign policy goals in the ME/PG? Is there any willingness to build peace and security in this region or does Washington need at least one permanent enemy in the region to achieve its hidden hegemonic intentions, including arms sales? Or, does the US support any kind of collective regional arrangements in the PG, whether security or economic cooperation arrangements, which would create the assurance of a commitment to a common interest? This kind of idea seems very unwelcome to Washington – as well as other non-regional powers – because its long-term interests would be in contrast to the existence of a single powerful regional energy organisation in the PG. Also, greater economic interaction and cooperation would result in a basis for stronger security interactions among littoral states of the PG, interactions that, with the exception of Iran, would be greater than those they currently have with the US. Therefore, there would be no reason for a US military presence or a flourishing US arms market in the region; a very dangerous and alarming fact to US foreign policy concerns.

Under such circumstances the continuity of the West's expansionist geopolitical debates and the US' drive for control over the states and strategic resources and wealth of the world, with a determining influence on foreign policy and global strategy, becomes dependent on a description of the world map similar to that of the Cold War period, one of ideological identity and difference; such as foes or allies, "with us or against us", etc. Therefore, the recent model of emerging world order suggested by Samuel Huntington – namely, the "clash of civilizations" – as a dominant factor in future global politics for the continuance of dividing the world into good and evil has been highly welcomed. In his opinion the most fundamental of such clashes is the conflict between the West and the rest of the world,⁴⁸ where in his new post-Cold War geopolitical world-picture, the principal American strategic interest is to perpetuate the primacy of the US as the global power.⁴⁹ The continuity of this geopolitical debate and how US statesmen have conceptualised the role of their state in world affairs, which intensified since 11 September 2001 (9/11), can be seen in US terminology. Instead of "the evil empire" used by Ronald Reagan to describe the USSR, George W. Bush's phrase for the official enemies of the US in 2002 – particularly, Iraq, Iran and North Korea – is the "axis of evil".⁵⁰ His use of terms like "Islamic

fascists” serves to link the actions of violent Muslims to their religion and thereby strengthen arguments about the clash of civilisations between Islam and the West.⁵¹ Such definitions of a divided world are being propagandised where cooperation, most especially since the end of the Cold War, is the prevailing global atmosphere and is increasingly being practised within and by the West, although there is not any meaningful process or global support for collective cooperation and unity within the rest of world, viz. non-Western, developing and underdeveloped countries and more specifically the ME/PG.

Nation-states such as the Islamic Republic of Iran have a special place in these geopolitical debates addressing the new confrontation of Islam and the West. Besides its significant geopolitical situation, Iran’s Islamic political ideology, its antipathy towards the US, and its growing influence in the ME with its intention of creating collective regional security arrangements, which would increase its regional role and simultaneously exclude foreign powers’ presence, are all key factors. States such as Iran, whose foreign policies have considerable impact against US hegemonic unilateralism, specifically in the ME/PG, are currently meant to be disrupted and isolated; politically, militarily and economically. However, as was argued earlier, without a proper relationship between Iran and the US as the two major regional and non-regional powers, establishing peace and security would be impossible. Therefore, it has been argued that as long as the foreign policy goals of the US as the hegemonic power in the present international system are based on preventing a natural development of regional powers’ roles, especially Iran’s, none of the security arrangements can work. The consequences of the US’ political strategy of containment in the PG could be similar to the defence strategy during the Cold War which soon became militarised and even nuclearised.

Such external threats and interferences are one of the reasons why the PG states have regional geopolitical perspectives rather than global views, a major prohibitive factor in establishing a collective regional security approach. Other reasons for the littoral states espousing a regional geopolitical perspective have been highlighted by studying the domestic and regional threats they are faced with.

In addition to the importance of the positive and cooperative role of Iran in the interconnected ME/PG issues, the major role of the littoral states in the establishment of durable security in the PG cannot

be ignored; it remains a particularly glaring omission from the GCC's considerations. According to one high-ranking diplomat of Bahrain, for instance, the major reason for their reliance on a US security umbrella is the GCC's fear of Iran. However, in response to the author's question about the existence of plans for a short- or long-term agenda to develop CBM with Iran to overcome such fear, his response was completely negative. The point is that if the GCC has been able to continue to exist and overcome its members' differences and disputes to work as a group, an inclusive, multilateral cooperation model that is to the advantage of all involved should be able to work.

In addition, the role of other ultra-regional players, especially those emerging powers like the EU and some key states in the AP (viz. China, India, Japan), in building a durable security framework is significant. Their strategic interest in the PG, such as their growing dependency on PG energy supplies which exceed the US', their close ties with the region by a network of economic and political linkages and their deep concerns over US permanent hegemony in the ME/PG, have resulted in their recognition of a need for military power to back up their soft power. This military power is needed if they are to adopt a greater geopolitical role independently of Washington and if they are to counterbalance the balance of power controlled by the US in the PG.

To prevent wider militarism in this narrow and volatile geostrategic waterway, and promote a real and substantial process of development in the PG states, it is necessary to encourage all parties to work together to construct a more durable security system which would be in the interests of all, particularly via increasing global economic integration. By this process, the fourth interlocking element of the PG security system, which was described as an appropriate international political environment, would also be achieved.

This study holds that the Pyramid Security Model could be a solution to the very volatile situation in the PG, because in order to address major security issues this model is based on geopolitical realities as well as the political and economic concerns of all regional and ultra-regional parties.

The final conclusion of this study is that the entire situation, with its suspicions and mistrust among all regional and ultra-regional states combined with the neglect of other parties' interests and security concerns, has resulted in a daily escalation of crises in this most geostrategic region

of the world. The people of the region in particular are the greatest losers in such an unstable and critical situation. The littoral states' regimes do not benefit from such circumstances either. All these factors, combined with the global loss of energy security and increases in the price of energy, and the more recent issue of the spread and evolution of terrorism by radical religious militants, should press all the different parties, both regional and non-regional, to support and assist the establishment of comprehensive security cooperation in this narrow but vital waterway for global peace, security and prosperity. As long as security rather than diplomacy is the priority in the foreign policy of external as well as internal players of the PG, and as long as the general aim is maximum security and political regimes' survival, meaning that security tools focused on military capabilities are a major necessity, stability and prosperity will not occur in this region.

NOTES

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- 11 Spiegel, op. cit., 76–77.
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- 18 Richard Russell (winter 2005), "The Persian Gulf's collective-security mirage", *Middle East Policy Council*, vol. XII, no. 4, 82–83.
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- 20 Rathmell (et al.), op. cit.
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- 22 See also Mahmood Sariolghalam (spring 2002), "Theoretical renewal in Iranian foreign policy (Part II)", *Discourse; an Iranian Quarterly*, vol. 3, no. 4, pp. II, 58.
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- 28 See also Anoushiravan Ehteshami, "Iran, the GCC and Europe: alternative strategies". In Christian Koch and Felix Neugart (eds), op. cit., 45.
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- 30 Møller, op. cit., 58–61.
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- 34 Ibid., 67–68.
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- 42 Rathmell (et al.), op. cit., 1, 2, 7, 10.

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