

# THE GULF ARABS AND THE NEW IRAQ: THE MOST TO GAIN AND THE MOST TO LOSE?

By Scan Folcy\*

While many of the international and domestic problems of Gulf Arab monarchies have been building for years, the U.S. overthrow of Iraq's government puts these issues in a different context. On the regional scene, this change has improved the security of these countries yet it has also opened new pressures--or opportunities--for domestic reform.

There were few states in the world that looked on the 2003 war in Iraq with greater fear and anticipation than the six states of the Gulf Cooperation Council (GCC): Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE). On one hand, the U.S.-led military operation promised to overthrow a regime that had occupied one of their fellow states and repeatedly threatened the region's stability. On the other hand, it strained an already difficult situation for GCC states in balancing their need for close ties with Washington with the opposition of their peoples and the wider Arab-Islamic world to U.S. policics in the Middle East.

This perilous balancing act was best expressed at the Organization of the Islamic Conference (OIC) meeting held in Doha, Qatar, in February 2003, less than a month before the war began. The conference featured some very bitter exchanges among officials, including a shouting matcheaught live on satellite television--in which an Iraqi told a Kuwaiti to "Shut up, you minion, you agent, you monkey!" Despite these differences, officials agreed to a conference communiqué which rejected any strike on Iraq and urged member states to

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But even as Qatari foreign minister, Shaykh Hamad Jassim Ibn Jabar al Thani, read the meeting's communiqué to delegates, he had to compete to be heard over the sounds of a U.S. C-130 plane passing over the hotel conference center flying to the nearby al Udaid airbase, the regional command center for the U.S. military during the war in Iraq.(1)

Fortunately for Shaykh Hamad and his colleagues in the GCC, the war ended six weeks after the OIC meeting ended, easing the concern that the conflict might become protracted and damage the Gulf region's political and economic stability. Although the Iraq war's speedy conclusion will reduce the price of the GCC states' chief export--petroleum--by as much as 25 percent, many of the Gulf Arabs are confident that they will benefit substantially from opportunities to rebuild Iraq and that nation's long pent-up demand for goods and services.(2)

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The GCC benefits as well from the new balance of power in the Gulf, in which the United States dominates without deploy-

ments to a set of sensitive regional bases. An Iraq that is stable, unified, democratic, wealthy, and in which Shi'a participate in government in proportion to their demo- graphic majority, could be a real force for stability in the region and a long-term check on Iranian power. Finally, recent U.S. government commitments to reinvigo- rate the Arab-Israeli peace process and ne- gotiate free trade treaties between the United States and the Middle East could help GCC states justify their close ties to Washington.

The new dynamic created by the over- throw of Saddam Hussein's government also presents a number of long-term chal- lenges to GCC states. Many of these chal- lenges may exacerbate the long-standing problems that each GCC state faces, to dif- fering degrees, in foreign affairs (military weakness in relation to neighboring states and the desire to balance domestic views on foreign policy with close U.S. ties), do- mestic politics (reconciling tribal and auto- cratic governance with demands for liberal- ized, consultative political institutions; po- litically-inspired violence and Islam; and succession), and social-economic affairs (heavy dependence on petroleum exports and expatriate works, privatization, popu- lation growth, and the budgetary issues).

Serious economic and political disputes among GCC states have already exacer-bated these problems and limited the ability of the states to speak in a single voice on international affairs. Any of the following scenarios--U.S. failure to both rebuild Iraq and form a legitimate government in a timely manner, sustained Iraqi resistance to the U.S. administration, a significant in- crease in Iranian influence with Iraq, and the emergence of a Shi'i theocratic state in

Middle East Review of International Affairs, Vol. 7, No. 2 (June, 2003) 25 Iraq--together or individually could lead to a degree of instability in Gulf Arab socie- ties larger than that of any period since the Iranian revolution in 1979.

The impact of such a future might even be worse than that of past impacts because of the ability of Arab satellite news net- works and the internet to deliver uncen- sored news rapidly and the close ethnic, tribal and religious linkages between the Gulf Arabs and Iraqis. A democratic Iraq would also be a more compelling client for the United States in the Gulf than the mon- archies of the GCC, as well as a very po- tent symbol for Shi'a and other groups pushing for change in Arab Gulf societies.

While it is still too early to make any definitive judgments as to what form the long-term impact of the war in Iraq will have on Gulf Arabs, this essay will argue that the governments of the GCC states and their peoples have an enormous amount at stake in the development process in Iraq and the need to reform their own societies generally. Though no GCC state is threat-ened by invasion or economic collapse in the near or medium term, Gulf Arabs must begin to reform their societies and develop new collective, integrated institutions with their allies to guarantee a secure and pros- perous future.

The coming months will be critical be- cause the balance of power in the Persian Gulf region following the Iraq war has given the GCC states a rare period when they can focus on reform. This is especially the case in Saudi Arabia, whose 78 year- old-leader, Crown Prince Abdallah, is at- tempting to modernize his society and fend off a potentially serious threat from Islamist militants. If the Gulf States fail to address their domestic and security chal-

lenges soon, their socio-economic problems might become as critical as those of much poorer societies in the developing world.

### 1. CHALLENGES IN INTERNA- TIONAL AFFAIRS

## THE UNITED STATES, IRAQ, AND THE NEW BALANCE OF POWER

No GCC state "openly" supported the overthrow of the government of Iraq, but there was no question that the states of the GCC assisted U.S. and coalition partners' military operations in Iraq in ways that ranged from the UAE and Oman allowing over-flight or basing rights, respectively, to the stationing of thousands of sailors, troops, and combat aircraft in Bahrain, Oman, and Saudi Arabia. While GCC governments expressed opposition to the war in the weeks leading up to mid March, official criticism of the United States be- came increasingly muted, as the war be- came a forgone conclusion.

Although many GCC states maintain defense treaties with European countries and with other regional states, Gulf Arab leaders knew that the United States re- mained the guarantor of their security and an important source of trade and invest- ment.(3) Gulf leaders also recognized that the United States would have an enormous influence over which companies would re- build Iraq and which would provide it with goods and services after the regime col- lapsed.

The effective U.S. war effort led to vic- tory in less than a month and ushered in a new balance of power in the Persian Gulf region. For the first time in decades, Iraq was no longer part of that balance and a new external force, more than 160,000 U.S.

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Middle East Review of International Affairs, Vol. 7, No. 2 (June, 2003) soldiers, were. It was possible that Iraq's decline might have provided a chance for the other large regional power, Iran, to gain influence through short-term direct action. But U.S. officials repeatedly warned Iran of the very dire consequences for Tehran if the Iranian government attempted to inter- fere in either Iraqi affairs or those of the Persian Gulf.

The Pentagon's current emphasis on mobility, carrier battle groups, and decreased overseas deployments promises to allow the United States to project power in the Gulf without maintaining a vast net- work of airfields, bases, and ports.(4) While this new approach does not herald a return to the old "over the horizon" policy of the 1980s, it aims to address the tensions that these facilities generated in Saudi Ara- bia and other parts of the region.(5) Fi- nally, the absence of any state capable of challenging U.S. conventional military power from either within or outside the re- gion further cements Washington's domi- nant position in the Persian Gulf.

U.S. power does have real limits, how- ever. While the military campaign to over- throw Saddam Hussein's government took only three weeks, reports of daily firefights between Iraqis and U.S. soldiers, delays in restoring basic services, ethnic fighting in Kirkuk, Shi'a unrest, and U.S. officials be- ing overwhelmed by the Byzantine alle- giances and the new proliferation of

Is- lamic political groups suggest that the United States will have to devote signifi- cant attention and resources to Iraq for a long time.(6) It is still unclear how the United States is going to integrate tribal elites and Shi'i clerics, many of whom command the allegiance of thousands, maintain their own militias, and some of whom have ties to Iran. Equally difficult

for U.S. policymakers will be limiting the influence of Iraq's neighbors in the nation's internal affairs.

At the same time, it is important to re- member that these are all challenges that the United States has the resources to meet, and senior U.S. officials have repeatedly stated that they understand the difficulty of the process needed to rebuild Iraq and have committed the U.S. government to stay as long as necessary. Another key factor in favor of the United States is that none of the states surrounding Iraq have a stake in seeing Iraq disintegrate, and so, to a certain extent, they would not benefit by a U.S. failure to rebuild the nation's infrastructure and constitute a viable government there. This is especially true of the GCC states, whose financial assistance to Iraq, acceptance of a new government there, and dip-lomatic relationships with regional states that have interests in Iraq could prove cru-cial to U.S. long-term success in Iraq.

#### IRAN AND HISTORIC OPPORTUNI- TIES

Of the regional states with interests in Iraq, there is none more important to the GCC and the United States than Iran. Iraqis and Iranians share a long border, a long history, and the same majority religion, Shi'ism. Although Tehran must take recent and repeated U.S. warnings seriously, Iran's actions in Iraq may in large part be dictated by a desire not to disturb the strong diplomatic and commercial ties that Tehran has developed with the GCC states since the election of the reform-minded President Muhammad Khatami in 1997.

Saudi-Iranian trade reached \$1.42 bil- lion in 2001, and Iran made agreements with Kuwait in the spring of 2003 to supply

Middle East Review of International Affairs, Vol. 7, No. 2 (June, 2003) 27 the Gulf state with gas and water.(7) Scores of GCC officials have met their counterparts in Iran, with both sides em- phasizing the strength of bilateral relations. For instance, the Kuwaiti defense minister, whose government supported Iraq in the Iran-Iraq war, emphasized the importance of military cooperation with Iran and praised Iran's role in the region in Decem- ber 2002.(8)

Still, the warming ties between Iran and the United Arab Emirates (UAE)--which have bitterly contested the ownership of three Persian Gulf islands occupied by Iran since 1971-perhaps best illustrates the new relationship between Iran and the GCC.(9) Iran-UAE trade surpassed \$3 billion in 2001, and senior Iranian officials have noted the centrality of the UAE to Iran's commerce.(10) In December 2002, UAE president Shaykh Zayid noted the "satisfactory development of relations with Iran" in his annual National Day address. In addition, President Khatami was invited to visit the UAE in May 2003.(11)

An Iraq occupied by U.S. forces, the predominant U.S. position in the balance of power, and strong relations with Iran pre- sent the GCC states with their most favor- able strategic position as a group since Great Britain withdrew from the region in the 1970s. This favorable geostrategic po- sition is further enhanced by the GCC's new customs union and plans for a common currency.(12) The different ap- proaches that the GCC states have taken to maintain this

favorable position--in particu- lar their willingness to host U.S. soldiers-- illustrate the differing foreign policy agen- das of the GCC states, their relations with other Gulf Arab states, as well as their in-

dividual strategic positions within the Per- sian Gulf region.

#### **KUWAIT**

No country in the Middle East wel- comed the end of Saddam Hussein's gov- ernment more than that of Kuwait. Just over a decade earlier, Iraqi soldiers invaded the tiny Gulf state, which had to endure threats of invasion even after those soldiers were driven out of Kuwait by a broad coalition led by the United States in 1991. In the "second" Iraq war in 2003, Kuwait hosted the vast majority of U.S. and U.K. ground forces and was the only Arab state to receive hostile fire from Iraq. A much broader portion of the Kuwaiti press supported the war than that of other Arab Gulf states, and some Kuwaitis suggested redi- recting their nation's overseas investments toward countries that supported the U.S. position.(13) Now that the war has ended, Kuwait will maintain a strong relationship with the United States by assisting international efforts in the write-off of Iraq's debt, help aid the reconstruction program, and recognize a new Iraqi government. In addition, Kuwait will spend up to \$200 million annually to store weapons and ammunition and to maintain a small force of U.S. soldiers.(14)

Kuwait's continued pro-Washington po- sition reflects the Kuwaitis' feeling of vul- nerability-despite stronger relations with Iran and the fall of Saddam Hussein--and belief that the United States is the only state that can guarantee its security. The policy also reflects the Kuwaiti fear that a new pro-U.S. Iraqi government would un- dermine the importance of Kuwait in Washington's calculations. For Kuwaitis, any U.S. shift towards Iraq would hamper their efforts to maintain the UN-controlled

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Middle East Review of International Affairs, Vol. 7, No. 2 (June, 2003) Iraq compensation fund payments for Ku- wait and to fend off Iraqi complaints about the treatment of Kuwaiti Shi'a and the Ku- wait-Iraqi border.(15)

Although Shi'a comprise only 20-30% of the population and are much better off than their coreligionists in other GCC states, they continue to face discrimina- tion.(16) The Kuwaiti government knows also that the Iraqi claim to Kuwait predates by decades the 1990-1991 occupation and that Iraqis from all political perspectives believe that Britain unjustly separated Ku- wait from Iraq after World War I.(17) In- deed, Kuwaitis must ask themselves the following question: Would a U.S. president defend the territorial integrity of Kuwait in a dispute with Iraq if Iraq's government was democratic as well as pro-American? Yet it can also be said that U.S.-Kuwait relations are close to their best level ever.

#### THE CENTRAL GULF

The government of Qatar has main- tained a pro-American position nearly as strong as that of Kuwait before, during, and following the war against Iraq. While the Qatari press was far less supportive of U.S. policies than Kuwait's, the country hosted the U.S. Central Command Center

throughout the war at Camp al-Saliya, twenty miles west of Doha and home to 1,400 U.S. and British military personnel. Qatar and the United States also upgraded the al-Udaid airbase, which boasts the longest runway in the Middle East and can accommodate 120 aircraft and 4,000 U.S. soldiers. Al-Udaid played a key role in the war and will replace Saudi Arabia's air- bases as the future hub of U.S. Persian Gulf operations. Shortly after the conflict, on April 30, 2003, Qataris approved a new constitution that separates executive, judi-

cial, and legislative powers and offers "equal rights and duties" for all citizens. Only a week later, Qatar appointed the first female minister in the Arab Gulf states, Shaykha al-Mahmud. Not surprisingly, the appointment coincided with the visit of Qa- tari Emir Shaykh Hamad bin Khalifa al Thani to Washington. Shaykh Hamad was warmly received by senior U.S. officials.(18)

Like Kuwait's, Qatar's principal reasons for forging close U.S. ties arise out of an acute sense of strategic vulnerability and a history of poor relations with a much larger neighbor: Saudi Arabia. Since the Saudi government in Riyadh deemed a June 2002 documentary and talk about Saudi Arabia broadcast on the Qatari-based al Jazira sat- ellite station as insulting to the Saudi royal family, the two countries have exchanged public insults, with the Saudi press accus- ing Qatar of considering withdrawal from the Arab League and secretly supporting Saddam Hussein. The two states also ex- changed insults at the Doha meeting of the OIC. Riyadh called for closing al-Jazira, criticized Qatari Emir Shaykh Hamad's re- ported August 2002 meeting with former Israeli Prime Minister Shimon Peres, and snubbed Doha in GCC forums and consultations.(19) While the Qatari-Saudi dispute is partly personal, the Saudis believe that Qatari policies threaten the unity of the GCC and Riyadh's preeminence in the or- ganization. Doha may also see the United States as a check on Qatar's other large neighbor, Iran. Qataris are resigned to poor relations with Saudi Arabia in the short run but remain confident that their policies will pay dividends in the long run.(20)

By contrast, Bahrain maintains strong ties with Saudi Arabia, from which it re-

Middle East Review of International Affairs, Vol. 7, No. 2 (June, 2003) 29 ceives subsidies, and warm relations with the United States. The tiny island state ac- commodated thousands of U.S. sailors dur- ing the war and will continue to host the U.S. Fifth Fleet's headquarters as well as 4,500 U.S. sailors for years to come. Bah- rain also sent the country's one frigate to help defend Kuwait. In Manama, the capi- tal of Bahrain, the close ties to the U.S. military reflect the state's half-century of cooperation with the United States and a fear of neighboring states.

At a certain level, the U.S. military presence also reinforces the authority of the minority Sunni government (it is thought that two thirds of Bahrainis are Shi'a). That presence, however, was a liability during the Iraq conflict: there were violent demonstrations in Manama, some of which included members of the expatriate com- munity. More indicative of the long-term future of Bahrain was the annual al-Shura festivities, often a rallying point for political opposition. Held just two weeks before the war started in March 2003, al-Shura festivities were largely apolitical; they were carried live on Bahraini state television and passed without incident in neighborhoods that had been scenes of violence during years of Shi'i resistance in the 1990s.(21)

## THE SOUTHERN GULF

Much like the more northern members of the GCC, the UAE was pleased to see the U.S. war in Iraq end swiftly and raised its priority for having good relations with the United States. Abu

Dhabi's offer to fa- cilitate the exile of Saddam Hussein raised the UAE's international profile and helped deflect subsequent criticism regarding the federation's limited comments about the war once it actually started. The UAE also

deployed a contingent of soldiers to defend Kuwait and allowed Kuwaiti airlines to base many of its flights out of al-Ain Air- port.(22)

Abu Dhabi policies reflected the UAE's need to use U.S. power to counter the federation's neighbors--Iran, Saudi Arabia, and Oman--and very strong domestic opposition to the war. That opposition crystallized when thousands of male expatriate Indians and Pakistanis, who are ordinarily forbidden to engage in any political activity at all, demonstrated in the heart of Dubai shouting "America is the enemy of God!" and "With our souls and our blood, we will defend Iraq!" (23) The UAE's foreign relations were not made any easier by the eruption of a trade war between Abu Dhabi and Riyadh over what constituted a "true" Emirati product and was therefore eligible to receive the lower customs duties under the GCC's new customs U.S.-UAE union.(24) ties should remain strong, if not grow stronger, in the coming decade because of the importance of each state to the other's strategic calculations. The United States guarantees UAE security and provides valuable investment capital. Washington's influence in Iraq may also prove useful if a new government in Bagh- dad pushes for better rights for the federa- tion's Shi'a.(25) In return, the UAE helps to stabilize world energy markets, has one of the few land route alternatives to the Strait of Hormuz, and allows the United States access to the only port deep enough to berth an aircraft carrier in the Persian Gulf region: Dubai. This last factor is very significant for the United States as it reor- ganizes its force structure in the Persian Gulf region in favor of aircraft carrier bat- tle groups rather than land-based aircraft and ground forces.

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Middle East Review of International Affairs, Vol. 7, No. 2 (June, 2003) Oman, by contrast, suffered none of the unrest that occurred in Bahrain and the UAE, and the war should have no immedi- ate or even medium-term impact on Mus- cat's bilateral relations with the United States. Oman's rhetoric stayed within the Arab consensus in the months leading up to the war, but official criticism of the United States all but disappeared when the war started. As it did with previous Western military actions in the Persian Gulf region, Oman permitted U.S. and U.K. forces to use air bases within the Sultanate. Once a new government is established in Iraq, Oman may supply some financial assis- tance. Though some Omani Shi'a have complained of discrimination, there are Shi'i government ministers and Shi'a hold prominent positions within the private sec- tor. Because of Oman's physical distance from the northern Gulf, it is unlikely that Oman will be affected greatly one-way or the other, whatever happens in Iraq.(26)

## **SAUDI ARABIA**

The same cannot be said of Saudi Ara- bia, which shares a long land border as well as tribal and religious ties with Iraq. Though the kingdom is geographically big- ger than the other GCC states, its govern- ment shares the same sense of weakness and vulnerability to larger, stronger neighboring states prevalent in all of the Gulf Arab capitals.(27) The geographic composition of the kingdom's population reinforces Saudi feelings of vulnerability: the minority Shi'i population

occupies the oil-rich Eastern Province, while tribesmen in the kingdom's north have close links to Iraqi tribes.

For half a century, Riyadh looked to the United States to shield the Kingdom from external threats and to ensure that Saudi oil

reached world markets. However, six years of terrorist attacks against U.S. targets culminating in those of September 11, 2001, in which Saudi nationals were impli- cated, forced the Saudi government to ad- mit that dependence on U.S. security was nearly untenable. Riyadh's criticism of Washington's response to events in the West Bank and Gaza sealed the deal. Of particular concern were the 5,000 U.S. military personnel who had been targeted by terrorists in Saudi Arabia in 1995 and 1996.(28)

Henceforth, the chief goal of Saudi for- eign policy was to forge a new network of alliances in which the United States was only one of a number of states that ensured the Kingdom's security. No longer was Riyadh only dependent on Washington. This was not an easy task because of the enormous U.S. presence in the Persian Gulf. All of the other GCC states de- pended on the United States to guarantee their security, and Riyadh had not had warm relations with either Baghdad or Te- hran for over a decade.

Coincidentally, Iran's reformist presi- dent Muhammad Khatemi wished to im- prove relations with Riyadh and coordinate the Saudi-Iranian positions at meetings of the Organization of Petroleum Exporting Countires (OPEC).(29) Iran and Saudi Arabia also signed security pacts in 1999 and 2001.(30) Iraq too was willing to mend fences: at the March 2002 Beirut meeting of the Arab League, Saudi Crown Prince Abdallah publicly embraced Iraq's representative to the meeting, Izzat Ibra- him, and, by extension, President Saddam Hussein.(31) The next logical step was to negotiate the withdrawal of the 5,000 U.S. military personnel in the Kingdom who had

Middle East Review of International Affairs, Vol. 7, No. 2 (June, 2003) 31 long since worn out their welcome among ordinary Saudis and had been targeted by terrorists in 1995 and 1996.(32)

Within this milieu, a U.S.-led attack aimed at overthrowing Hussein's govern- ment in Iraq was a double-edged sword in Saudi eyes. Though the attack could gen- erate refugee flows and a tremendous amount of instability on Saudi Arabia's borders, it would give Washington a golden opportunity to withdraw the U.S. aircraft and troops that had been in Saudi Arabia since 1991. The timing of the operation was advantageous as well, since the U.S. Secretary of Defense, Donald Rumsfeld, wished to redirect the \$1 billion the Penta- gon annually spent on U.S. deployments in Saudi Arabia toward new weapons sys- tems. Future secretaries and administrations might not be as eager to withdraw troops.

Not surprisingly, the two sides reached an understanding: the United States could use Saudi facilities to expel President Sad- dam Hussein's government in Iraq and then leave the kingdom shortly after the end of hostilities. Three weeks after the fall of Baghdad, Secretary Rumsfeld announced that all but a handful of U.S. forces and air- craft would leave Saudi Arabia by the end of 2003 and that the U.S. Central Com- mand's center would be transferred from Prince Sultan airbase to the al-Udaid air- base in Qatar. Because the war had been short, Riyadh appeared to have achieved a significant victory with relatively little cost.(33)

#### 2. REFORM AND DOMESTIC AF- FAIRS

## OPPOSITION TO THE HOUSE OF

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fairs, however, was seemingly negated by the May 13, 2003 terrorist attacks in Riyadh that killed at least 29 and injured 184, including 10 Americans.(34) That attack demonstrated that the hoped-for public relations "windfall" from the U.S. military's withdrawal from the kingdom had not materialized and may have been offset by the presence of U.S. occupation forces in Iraq. The attack also demonstrated that the Saudis could not address the factors and events that had led to the deterioration of their relationship with the United States solely through diplomacy. The Saudi gov(often with the assistance of Saudi border guards).(37) Riyadh's apparent victory in foreign

The assistance provided by those border guards points to problems raised in a report by Anthony Cordesman for the Center for Strategic Studies (CSIS) on Saudi Arabia. Cordesman questions whether the Saudi state has the intelligence assets, perspective, and the will necessary to meet the challenge from these groups. In particular, the report argued that the interior minister, Prince Naif, willfully downplayed the seriousness of the threat and needlessly put lives at risk.(38) This assessment is consistent with those reportedly given to journalists by U.S. officials about the integrity of the Saudi security services. Press reports

ernment would also have to reform the kingdom's social and economic institutions, address Shi'i grievances, and confront the groups in Saudi society committed to political violence at home and abroad.(35) three goals, the Saudis must the priority on confronting political violence because the other goals are not achievable with the constant danger of terrorism, and the groups which engage in violence and those that sympathize with them are ardent opponents of liberal reforms. Even before the most recent terrorattack, militants assassinated a deputy governor, attempted to firebomb a McDonalds' restaurant, and shot at foreignseveral occasions in Riyadh and cities. Confronting these organiza-

indicate that the Saudi Royal Air Force may be the only Saudi security institution that has not been compromised by organizations dedicated to political violence.(39) Indeed, U.S. and Saudi officials suspect Of these that members of the Saudi National Guard put have sold arms to al-Qai'da operatives.(40) That said, the Saudi government's ability to apprehend a given terrorist cell may not matter in the long run if the royal family fails to win the hearts and minds of ordinary Saudis. Riyadh has already taken steps to address the problem of extremist ist groups, and the sheer size of the recent attack may be a sign of frustration with the intensity of the crackdown.(41) Saudi ers on

newspapers no longer refer to suicide other

elements of Saudi society, including religious elites, share the objectives and the worldview of these organizations. Moreover, these groups reportedly utilize global telecommunication tools,(36) financial networks, and weapons smuggling across the kingdom's desert border with Yemen Riyadh attacks, Saudi officials uncovered 32

bombers in the Palestinian-Israeli conflict
as martyrs, and Saudi authorities have either arrested clerics who publicly call on
Saudis to commit crimes in the name of
Islam or have driven them into hiding.(42)
Saudi authorities have also questioned
and detained young men who have recently
traveled to Afghanistan. A week before the

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an enormous stash of explosives and dol- lars in a Riyadh building and took the un- precedented step of publicizing the names and pictures of nineteen men--eighteen of whom were Saudi-wanted in connection with the explosives. Equally unprecedented was Crown Prince Abdallah's speech on Saudi television following the Riyadh attacks, whose perpetrators he labeled "as devoid of all Islamic and humane principles." (43) Abdallah left no doubt that the attackers were Saudis, which sent an important message to the kingdom's people: they could no longer deny that Saudis could be terrorists.

Such a public display of candor was a watershed in Saudi Arabia's politics and was consistent with a series of reforms Ab- dallah has recently proposed to bring the Kingdom's political institutions in line with those of the rest of the world. These re- forms have included a civil code to exist in parallel with the Shari'a, elections for re- gional and national assemblies, and the kingdom's first independent human rights organization.(44) Abdallah's meeting with Saudi Shi'i leaders, his acceptance of their petition seeking equal political and reli- gious rights, and his promise to appoint a Shi'i cabinet minister suggest that Abdallah is already on his way to addressing the de- stabilizing threats to the Kingdom that could emerge from a Shi'a-dominated gov- ernment in Iraq.

In addition, the attacks in Riyadh, one of which symbolically targeted a U.S. com- pany with ties to the Abdallah-controlled Saudi National Guard, suggest that whoever perpetrated the attacks fears that Abdallah could overcome Saudi Arabia's external challenges and bring lasting change. That fear alone suggests that there

Middle East Review of International Affairs, Vol. 7, No. 2 (June, 2003) 33 is a good chance that Saudi Arabia can avoid the destabilizing period following the war in Iraq and take advantage of new re- gional opportunities presented by the con- flict.(45)

REFORM IN THE REST OF THE GCC The success of Abdallah's reforms will also directly affect the ability of the other GCC states to implement their own reform programs and maintain internal stability. To begin with, none of the other states of the GCC have the petroleum reserves to match Saudi Arabia's. With a number of these states expecting declines in their pe- troleum production, their governments see reform programs as central to attracting non-petroleum industries and foreign in- vestments. This link is reinforced by the fact that few global investors differentiate between the GCC states and would natu- rally assume that violence in Riyadh could reoccur in Muscat and Manama. To a cer- tain extent, these assumptions are valid. There are non-Saudi Gulf Arabs who sym- pathize with the goals and methods of Saudi organizations committed to political violence. Though these non-Saudi Gulf Arabs remain a minority in their societies, they would be more assertive if their col- leagues in Saudi Arabia were to succeed. Already there are reports that major attacks were thwarted in Bahrain and Dubai, while Kuwaiti attacks on U.S. soldiers are well documented, and several members of the Qatari armed forces were reportedly ar- rested in 2002 on suspicion of links with al-Qai'da.(46)

Such a perception of extremism and vio- lence would be catastrophic for Bahrain, which is running out of petroleum and ex- perienced a wave of political violence in