

# The Gulf States and the Arab Uprisings

Ana Echagüe (Ed.)



**FRIDE**  
A EUROPEAN  
THINK TANK FOR GLOBAL ACTION



**Gulf Research Center**  
Knowledge for All

# **The Gulf States and the Arab Uprisings**

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# Abbreviations

<b>ACHR</b>	Adala Centre for Human Rights
<b>ACPRA</b>	Saudi Civil and Political Rights Association
<b>BICI</b>	Bahrain Independent Commission of Inquiry
<b>CSO</b>	Civil society organisation
<b>EAD</b>	Euro-Arab Dialogue
<b>EEAS</b>	European External Action Service
<b>ENP</b>	European Neighbourhood Policy
<b>EU</b>	European Union
<b>FTA</b>	Free trade agreement
<b>GCC</b>	Gulf Cooperation Council
<b>GDP</b>	Gross Domestic Product
<b>IMF</b>	International Monetary Fund
<b>JAP</b>	Joint Action Programme
<b>LMRA</b>	Labour Market Regulatory Authority
<b>MEED</b>	Middle East Economic Digest
<b>MENA</b>	Middle East and North Africa
<b>MHRSA</b>	Monitor of Human Rights in Saudi Arabia
<b>MOSA</b>	Ministry of Social Affairs
<b>NGO</b>	Non-governmental organisation
<b>NSHR</b>	National Society for Human Rights
<b>SWF</b>	Sovereign Wealth Fund
<b>UAE</b>	United Arab Emirates



# Introduction

*Ana Echagië*

The Arab world is currently undergoing a period of tremendous transformation, which has a direct impact on the European Union (EU) given its close geographical proximity and its involvement in the region through programmes such as the European Neighbourhood Policy and the Union for the Mediterranean. But while the changes in North Africa and the Levant receive a fair amount of focus, less attention is paid to the changes and developments taking place in the Arab Gulf region. There is a dearth of analysis on how the Gulf Cooperation Council (GCC) states<sup>1</sup> view and react to the changes taking place in the rest of the Middle East. Only through a proper understanding of Gulf dynamics can productive ties with the EU be enhanced.

This publication addresses some of the issues discussed at a seminar on ‘Political transformation in the Arab world and its relevance for EU-GCC relations’, held in Kuwait in March 2013. Under the project ‘Promoting deeper EU-GCC relations’, funded by the European Commission, FRIDE, the Gulf Research Center and the Gulf University for Science and Technology brought together scholars from the Gulf region, as well as European and US experts, to discuss the

implications of the Arab uprisings for the Gulf in both geopolitical and domestic terms, as well as the impact of the uprisings on relations between Europe and the region.

The first two chapters focus on the geopolitical implications of the Arab uprisings. Richard Youngs sets the stage, proposing a range of analytical frameworks to assess change in the Middle East post-Arab uprisings. No single framework, he posits, has full explanatory potential but all need to be taken into account as the EU engages with the states of the Gulf Cooperation Council. Balance of power dynamics cohabit with competitive multipolarity and regional cooperation, overlaying sectarian divisions and differences between reformist and non-reformist states. These overlapping dynamics will complicate the geostrategic approach to the region. In the next chapter, N. Janardhan argues that the Arab uprisings are having a greater impact on the international arena than vice versa. He focuses on the growing importance of regional politics, the tendency towards 'omni-balancing', or diversifying alliances, on the part of the Gulf States and analyses winners and losers of the events of the past two years. He concludes the section on geopolitics with some recommendations for the development of EU policies towards the Gulf, including the need for the EU to assess what role it wants to play in the region at a time of internal political and economic crisis.

The following four chapters delve into the domestic implications of the Arab uprisings for the Gulf States. Kristian Coates Ulrichsen contends that while in North Africa, Yemen, and Syria the political impact of the Arab uprisings has been transformative, in the Gulf States, pre-emptive economic largesse to counter the uprisings will have a political impact. In the Gulf, economic challenges are linked with political decisions on how to utilise the revenues from hydrocarbons. Policy decisions taken in 2011 to pre-empt or minimise the likelihood of unrest will likely complicate the shift toward post-oil economies that must eventually take place in these states. Jane Kinninmont addresses

the issue of citizenship in the Gulf States, where activists are seeking to mobilise and construct inclusive notions of citizenship at the same time as governments are investing in cultural and social national identity projects. She highlights how social and religious divisions weaken bargaining power and ultimately reduce the ability of citizens to negotiate with the state on the basis of their status as citizens. In the chapter on Islamism, Guido Steinberg bridges the gap between the transnational and the national dimensions, charting the effects of the Arab uprisings in terms of heightened sectarianism and the different attitudes of the Gulf regimes towards the newly empowered Muslim Brotherhood. He maps Islamist groups in the Gulf according to parameters of violence, transnationalism and sectarianism, and ends with a call for a more balanced European approach towards the Gulf. Moving on to a particular country case study, Ahmed Al Omran outlines the regime-imposed constraints encountered by civil society organisations in Saudi Arabia and the new impetus provided to activists seeking reform by the Arab uprisings and the spread of social media. The resourcefulness and audacity of Saudi Arabia's young population will likely lead to further challenges to imposed authority.

The last two chapters focus on European foreign policy towards the GCC states. Toby Matthiesen offers a case study of EU policy towards Bahrain, honing in on shortcomings derived from the disparity in approach between different EU institutions and the divergence among member states. He calls for a more balanced EU foreign policy towards the Gulf, one that incorporates values, alongside interests, and that acknowledges the wave of people power that has swept the region since the start of the Arab uprisings. In the final chapter, Abdullah Babood also puts the ball in the EU's court, calling for greater engagement and recognition of the important economic and political role that the Gulf States play in the region, and worldwide. The EU and GCC should seize the momentum for cooperation ignited by the uprisings and consolidate a more significant and strategic relationship.

Taken together these chapters underline the profound changes that are

taking place in the Gulf, despite the apparently muted response in most of the Gulf States to the uprisings in the rest of the Middle East. The geopolitical scenario has become much more fluid, with power politics leading to both cooperation and realignment, as an undercurrent of sectarianism spreads through the region. The regimes themselves have overcome their traditionally cautious approach and consolidated a more activist foreign policy, which has led to an unprecedented level of Gulf involvement in regional affairs. Last but not least the population of the Gulf has drawn from the undercurrent of regional awareness unleashed by the uprisings, and started demanding their rights.

This book leaves us with a question mark as to how these trends will develop. But by highlighting the number of unpredictable variables at play, it suggests the need for caution and balance in EU policy towards the Gulf. The European Union will have to equip itself to deal with a more diverse geopolitical scenario, more assertive governments and an increasingly demanding and audacious population.

# Living with the Middle East's old-new security paradigm

*Richard Youngs*<sup>2</sup>

Attention has gradually turned to the geopolitical implications of the Arab uprisings. It is broadly recognised that ongoing processes of change in the Middle East and North Africa (MENA) are not just about domestic level political reform but also regional security dynamics. The region appears to be traversing a valley of heated tension and strategic flux. But no single, dominant organising principle has yet taken shape. A number of strategic frameworks capture parts of what is unfolding in today's Middle East; but each falls short in offering a complete account. An eclectic set of geopolitical dynamics conditions the region's post-Arab uprisings reshuffle. And a clash of logics may persist for some time to come. This may militate against the unequivocal prevailing of any singular, Western security approach to the region. It will require a more varied and engaged European approach to the states of the Gulf Cooperation Council (GCC).

## **Alternative regimes**

For many years before the Arab uprisings, the Middle East had the outward appearance of a clearly identifiable security system. Structural

determinants seemed to predominate. These were the parameters bequeathed by departing colonial powers, then those of the Cold War. States were autocratic and permitted little popular sway over foreign policies; linkages across borders were relatively limited; civic agency was truncated; pan-regional Islamism proved illusionary; and there was assumed to be a neat division between pro- and anti-Western regimes that defined much of what happened in the region's geopolitics. While other regions made progress towards more cooperative security arrangements and in some cases nourished an ethos of transnational networks, the geopolitical dynamics of the Middle East seemed to remain irredeemably power-based. While the region gave birth to the most emblematic of 'non-state actors', by 2010 most regional analysts judged al-Qaeda to be firmly on the back-foot and radical religious dynamics subjugated to state sovereignty primacy.

The pre-2010 reality, seething in ebb and flow under the region's manufactured surface stability, was undoubtedly more complex in practice. Notwithstanding this, there is now much speculation that post-Arab uprisings geopolitical dynamics are set fundamentally to change. A new phase of regional politics is probing and stretching itself into a reshaped mould. However, none of the possible types of organising frameworks fully captures incipient dynamics in the Middle East. On a still partially sketched canvas, there remains much that is old in the new Middle East.

### *Hobbesian power plays*

The advent of political reform has not over-turned power-oriented *realpolitik*. Indeed, the unpredictability of the region's shifting sands actually finds expression in an even stronger (re-)balance of power dynamic. Big power, state-to-state rivalry has not disappeared and may even be a more powerful force in the new Middle East. Much diplomacy reflects national power-mobilisation strategies, in the name of standard national interests, not religious commonalities, the interests

of a particular regime type, or those of a Western or anti-Western block. This explains the multi-directional and overlapping rivalries involving Turkey, Egypt, Saudi Arabia, Iraq, Iran and Algeria, and how these states now manoeuvre to shore up their national positions.

However, this does not mean that Hobbesian accounts can yet be granted exclusive or absolute predominance. While balance of power rivalry is set to be an important trend, it is premature to assume that national diplomacies are now animated by a highly belligerent nationalism. There will be an element of competitive multipolarity in the new Middle East: there will not be a single dominant power but clusters of shifting coalitions between medium-sized powers. Yet state-as-black-box multipolarity will itself be tempered by the diverse trends that now deepen across the region. Power politics is overlain with a multiplicity of emerging fault lines. A mix of cross-cutting national, denominational, tribal, political and ethnic cleavages is evident. Curiously, power-politics co-exist with what many in the region believe is the weakening hold of national identities.

### *Democracy-autocracy cleavage*

Some argue that the emerging and likely dominant organising logic in the new Middle East is that of a division between reformist and non-reformist states. Many predict that those states implementing democratic change will begin to ally on reform issues with each other. Those states resisting democratisation are likely to band together to prevent the spread of revolution, even if as in the case of Gulf States they have backed rebel forces in Syria. Some experts argue that differentiated domestic processes of change open the region to a broader global rivalry between Western democracies and non-Western rising powers: they aver that Middle Eastern states are now more likely to be drawn into competing sides of a zero-sum geopolitical battle between the West and authoritarian states led by China and Russia.

This scenario is likely to prove too stark to encapsulate the multifaceted shifts afoot in the post-2011 Middle East. New democracies are unlikely to become highly proactive or proselytising exporters of democracy to other parts of the region. They are likely to combine internal reform with broadly ‘sovereignist’ foreign policies. Even new Arab democrats are drawn to China and Russia in their challenge to Western dominance of the global order. And conversely, reform-resistant states, especially in the Gulf, have become if anything more dependent on Western backing because of the general security panorama. Moreover, there are only two states that have made meaningful progress towards democratisation; and both Tunisia and Egypt have sought to build not dismantle bridges with non-reforming states. Gulf Cooperation Council states have promised support to Tunisia, Libya, Egypt and Yemen to ensure that advances in democratisation do not work to their disadvantage. While GCC states are coordinating in defence of authoritarianism – the United Arab Emirates’ (UAE) and Saudi Arabia’s intervention in Bahrain is merely the best-known and most overt example of this – Qatar and Abu Dhabi have almost diametrically opposed positions towards the Muslim Brotherhood. All these variations will work to blur the clarity in any democracy-autocracy cleavage. For the moment, it is unconvincing to see the region as magnifying a global dichotomy between democracies and non-democracies.

### *Cooperative security*

Is the Middle East moving towards being a more liberal regional order? Arab states are certainly looking to deepen trade and investment interdependencies within the region. Gulf investments in North Africa have increased. The Arab Maghreb Union may be spluttering back into life. The Arab League is enjoying a renaissance. The ‘5 plus 5’ forum has been injected with a new lease of life. The GCC has debated modest steps forward in formal integration. GCC cooperation in Yemen has been a notable development in recent years. Some analysts detect in the Arab uprisings the green shoots of a regional consciousness that



enjoys a more genuine legitimacy than regimes' previously hollow and manufactured pan-Arabism. The density of exchanges between reformers in different parts of the region has thickened. Civil society organisations in the region insist there has been a notable 'contagion' of reform dynamics across borders and growing contacts between youth movements from different states. Muslim Brotherhood affiliates cooperate across borders. Moreover, while most stress has been placed on the domestically-driven nature of recent political trends, the MENA region's inter-linkages with broader international factors are thickening not weakening; contrary to the gist of much current commentary, the longer-term trajectory is of deeper interdependencies rather than autarchy.

Positive potential for a more inter-linked security community certainly exists along all these vectors. However, despite all the indicators of interdependence, transnational networks and cooperative security for the moment remain anaemic. Governments in the region still need to follow through on their commitments to facilitate cross-border exchanges of all types. Regional integration schemes are painfully halting – aspirational more than actual. In some ways, sharper popular pressures now oblige governments to meet very prosaic and directly national objectives, often entailing competition with other parts of the region. Cosmopolitan linkages have not tangibly weakened nation-state primacy – at least, not yet. The MENA remains less of a united and socially-rooted security community than most other regions.

### *Non-state actor radicalism*

Cross-border networks are not only those of wired reformers. Events in the Sahel, Algeria and Libya indicate that al-Qaeda's loosely-bound affiliates also seem to have gained a new momentum. It is not clear that this is a regional trend consequent to the Arab uprisings per se, however. The way that power vacuums in the Sahel, and Mali in particular, have burnished a new wave of jihadism is undoubtedly of

acute concern. Others point to events in the Sinai, the rise of Salafi militia and Hezbollah's role in Lebanon as further evidence of the rise in non-state actorness. But it would be a stretch to argue that this portends a new region-wide ascendancy of non-state-actor radicals, as opposed to being driven by country-specific factors. The over-riding narrative of the Arab uprisings – however beleaguered the hopes of reform now stand – remains one that challenges the al-Qaeda narrative. Most experts on the region are convinced that mainstream Islamist parties now operate as nationally-rooted organisations, not in the name of pan-regional religious projects.

### *Sunni versus Shia*

It has become commonplace to point out that the Arab uprisings have unleashed more virulent rivalry between Sunni and Shia – to the point that some now feel this to be the region's increasingly pre-eminent structural feature. The Syrian conflict in particular is invariably interpreted as a manifestation of this dynamic, as is Lebanon's internal strife. Saudi Arabia and Qatar are widely seen as expressly boosting and galvanising ascendant Salafis in Lebanon to challenge Hezbollah's armed predominance, presuming Bashar al-Assad's eventual demise to represent a moment of opportunity to weaken the Shia resistance movement. The Gulf States invited Morocco and Jordan to join the GCC as an effort to boost a geostrategic Sunni alliance. Turkey is similarly assumed to be positioning itself as leader of such a Sunni block. In turn, Iran is assumed to be motivated primarily by Shia solidarity in Syria and southern Lebanon. Some experts see sectarian strife opening the way to a redrawing of national borders – in a domino-effect undoing of the MENA's entire post-colonial state structure.

Again, however, this narrative is not as close a fit as is now routinely presumed. In fact, we see a mix of some Sunni states pushing assertive containment of Iran and others pursuing policies of more positive engagement and enticement. Iraq has not joined Iran in a combative

‘Shia arc’, as Prime Minister Nouri al-Maliki struggles to consolidate his domestic power base. It is doubtful that cooperation between different Gulf States is harmonious enough in Lebanon to represent a concerted Sunni challenge to Hezbollah. Turkey and the Gulf States cooperate but remain wary of each other’s pretensions. The Sunni-Shia divide is sometimes clearly manufactured, or at least exaggerated by regimes as a tool of self-legitimation and survival. Rather than a deeply-rooted sociological reality, it often appears to be used instrumentally by regional powers to advance their own interests. In the Gulf, its geopolitical dimension is heavily present. Moreover, the Sunni-Shia relation is not a purely adversarial one, as some factions will often ally opportunistically around nationally-specific objectives and against other actors. The fiercest incipient rivalry may in fact be between the Muslim Brotherhood and the Saudi-Wahabbi propelled transnationalism of Salafist networks. Overall, sectarianism is present but is not the over-riding feature of the reshaped Middle East.

*Pro- versus anti-Western divisions*

As an outgrowth of the democracy-autocracy cleavage, much comment ponders which states have become more pro-Western and which more anti-Western as a result of the Arab uprisings. This traditional lens on the region is, however, increasingly out of tune with a far more variegated set of local identities and interests. Debates in the post-2011 Middle East take place on a different metric to that of pro- versus anti-Westernism. Contrary to much received wisdom, new popular influence over foreign policy – in those select places where it has emerged – cannot be seen as synonymous with a more widespread and malign anti-Westernism. While undoubtedly cool and critical towards Western powers, Arab citizens seem to demand of their governments better fulfilment of core economic interests and claims on social justice, more than anti-Western posturing. President Morsi courts China; but as Western states do exactly the same, it is not clear why this should be admonished as a threat to the West. Overall,

Western influence is diminishing. States no longer define themselves in accordance with the US-Iran stand-off. Arguably, similarly competing positions in relation to Israel and Palestine are also losing at least some of their central definitional or constitutive force in regional geopolitics. The more multi-vector positioning of the Gulf States is instructive in this sense. Today, MENA states appear far more concerned with positioning themselves in relation to changes within the region than with alignments towards external powers.

With such a multiplicity of dynamics not only co-existing but also even deepening, it is difficult to identify any clearly dominant structural logic to the emergent Middle East. The MENA is not the only region where contrasting geostrategic patterns co-exist. But its overlay of clashing organisational dynamics is especially daunting and devoid of any fulcrum-anchoring narrative. None of the alternative paradigms suggested here has yet crystallised in well-formed clarity and uncontested explanatory primacy. They rather represent different future options or possible paths of development; they are delineated here as a means of assessing the structural reshaping of the MENA region post-Arab uprisings in a way that zooms out from the current cacophony and confusion of every-day events.

For the foreseeable future, the region's sub-textual remoulding is likely to hinge around the ways in which different organising logics combine with each other. The weight of each dynamic will vary in different parts of the region: for the Saudi regime, Sunni-Shia rivalry dominates, while elsewhere this is less relevant; in Egypt the state remains omnipresent; while in places like Yemen and Syria the very concept of a national identity has frayed. The combination of Islamist networks, Sunni-Shia rivalry, interdependence and big power competition might be said to constitute a mishmash of 'religio-interpolarity'. Or a notion of identity-fractured non-polarity might be preferred to capture the absence of any strong geopolitical or normative anchoring in the new Middle East. There are grounds to hope for aspects of a Middle Eastern

liberal order; it is notable that more democratic internal politics may dovetail with and spur rules-based inter-state norms at a time when many detect a fracturing of the wider global liberal order. However, there are equally signs of both illiberal order (authoritarian resilience, but incipient regional rules-constrained integration) and liberal non-order (more democracy, but less cooperation). Indeed, a curious dislocation is that inter-state liberal order might recede even as political liberalisation advances in some Arab states; it is in this way that the region could constitute a microcosm of, rather than deviance from, broader global shifts.

### **What does it mean for the EU in the Gulf?**

The European Union (EU) frequently repeats that it is committed to shaping its policies around local, Arab expectations and views. After talking to scores of officials, politicians, activists, journalists and analysts in nine Middle Eastern states since the start of the Arab uprisings, this particular author is left less than fully illuminated about what such local expectations actually are of outside players. Opinions run the full gamut; there is simply no agreed view of what the EU represents in terms of security identity or over the way it should act. Some 'local voices' extol European soft power, others lament that it is what effectively excludes the EU from serious influence. Some perceive the EU as unrealistically idealistic, others as a cynical exponent of manipulative *realpolitik*. Some want more outside engagement, others less. Some seek the deepening of civic networks with European and American counterparts, others (even many reformers) believe such liberal strategic cosmopolitanism to be laughably out of synch with an increasingly Darwinian Middle East.

The EU should be wary of overlaying an eclectic set of geopolitical dynamics with any singular strategic narrative in the way it acts in the Arabian Peninsula. This does not necessarily entail eschewing support

for core universal values, but does caution against tactical parsimony. In the current MENA scenario, the EU must equip itself to deal with a far more diverse geopolitics. On the one hand, an unreconstructed realism errs in down-playing the extent of new non-statist dynamics in the region. On the other hand, the extension of more post-modern, cooperative and networked approaches to security may prove premature given resistant ‘sovereignism’ in some parts of the region.

It is legitimate for outside powers to encourage cooperative security; but attempting to replicate EU-style cooperative integration is unlikely to gain traction if a high-level security engagement is not also moulded to the region’s new conditions. Outside powers can and should work to deepen political reform, but are unlikely to be served well by prioritising a democracy-autocracy divide – or indeed to be in-tune with the region should they attempt to do so. But it would also be high-risk geopolitics for the EU to place all its strategic eggs in the basket of Hobbesian power calculations, trying to pre-empt which states are likely to emerge most empowered. And basing strategy principally around a presumed Sunni-Shia divide will make such rivalry more likely to deepen than need be the case.

It will be tempting for the EU to grasp a dynamic that appears dominant at a particular moment and build a regional or GCC strategy around that. Rather, the key will be to assess how all of the above dynamics are likely to play a part in the region and, crucially, how they condition each other. This will place a premium on understanding the impact of different strands of geostrategy on each other, to ensure that negative dynamics are not unnecessarily magnified. It will not make for a neat, one-principled geostrategy.

# Regionalisation and omni-balancing in the Gulf

*N. Janardhan*

The Arab uprisings marked a turning point in local, regional and global developments. The recent uprisings have been compared to the 1979 Islamic Revolution in Iran, the collapse of the Soviet Union in 1991, and the 9/11 attacks in 2001, all of which had an impact on the political–security equation in the Middle East and led to geopolitical changes and ideological rivalries competing to fill the resulting power vacuum in the region. In the current scenario, events derived from the Arab uprisings seem to be having a greater impact on international affairs than international affairs are having on the region’s politics. The rivalry between regional actors – Iran, Turkey, Saudi Arabia, Qatar and Israel – and international actors – the United States, Russia, China and the European Union – to bridge geopolitical and ideological gaps has increased. The Gulf actors in particular have demonstrated willingness to omni-balance their alliances away from an approach that has historically been exclusively US-focused. There are strong indications that a transformation of the international order – a unipolar world at present – is either underway or will follow as a result.

## **Regional versus international approaches**

The long-term geopolitical implications of the Arab uprisings remain uncertain. Yet there is ample evidence on the ground to suggest that the international dimensions of the uprisings, especially those pertaining to the impasse in Syria, are partly the result of a global foreign policy crisis, which may get worse before it improves. At least four Ps serve as foreign policy drivers – principle, profit, power projection and prestige. In pursuit of these ends, Chinese and Russian anti-Western foreign policies have been more confrontational than constructive; Turkey’s ‘zero problem’ foreign policy is facing several hurdles; India’s ‘play it safe’ approach is indeed safe, but non-purposeful from a global perspective; and the United States’ ‘thumb your nose at others’ approach regardless of its own flaws is a lesson in what foreign policy ought not to be. Many European countries, in following the United States on many issues, have no independent foreign policies; and the less said the better about the foreign policies of the Middle East countries, which are either with or against the United States and the West.

As a result, the key geopolitical implication of the uprisings is the pre-eminence of regional approaches over international ones. Many regional crises, past and present, were triggered by Western involvement, including the use of force. Yet in the future, it is more likely that the national–Islamist movements in countries with independent parliaments will determine the direction of power and the course of regional politics. This will hasten the adoption of regional approaches for resolving regional issues – a development which began about a decade ago with the Gulf Cooperation Council (GCC) states, especially Saudi Arabia and Qatar. One of the key changes in regional foreign policy tacks pertains to Qatar. Many analysts question ‘small’ Qatar’s ‘big’ adventures, but the fact is that it is playing a significant role, irrespective of its motives, modus operandi or impact on the ground. After playing the role of ‘neutral’ mediator in regional conflicts



and beyond during the last decade, Doha's 'niche diplomacy' switched gears in March 2011. It called for external intervention to help the Libyan rebels oust Muammar Gaddafi and followed this up with the financing and arming of Syrian rebels.

Nevertheless, the GCC states' decade-old experiment to devise regional solutions to regional problems is hampered by serious contradictions in the individual states' approaches. The most glaring shortcoming is the lack of coordination in the GCC's foreign policy management: competition between Saudi Arabia and Qatar over the projection of their foreign policy influence has intensified, there was no unanimity on sending troops to Bahrain to quell the unrest in March 2011 and differences persist in Saudi, Emirati and Qatari approaches to dealing with the Muslim Brotherhood. While Riyadh and Abu Dhabi are worried about the influence of the Islamist movement on their internal politics, Doha has sought to cultivate better ties by offering significant aid to Egypt since the ouster of Hosni Mubarak.

In addition, the GCC approach to the Syrian crisis has contributed to widening the Sunni-Shia divide in the region, leading to more intense Saudi-Iranian competition. The hostility between the two countries and the sects they represent is more pronounced now than it was two years ago. This has worsened regional insecurity, which could have adverse implications in the Arab uprising countries and increase divisions within the GCC countries in the years ahead.

In fact, the most significant casualties of the uprisings have been rapprochement efforts on several fronts. Previously, Qatar was championing a bid to overcome GCC-Iran friction which even Saudi Arabia was reluctantly considering; Turkey was attempting to mediate between Iran and the West; and Syria was on course to mend fences with the GCC countries and the West. Most of these efforts encountered roadblocks about two years ago and since then the actors involved have been at loggerheads again.

## **Omni-balancing**

Over the last decade, the Gulf security debate has revolved around two points of view: one favours less international involvement in the region's affairs; and the other calls for greater internationalisation of the region. Calls for internalisation have had the upper hand of late, leading to the exploration of ideas for incorporating several international actors to act as security guarantors of any future regional security arrangement. As a result, the GCC countries have shown a willingness to form different alliances with different countries on different issues, rather than putting all their eggs in one basket. This 'omni-balancing' means the GCC's ties with the United States are no longer exclusive.

Given this backdrop, some of the trends that are crystallising post-Arab uprisings can actually be traced back to the early part of this century. At the time, the GCC states, infused by a 'spirit of possibility', felt they could develop and implement visions of transformative and far-reaching change. This new spirit was enabled by high oil prices, which filled their coffers with plenty of liquidity. Another conditioning factor was the 'failure of others' in dealing with regional issues. This led to the exploration of local solutions to local problems and saw Qatari and Saudi diplomatic initiatives taking over from Egyptian and Jordanian diplomacy. Finally, the failures of the United States in the region and the shift in the economic power centre from the West to the East led the GCC states to begin building ties with a host of alternatives, particularly in Asia. A 'real strategic shift' in the region's foreign policy had taken place. Doubters of the Gulf's 'look East' policy should realise that 'the extent to which there are real options is not the issue. It is the perception which is important, as it is this which creates openness to envisaging new possibilities.'<sup>3</sup> Furthermore, news of shale gas developments and the possibility of American self-sufficiency and probable oil exporter status over the next decade can only mean greater GCC-Asia engagement.

## Winners and losers

In analysing the geopolitical implications of the Arab uprisings and drawing up a balance sheet of winners and losers, it is prudent to heed Prince Turki Al Faisal's assessment that 'in the bloody, hostile miasma of the Middle East' there are only losers.<sup>4</sup> Nevertheless, the following is an assessment of the impact and implications of the Arab uprisings on some of the key regional players.

Some suggest that Iran will benefit the most from recent regional instability, given the downfall of pro-US Arab regimes in the region. Others, including Iranians, however, feel that the 'Arab Spring' has given rise to an 'Iranian autumn'. To look at Iran's perceived losses first, Iran has been too embroiled in its internal political bickering to be effective on the regional scene during the last two years. It will be interesting to see if this trend changes after the presidential election in June 2013. For now, it is hard to deny that Iran's gain in regional influence during the last decade suffered a setback with the Syrian crisis. Tehran's influence over the 'Shia Crescent' has been shaken. Since regime change appears to be the only solution to stabilise Syria in the medium to long term, this will indeed be a knock for Iran, and 'the weakening of the Iran-Syria corridor also means weakening of Iran's power in Israel's backyard'.<sup>5</sup>

But this is only one side of the story. Iran has also gained ground. After 32 years without diplomatic relations, Egypt and Iran have had a series of leadership exchanges. Iranian Foreign Minister Ali Akbar Salehi has visited Egypt at least thrice since President Mohamed Morsi assumed office in June 2012. Yes, the two countries are unlikely to become close allies or immediately change the balance of power in the region. But even their relative proximity would be a source of discomfort for the West, the GCC states and Israel. Iran is sure also to exert greater influence in post-US Iraq and post-Nato Afghanistan. Further evidence of Iran's calibrated approach in the region was provided by unconfirmed US

reports that Iran and Hizbollah are building long-term militia support in preparation for a post-Bashar Syria.<sup>6</sup>

In fact, the reopening of negotiations between P5+1 powers and Tehran tells its own story about Iran's strength and weakness. Despite the fact that there has been no let-up in the hostile rhetoric by both Iran and the West, there might be a fundamental shift in the position of both sides on the vexed nuclear issue. The appointments of Secretary of Defense Hagel and Secretary of State Kerry, both critics of hardline policies against Iran, are bound to improve the climate for negotiations, leading to possible concessions by Tehran. There have also been reports that Washington is keen to pursue the idea of a 'more for more' offer – more verifiable nuclear restraint from Iran in exchange for greater US concessions, including some sanctions relief. This goes to the heart of the GCC states' longstanding concerns about the possibility of a 'grand bargain', making their worst fears come true. In the meantime, the threat of military action against Iran, which had frequently reared its ugly head during the last few years, even if it was not as serious as it was made out to be, is almost irrelevant now. This sentiment was evident when US President Barack Obama stressed ahead of his Middle East tour in March 2013 that diplomacy would yield a more lasting solution to the dispute with Tehran, which would serve the interests of Iran, the United States, and Israel.

Iran's neighbour Iraq is going through its own stages of the Arab uprisings. How it deals with the internal revolt, aligns ever more closely with Iran, handles growing oil production and revenues, and allows this to impact its foreign policy will also determine the politics of the region in the years ahead. Iraqi Prime Minister Nour Al Maliki said in February 2013 that a rebel victory in Syria would spark a sectarian war in Iraq and a civil war in Lebanon, cause divisions in Jordan and create a new haven for al-Qaeda which will destabilise the region.

As opposed to Iran's 50:50 gain-loss, Israel seems to be a net loser. Hamas has received Arab support once again as a way of breaking

Iran's influence in Gaza; Egypt under the Muslim Brotherhood is no longer a constructive ally, raising question marks – even if not immediate ones – about the Camp David Accord; Egypt–Iran ties are worrisome; the Obama administration is clearly displeased with the settlement expansion policy; and finally, the threat of military action against Iran now has fewer takers than ever before.

Every loss for Iran is Turkey's gain, which means that the eventual outcome of the ongoing rivalry is bound to profoundly impact the future security architecture of the region. When Ankara despaired of its efforts to join the European Union and focused on the Middle East, there was optimism about its contribution to Middle East politics. It started off well with efforts to play an active role in resolving the Iranian crisis through the Brazil–Iran–Turkey initiative. Eventually, however, Turkey went from a 'zero problem' policy to 'zero problems with neighbours', to 'plenty' of problems all around. In fact, some view Turkey as a 'Western country of the Middle East'.<sup>7</sup> This view may gain credence with the recent Israeli–Turkish rapprochement, at Washington's insistence. Further, just as Egypt–Saudi friction may intensify, throwing 'Arab solidarity' into turmoil, Turkish policy on Kurdish Iraq may also undermine Iraq–Iran–Turkey ties, bringing Iran–Iraq–Russia–China closer.

After decades of good ties between Egypt and the GCC states, these have frayed post-Mubarak. Egypt's relations with Saudi Arabia and the United Arab Emirates have been particularly tested. Although Egypt has reassured the GCC states that any improvement in Cairo's relations with Tehran will not come at the expense of undermining Arab Gulf security, the Islamist factor is sure to keep their ties on tenterhooks. This is particularly true in the context of the Muslim Brotherhood's ultimate game plan: Will it continue to accept Saudi domination of the Islamic world? Or will it challenge Saudi religious supremacy by reviving and promoting al-Azhar as a more moderate and appealing Islamic force?

The fundamental change in countries in transition is the return of Islamists to the political mainstream. It is often argued that religious extremism is best countered by including such groups in mainstream politics and government. But the danger is how they will exploit religion once their politics fail to yield the results that the people expect. While the Arab uprisings may have been rooted in the quest for human dignity and expanding political participation, the desire to bring about a change in the economic realities through political change was an important driver. How will religion and religious sentiments be exploited if the promised and anticipated economic recovery does not take place within a reasonable timeframe? This is more likely than not. New governments could then resort to galvanising religious sentiment as a means of distracting from their failure, which may detract from attempts to encourage and project the moderate face of Islam after the 9/11 attacks. The role of secularists, who in Egypt, for example, constituted nearly half the electorate in the poll that elected Morsi, is pertinent too. How will they further their interests and how will this play out vis-à-vis the religious groups?

Moreover, how will all the above mentioned developments impact the United States – a ‘superbroke, superfrugal superpower’? The Arab uprisings have hastened the decline of US influence in a region that was already witnessing the US’ fatigue with the region and the region’s fatigue with the US. But while the GCC states are frustrated with the ineffectiveness of the United States in addressing their concerns and are willing to consider alternatives, none of the ‘rising’ powers represent even a remotely viable alternative. Since the US presence and influence in the region is likely to diminish further, alternative long-term strategies aimed at developing a ‘collective’ security architecture are in the best interest of both the GCC states and the security guarantors of the future. However, the longer it takes for any alternative development to crystallise, the more this will add to the present confusion and instability. From being at the mercy of one, the region might end up being at the mercy of none, which is

not an encouraging prospect either. With new Islamist governments heading the transition states Washington no longer has any allies that it can take for granted. The only reason the GCC states maintain close links to the United States is because of the security cover it provides in a region that equates national security with regime security. If a credible alternative were to surface, even in the distant future, American influence would decline even more.

Thus, the GCC states are in a difficult situation on both the conflict fronts they have stakes in. In terms of Iran, GCC-Iran friction, rooted in ideological differences, has been overshadowed by Western concerns over an Iranian nuclear-military threat. Instead of the GCC states and Iran engaging in negotiations, the dialogue has been between Iran and the West. In terms of Syria, the principal hurdles are Russia and China, in addition to Iran, whose ideological battles are with the West.

### **The European Union and the Gulf in a 'post-US' world**

The transformation occurring in Middle East politics has the potential to alter the geopolitical situation currently based on a unipolar world. The 'struggle' for Syria, between two international and regional alliances – Washington, the European Union, Ankara and the GCC countries versus Moscow, Beijing and Tehran – may determine the fate of global politics in the future. Any potential alternative power centre should be viewed in a spirit of cooperation rather than being considered a competitor of the United States and other Western powers: a 'post-US world' need not be an 'anti-US world'.

Given such a scenario the European Union should determine whether, considering the political and economic crises, it will have the time, inclination and influence to play a constructive role in the region. In doing so it should consider that every time Western forces intervene

in an Arab or Muslim country, leaving chaos and failed states behind, al-Qaeda and its affiliates thrive, and Western credibility as an influential force declines.

On Iran, the EU should support the Obama administration-driven diplomacy while, simultaneously, engaging with the GCC countries to find ways of assuaging their longstanding concerns. While for the West and Israel, Iran is a military threat, for the GCC countries, Iran poses more of an ideological threat.

In addition, the EU should contemplate prospects for collective security architecture and prepare for a 'post-US world' in the Gulf by considering holding informal discussions with influential Asian countries to develop mutually beneficial strategies in the long term.



# Domestic implications of the Arab uprisings in the Gulf

*Kristian Coates Ulrichsen*

The Arab uprisings have had a profound impact on the domestic political, economic, and security dynamics in the six Gulf Cooperation Council (GCC) states. Whereas in North Africa, Yemen, and Syria it is the political impact of the uprisings that has been transformative, in the Gulf its economic repercussions are resonating through governing structures. The policy decisions taken in 2011 to pre-empt or minimise the likelihood of unrest will reverberate in the years ahead, and complicate the shift toward post-oil economies that eventually must take place. In the Gulf, economic challenges are inextricably linked with political decisions on how to utilise the revenues from hydrocarbons. In this regard, the economic implications of recent policies have greatly complicated the politically-driven transition projects that were underway across the GCC.

## **The Arab uprisings and the Gulf States**

The self-immolation of Mohamed Bouazizi in Tunisia in December 2010, which sparked the 2011 uprisings in North Africa, resonated heavily throughout the Arab world. Despite having the most transformative

impact in North Africa, unrest did not spare the Gulf States. The civil uprisings that overthrew Presidents Ben Ali and Mubarak in Tunisia and Egypt, respectively, galvanised popular opposition to the ruling Al-Khalifa family in Bahrain.<sup>8</sup> Ahead of the 14 February ‘Day of Rage’, emboldened protestors voiced demands for greater political freedom and equality for all Bahrainis. In particular, protests targeted the regime’s promotion of sectarian divisions to inhibit the emergence of any popular cross-community opposition movement. The Al-Khalifa ruling family responded by confronting the dissenters, ultimately through the use of GCC Saudi-led forces and the declaration of a three-month state of emergency that lasted until June 2011.<sup>9</sup>

Kuwait also experienced sustained and large-scale public demonstrations, which escalated sharply following allegations of a massive political corruption scandal in August 2011, and culminated in the dramatic storming of the National Assembly in November and the resignation of Prime Minister Sheikh Nasser al-Muhammad Al-Sabah in December 2011.

Widespread demonstrations among Shia communities in Saudi Arabia’s Eastern Province began contemporaneously to the Bahraini uprising.<sup>10</sup> In Oman, protests in the industrial town of Sohar took place in February and March 2011 which were met with deadly force by the state security apparatus. Meanwhile, in the United Arab Emirates (UAE) officials responded to demands for political reform by arresting prominent human rights and opposition activists, closing down non-governmental organisations (NGOs) and international think-tanks, and taking over local civil society organisations. Only Qatar, given its fortuitous combination of large hydrocarbon wealth and a small population, escaped unrest.<sup>11</sup>

### **Economic challenges and policy responses**

Local policy responses to the Arab uprisings have focused overwhelmingly on short-term measures to blunt or pre-empt the social and economic

causes of potential political tensions. These included cash handouts (Kuwait, Bahrain, and the UAE), creating jobs in already saturated public sectors (Saudi Arabia, Bahrain, and Oman), and raising workers' wages and benefits (Qatar, Saudi Arabia, and Oman). In addition, Saudi Arabia was behind the announcement of generous GCC financial aid packages to Bahrain and Oman (\$10 billion), and Jordan (\$5 billion), as well as significant bilateral assistance to Morocco and Egypt.<sup>12</sup> King Abdullah also engineered the surprising offer of GCC membership to Jordan and Morocco in May 2011 before announcing his aspiration for a closer 'Gulf Union' at the GCC Summit held in Riyadh in December. However, despite the Saudi foreign minister fleshing out the proposals for an integrated military and regional security policy, an extraordinary mid-year GCC Consultative Summit in Riyadh on 14 May 2012 failed to reach consensus given the absence of the rulers of Oman and the UAE at the meeting.<sup>13</sup>

However, these responses have failed to address the immediate and long-term challenges to economic sustainability in the GCC. Immediate challenges include demographic pressures stemming from the youth bulge that is working its way through the population pyramid; saturated public sectors and weak private sectors that are unable to generate sufficient jobs to absorb labour market entrants; entrenched layers of subsidies and vested interests; and unproductive rent-seeking patterns of economic behaviour, especially in the energy sector. Long-term issues include unsustainable increases in both public spending and domestic energy consumption.

Throughout the region, public expenditure surged during the prolonged windfall generated by the post-2003 rise in world oil prices. In Kuwait, budgeted spending trebled between 2004 and 2011, by which time public sector salaries were calculated to be equivalent to 85 per cent of the country's annual oil revenue.<sup>14</sup> Meanwhile, in Saudi Arabia, the government is estimated to forego \$70 billion each year in lost export revenues owing to heavy subsidies on gasoline that see

Saudi consumers pay just \$0.12 per litre for fuel. Moreover, in 2011 the Middle East Economic Digest (MEED) noted that the Kingdom's refining capacity cannot meet the gasoline and diesel demand, and will thus need large-scale imports estimated at a further \$170 billion over ten years. MEED added that 'the world's largest oil exporter now finds itself in the peculiar position of being a large-scale importer' of refined products, reflecting the fact that 'low fuel prices are a principal mechanism in which wealth is shared in the Kingdom'.<sup>15</sup>

### **The politics of patronage**

In light of the short- and long-term domestic economic challenges outlined above, responses to the uprisings in the Gulf States have greatly complicated the policy outlook. Steffen Hertog has correctly pointed out that economic, not political decisions taken to counter unrest will have the most lasting and troubling impact. This is because 'expectations are easy to raise but difficult to curb, creating a ratchet effect that demands ever larger outlays during every political crisis'.<sup>16</sup> The spillover effects of citizen demands for additional government largesse were seen already in January 2011, shortly after Kuwait announced the Gulf's first handout worth \$4 billion (a few days after the ousting of Tunisian President Ben Ali), when Qatari nationals demanded that their own government follow suit. Despite the fact that Qatar has the world's highest Gross Domestic Product (GDP) per capita, a local newspaper<sup>17</sup> reported how the Kuwaiti announcement 'has led to huge excitement in the Qatari community' with many Qataris publicly suggesting that their government 'should announce a similar or even more attractive "gift package" for its people'.<sup>18</sup>

Additional government spending has been enormous. Total state spending in the six GCC states soared by 20 per cent during 2011 alone.<sup>19</sup> Saudi Arabia's two emergency welfare packages, collectively worth \$130 billion, exceeded every annual government budget until

2007 and included a provision to employ 60,000 additional Saudis in the interior ministry alone. It also contained stipulations for increasing the minimum wage for public sector employees (but not private sector workers), offering a one-time bonus of a month's pay to all public officials, and constructing 500,000 new homes to combat the crippling shortage of social housing.<sup>20</sup> In Bahrain, the interior ministry promised to create 20,000 new jobs in an already bloated public sector, while in Oman Sultan Qaboos announced 50,000 new public sector jobs as well as a pay increase in February 2011.<sup>21</sup>

Similar packages were announced in the comparatively richer GCC states, whose high oil and gas revenues and smaller populations might otherwise have shielded rulers from the socio-economic discontent witnessed elsewhere. In the UAE, the federal government rushed ahead with infrastructure and welfare spending to quell discontent in the poorer Northern Emirates. Pledges made in March 2011 included significant investments in electricity generation and water distribution, as well as healthcare and job creation programmes to boost the employment prospects of citizens from these regions. These announcements attempted to tackle endemic unemployment, which reached 20.6 per cent in Fujairah and 16.2 per cent in Ras al-Khaimah, as well as the results of a 2010 survey conducted by the Federal National Council that revealed that 900 homes in the Northern Emirates still lacked access to electricity.<sup>22</sup>

Even Qatar, which faced little to no threat of domestic unrest, announced a 60 per cent increase in basic salaries, social allowances and pensions for public officials, and 120 per cent rises for military officers in September 2011. Significantly, this was done through a decree (50/2011) from the then Heir Apparent now Emir (Sheikh Tamim bin Hamad Al-Thani) rather than the then Prime Minister (Sheikh Hamad bin Jassim Al-Thani). Such a popular and benevolent display of monarchical generosity was interpreted by observers as part of the domestic power struggle between the two dominant figures in Qatari politics.<sup>23</sup>

However, such intensified politics of patronage through an increased flow of unproductive payoffs to key sectors of society have damaged recent attempts to scale back the state's role in the economy and boost that of the private sector. In Bahrain, economic populist measures introduced after the Pearl Roundabout uprising in 2011 systematically dismantled the measures introduced by the Labour Market Regulatory Authority (LMRA) since its formation in 2006. These pioneering reforms intended to correct labour market imbalances by stepping up labour nationalisation. Specifically, the two flagship measures – imposing fees on business owners for every foreign worker hired, and the imposition of minimal quotas for hiring local workers – were suspended, seemingly permanently. Bahraini scholar Hasan Tariq Alhasan commented in July 2012 that the government had 'driven the last nail into the coffin of the economic and labour market reforms... in an attempt to secure political support from the business community'.<sup>24</sup>

### **Challenges of (un)sustainable development**

Unsustainable economic and energy patterns are the Achilles Heel that, if left unchecked or inadequately tackled, will pose an existential threat to the survival of the regimes in their present form, by questioning the viability of the wealth redistribution mechanisms that lie at the heart of the social contract between ruler and ruled. Oil rents have played the central role in constructing and maintaining the social contract and redistributive mechanisms in the Gulf's rentier-state systems. The welfare strategies for co-opting support and spreading resources developed in the 1960s and 1970s did so in times of comparatively small populations and seemingly endless resources. In all of the Gulf States, such transfers were vital to cushioning the impact of the transformational socio-economic changes that compressed decades of modernising and evolutionary change elsewhere into a single generational achievement.<sup>25</sup>

The Gulf governments' first long-term challenge is dealing with unsustainable fiscal policies. The second concerns domestic energy consumption patterns. GCC governments now have to face the dilemma of implementing short-term measures to ward off discontent without exacerbating the systemic problems that undermine long-term solutions. Caught in a pincer trap between rising demands for, and falling supplies of finite natural resources, Gulf policy-makers must address these internal contradictions and pressures that will only intensify over time in the face of increasing populations and depleting oil and gas reserves.

Rapidly-rising break-even oil prices concern the price-level needed sustainably to maintain the above mentioned increases in social and welfare expenditure. During the oil price boom that began in 2003 and has continued, with a major dip in 2008-9, to the present day, the Gulf States ran significant budget surpluses. This sustained period of capital accumulation sharply contrasted with the prolonged period of low oil prices in the 1980s and 1990s, when Saudi Arabia ran a budget deficit for nineteen consecutive years.<sup>26</sup>

GCC economies were first hit by the rapid slump in oil prices in late 2008 and into 2009, and later, as economies returned to surplus in 2010 and 2011, by the impact of increased spending. The volatility of world oil prices highlighted the GCC's vulnerability to external factors that are beyond their control and directly affect government revenues. It is within this context that the rise in the break-even price of oil needed to balance the budget must be assessed. This has risen inexorably over the past decade. In Saudi Arabia, prices have gone from \$20 to nearly \$90 per barrel, with the Institute for International Finance forecasting a break-even price of \$110 by 2015.<sup>27</sup> Bahrain's break-even price already exceeds \$120, while in the UAE it soared from \$23 in 2008 to an estimated \$92 in 2011.<sup>28</sup> In March 2012, Kuwait's finance minister claimed that the state's current expenditure rate would require an oil price of \$109.50 to balance the budget in the 2012-13 fiscal year, and

that if spending patterns remained unchanged, by 2030 Kuwait would need to produce three million barrels of oil per day at the astronomical price of \$213.50 to meet its fiscal requirements.<sup>29</sup>

The steady rise in public spending leaves the Kuwaiti government (alongside the other Gulf States) dependent on high oil prices. Any significant drop would leave them exposed, despite their massive capital accumulations and budget surpluses in recent years which provide a buffer of sorts. After all, it has been only three years since prices plunged to \$33 per barrel. Moreover, less resource-rich countries such as Bahrain and Oman already depend on GCC aid and development packages.<sup>30</sup> Yet, even in the richer states officials already face a series of policy dilemmas, encapsulated in Kuwait's recent decision to increase the proportion of oil revenue going into the country's Reserve Fund for Future Generations from 10 to 25 per cent.<sup>31</sup>

This followed an alarming assessment by the International Monetary Fund (IMF) in May 2012 that predicted that at current trends, 'government expenditure will exhaust all oil revenues by 2017, which means that Kuwait will not be able to save any portion of these revenues for future generations'.<sup>32</sup> Later in 2012, the IMF warned that by 2017 also Saudi Arabia could slide into a 0.6 per cent budget deficit, as a result of falling oil prices and increasing state spending.<sup>33</sup> Lastly, in a scenario whereby oil prices fell by \$30 per barrel and remained at that level into the medium-term, the IMF forecast that GCC states would begin to go into deficit by 2014, with Bahrain and Oman running deficits of up to 16 per cent by 2017 and Saudi Arabia also facing a double-digit deficit by that time.<sup>34</sup>

Closely related to this looming fiscal crunch are unsustainable patterns of domestic energy consumption. This reflects the market-distorting pricing policies that deliver energy at greatly subsidised prices, as well as the energy intensive nature of GCC states' industrialisation (and urbanisation) projects reliant on cheap feedstock of gas. Both trends



support a culture of almost unrestrained energy consumption, and are underpinned by the provision of crude oil to local markets at around \$8-10 a barrel, far below the global rate upwards of \$80-90. This imposes a double cost on governments, which must continue to subsidise artificially low domestic oil prices while incurring a significant opportunity cost as they cannot export and sell at international market prices. As perhaps the most extreme examples, Kuwait has not raised electricity prices for individual consumers since 1962, and in Qatar domestic consumption of oil has trebled since 2000.<sup>35</sup>

Unsustainable consumption also presents a problem that will become more challenging over time. A report by the Saudi Electricity Company in spring 2011 pointed out that nearly one-third of current Saudi oil production (8.5 million barrels per day) is used to meet local demand, primarily for power generation, and that revenues from the export of the remaining oil provide nearly 80 per cent of the government's income. It also warned that if present local consumption rates continue, current production levels would be unable to meet local demand by 2030. A diplomatic cable released by WikiLeaks in 2010 predicted that domestic energy demand would grow 10 per cent each year and that the Kingdom's ability to export oil would decline as these domestic requirements escalated.<sup>36</sup>

Aside from Qatar, the increasing shortage of natural gas to fire power plants and generate electricity means that ever-larger amounts of oil are being burned to generate sufficient power to meet the demands of energy intensive industrialisation and high population growth. A paper published by Chatham House in 2011 warned that continuing growth in domestic demand for energy would lead to economic and social pressures long before the ending of oil exports, by 2020 at the earliest.<sup>37</sup> The Riyadh-based consultancy Jadwa Investments drew up a 'worst-case scenario' over summer 2011 covering the oil and fiscal challenges in the Kingdom. If Saudi spending and oil trends did not change, the report warned, the government faced the prospect of

substantial budget deficits by the 2020s, with domestic oil consumption potentially reaching 6.5 million barrels per day by 2030. By this time, it warned, Saudi Arabia would be facing a reduction in foreign assets to minimal levels, rapidly rising debt, and a break-even price of over \$320 per barrel.<sup>38</sup>

Domestic energy consumption and rising break-even prices are interlinked. Saudi oil use nearly doubled in just eight years, from 1.6 million barrels per day in 2003 to 2.8 million in 2011, while government spending escalated. Between 2003 and 2009, the government wage bill rose by 76 per cent, while the number of public sector employees increased by 24 per cent, despite the avowed policy of ‘Saudisation’ of the workforce.<sup>39</sup> The difficulties in reducing or rolling back subsidised utilities or public sector employment are manifold. The longer the Gulf States postpone subsidies and social contract reform, the harder it will be to wean citizens off such mechanisms that are increasingly taken for granted. Resource shortages may thus become intractable security threats if they call into question the state’s capacity to deliver essential goods to the population.

### **Status quo or systemic change?**

The core issue at stake is the updating of the social contract in line with sustainable and long-term patterns of consumption and production. Yet, Gulf policy-makers’ failure to roll back subsidies and patterns of wasteful consumption in times of comparative plenty increasingly means that reforms will instead occur during periods of relative hardship. This raises the question of ‘stability versus sustainability’ as identified by Jim Krane.<sup>40</sup> Officials must increasingly confront the reality that traditional methods of redistributing wealth are no longer fit; their continuation actively damages medium- and long-term economic prospects in the absence of alternate measures to raise revenue, such as taxation or strong private-sector-led growth. Current economic

models of development, and high-intensity energy consumption put at risk the viability of the political model that has maintained stability for the past four decades.

Thus far, the evidence from the Gulf States' responses to the Arab uprisings is not encouraging. The GCC states, except for Bahrain, appear to have largely weathered the storm of protest, thereby confirming the monarchies as the great survivors of the Middle East. Moreover, Qatar and the UAE have emerged as regional powers with truly international reach, engineering the Arab response to the Libya crisis in 2011 and leading international efforts to resolve the civil war in Syria.<sup>41</sup> Their interventions demonstrate a newly-proactive stance, in an attempt to control and contain the unrest generated by the Arab uprisings.

And yet, the combination of medium- and long-term challenges outlined above present profoundly difficult questions for the Gulf's ruling elites. Rather than tackling problems head-on, responses to the Arab uprisings suggest that governments lack the capability to undertake the sensitive – and momentous – reforms needed to guide the Gulf States into the post-oil era. Yet this transition will inevitably take place, and it may be sooner rather than later, as rising break-even oil prices and surging domestic consumption eat into export sales and government revenues. Stability in the GCC is thus more fragile and transient than it appears as domestic political, economic, and security dynamics become increasingly intertwined.

# Citizenship in the Gulf

*Jane Kinninmont*

The Arab uprisings that started in 2011 have intensified debates over the meaning of citizenship, the rights and responsibilities that go with citizenship, and relations between citizens and states. These debates exist in the Gulf too, although perhaps less loudly than in the countries undergoing transition.

On the one hand, numerous Arab commentators, including some Gulf intellectuals, have sought to encapsulate the key demand of the Arab uprisings as ‘a transition from being subjects to being citizens’. This captures a sense of a desired end to perceived passivity and a claim to becoming a different sort of political being, respected and with rights and dignity. On the other hand, Gulf governments have continued to define different *de facto* tiers of citizenship – determining who is entitled to which levels of economic benefits on the basis of ancestry, who is entitled to vote, whether women can pass citizenship on to their children, and in some cases, even stripping citizenship from dissidents perceived as being disloyal.

In both cases, the tangible legal construction of citizenship, which Gulf constitutions typically state should be equal for all citizens but which

in practice comes with different degrees of privilege or exclusion, intersects with more subjective and contested identity politics, in terms of a variety of attempts to define the national identity of both citizens and their states. The latter efforts are taking place both from the top down, as Gulf Cooperation Council (GCC) governments invest in cultural and social national identity projects, including formal citizenship education in schools in some countries, and at a more grassroots level, within civil society, political activism and the arts, sometimes challenging official discourses that often seek to identify loyalty to the state with loyalty to the rulers.

### **Nationals and national identity**

This begs the question, citizens of where and what? GCC governments are focusing primarily on their own citizens and states, but to some extent are also constructing a notion of GCC citizenship, as GCC nationals are increasingly being extended entitlements that were previously limited to country nationals, such as the right to own land, majority stakes in companies in sectors protected for national investors, and so on. The gradual (and uneven) process of GCC integration raises a number of questions about future relations between GCC citizens and GCC states; the idea of a Gulf union attracts support from unlikely bedfellows with very different ideas of what it should mean, from senior royals to leftist Arab nationalists. The current borders of GCC countries have been defined relatively recently, with most states becoming independent upon Britain's withdrawal from the Gulf in 1971, except for Kuwait (1962) and Saudi Arabia (1932), and a series of border disputes were resolved even more recently. Moreover, the memory of Iraq's invasion and the occupation of Kuwait in 1990-91, the widespread fear of Iranian efforts to assert hegemony outside its own borders, and the natural tendency of small states to be concerned about possible threats from larger and sometimes aggressive neighbours, all lead to some insecurity about the solidity of the nation-state. Finally,

world-record rates of inward migration, which have led Arabic to become a *de facto* second language in some Gulf countries, have also led to questions over national identity.

That said, views that the Gulf countries lack any national identity and merely constitute ‘tribes with flags’, in contrast to Western nation-state norms, are overstated. Many of Europe’s borders are also recent, artificial constructions, and thus defining national identity proves elusive even for many long-established countries, based as it often is on a series of myths about what distinguishes people from their neighbours.<sup>42</sup> The modern Western/Westphalian nation-state is a fairly-recent invention, but there are longer histories of places, peoples and rulers that feed into the construction of the identities of modern states, whether this be Oman’s long history as an imperial power, or Saudi Arabia’s history as the birthplace of Islam, referenced in the preferred description of the king in the local media as ‘the Custodian of the Two Holy Mosques’. Moreover, in countries where the majority of the population is under 30, it may be less relevant that the country is just over 40 years old.

The legal, political and economic construction of citizenship by Gulf regimes has been designed partly to provide incentives for Gulf nationals to support the existing nations rather than being swayed by stronger pulls towards transnational Arab or Islamic identities. In terms of the political rights of Gulf nationals, for instance, Jill Crystal<sup>43</sup> argues that the creation of the Kuwaiti parliament in 1962 was designed partly to contain impulses towards Arab nationalism, especially given fears that Iraq might exploit such sentiments for the sake of its own territorial expansion. Arab nationalism was weakened by a number of factors in the late 1960s and early 1970s, including the growing economic inequality among Arab states after the 1973 oil boom as well as the failure of two Arab unity experiments and the Arab defeat in the 1967 war with Israel. The oil boom, and the policies adopted by governments to distribute some of the benefits of oil wealth among the population, added to the economic incentives for Gulf nationals to support their existing nation-

states, which happened to legitimise the concentration of the region's wealth among a small proportion of its population.

The economic benefits of holding Gulf nationality, discussed further below, are an important facet of the construction of citizenship in the region, and it is often suggested that there is a trade-off between economic benefits and political rights. At the same time, when the legitimacy of Kuwait and Bahrain as nation-states has been profoundly challenged by rival regional powers, citizens' political rights and aspirations have been an important part of states' claims to legitimacy, in an international legal and political system that is supposed to value the rights of peoples to self-determination as well as state sovereignty. Notably, the independence of Bahrain came after a 1970 United Nations plebiscite in which the majority of Bahrainis surveyed sought an independent Bahrain rather than integration with Iran. In 1991, after Kuwait was invaded and occupied by Iraq – which exploited a pan-Arabist discourse in an attempt to de-legitimise the Kuwaiti nation-state – the ruling family came to an agreement with opposition forces to unite behind the liberation of their country and restore its suspended parliament. These recent consultations embody elements of the notion of a social contract between rulers and citizens.

### **Citizenship and the state**

The legal notion of citizenship is part of an internationally-recognised system of sovereign states, and as such it is easy to assume it means the same thing everywhere. But the legal definitions of citizenship vary and evolve between countries and over time – including the question of how it is acquired, and the rights and responsibilities it entails. There are also very different systems governing who is entitled to define citizenship, and the degree to which the executive can endow or revoke citizenship, versus the idea of citizenship as a birthright, or as part of signing up to some basic common values.

Historically, the notion of citizenship in the Gulf has been heavily influenced by British ideas, as passports and modern borders were largely introduced during the British imperial period. Prior to that, borders were more fluid, and merchants, traders and tribes in the Gulf's port cities enjoyed a mobility that gave them some leverage over their rulers (not unlike today's multinationals, they could easily relocate to another area, taking their business with them, if dissatisfied). The diaries of Charles Belgrave,<sup>44</sup> former British political resident in Bahrain, describe his efforts in the late 1920s to introduce a system to inspect passports and passes held by Persian traders coming to Bahrain in the hope of reducing the number of Persians entering the port at a time of tension between the British and Persian Empires (which still laid claim to Bahrain). Concerns about Persian influence also fed into the decision in Bahrain's 1937 Nationality and Property Law to link citizenship with the ownership of property; the ability of non-nationals to buy land was restricted, while a number of wealthy Persian merchants became Bahraini nationals in order to retain control of their properties.<sup>45</sup>

Since independence, and the oil price spike that followed, citizenship has evolved in ways that are distinct to the Gulf, partly because of a very different economic model. Gulf nationals typically receive economic benefits seen as their share of the country's wealth – including subsidies, free public services, education stipends, and, in some cases, land grants and government jobs – and do not pay income tax (though other taxes and fees do exist, especially in less wealthy Bahrain and Oman). This is obviously a contrast with Europe, where the history of the development of citizenship, including the right to vote, has been associated with taxation and military service as well as property ownership.

Citizenship is difficult to obtain in most GCC States. This has an economic rationale given the benefits attached, and the desire not to dilute these benefits greatly by naturalising the foreign workers that make up the majority of the region's population. It also reflects the



social significance that can be placed on family descent and lineage, which affect the status of different ‘tiers’ of citizens as well as helping to determine who is a citizen. Whereas in Europe there are very different views about the degree to which ethnic descent, culture and language should be relevant to citizenship, compared with the commitment to living and working in a country, in the GCC it is typically necessary to have grandparents who were citizens. In the United Arab Emirates (UAE), different levels of benefits are extended to families who possess a ‘family book’, *kbulasat al-qaid*, showing their Emirati descent, compared with those that have been naturalised.<sup>46</sup>

Most Gulf States have stateless residents, known as *bidoon jinsiyya* (without nationality), many of whom are descended from parents who did not obtain passports when these were introduced in the last century, whether because they did not understand their importance (especially common among illiterate people) or because of deliberate discrimination. The problem is particularly acute in Kuwait, which has an estimated 80,000-120,000 *bidoon* residents, largely excluded from state services or even the ability to register a marriage; the authorities contend many are illegal immigrants from Saudi Arabia or Iraq posing as *bidoon*, while *bidoon* activists say most are original residents of Kuwait.

In Bahrain, the UAE and Qatar, the power of the executive to revoke citizenship has been used as part of strategies for managing post-Arab uprising pressure, while in some Western countries, including the UK, the executive has assumed controversial new authorities to revoke citizenship from dual nationals in the context of the ‘war on terror’. The power to grant citizenship has also been used by rulers, for instance in the UAE and Bahrain, to help to resolve the status of children born to mothers who are nationals but fathers who are not. In most GCC countries, citizenship is passed through the father, meaning women who marry foreigners are penalised by seeing their children unable to benefit from the free schools, healthcare, and, later, job opportunities reserved for nationals. The UAE has begun

to change this legislation – passing a decree in 2011 that children in this situation could apply for citizenship once they become 18 – which is helping to make the legal notion of citizenship somewhat less gendered. In the meantime, rulers have also granted nationality to some of the children facing this issue.

In Bahrain, too, the king has given citizenship to hundreds of children in the same situation, something long advocated by the Supreme Council for Women, a quango (quasi-autonomous non-governmental organisation) headed by his wife, Sheikha Sabeeka. He has also given nationality to hundreds of former *bidoon* people. In both cases, the ruler has directly addressed issues that have caused human rights concerns, albeit through one-off decrees rather than institutional change. However, in the case of Bahrain, this has been overshadowed by the more extensive use of the royal prerogative to naturalise tens of thousands of new citizens over the past decade. In this case, it is generally believed that most have come from Sunni countries, helping to explain why the estimated proportion of Shia Muslims in the population has fallen in recent years.<sup>47</sup> A similar policy was pursued in Kuwait in the 1960s and 1970s, granting citizenship to mostly Sunni tribes from other parts of the Arabian peninsula, who were seen at the time as a counter-weight to the urbanised Kuwaiti liberals, leftists and Arab nationalists. Ironically, their children are among the leaders of today's opposition – indicating the risk that the short-term adoption of such bio-politics strategies can have unintended consequences in the longer term. Bahraini sociologist Abdulhadi Khalaf has argued that the powers of the ruler to make 'grants of citizenship' is one of the contentious features of a political system that faces a struggle between an ethnic politics, which he defines as communal politics based on kinship, tribalism or religious affiliations, and a nationalist politics that opposes tribalism and colonialism and has traditionally been more leftist, though the leftist movements have faced their own questions about whether to focus on Bahraini or Arab nationalism.<sup>48</sup> Khalaf writes:

*Following a seven decades old tradition, grants of citizenship became a tested instrument for balancing population mix... Being a gratuity, this type of citizenship and the rights it infers may also be revoked, partially or totally... Even after receiving a citizenship as gratuity, 'naturalised citizens' must be on their guard and are constantly required to be on the good books of the regime, its ruling core and its security services.<sup>49</sup>*

In 2012 Khalaf himself was one of 31 Bahrainis stripped of their citizenship for unspecified security reasons. In the same year, seven UAE nationals were also stripped of their citizenship, again for security reasons that were not detailed; several had links to the Islah Association, an Islamist group, and some had signed a 2011 petition calling for an elected parliament. In both cases, several people were left stateless, creating a more international dimension to the problem. In an unusual twist, at least one of the UAE activists was given a Comoros Islands passport by the government, despite having no historical or family connections to the Comoros, and was then deported to Thailand on a tourist visa. The UAE has also reportedly given Comoros passports to *bidoon* residents.<sup>50</sup>

### **Citizenship and youth mobilisation**

The use of executive powers to de-nationalise dissidents has been occurring in the Gulf at precisely the same time that youth movements around the region have been calling for a new relationship between states and their people, seeking greater rights and dignity. There is a tendency among Gulf officials to view the Arab uprisings as primarily being motivated by economic dissatisfaction, yet both the slogans used at protests and the longer-term campaigns organised by social and political movements across the Arab world have articulated a complex combination of political and economic demands.

The use of national symbols has also been a key feature of the protests, including in Bahrain, where the national flag became such a feature of protest rallies that police have been filmed confiscating them from would-be demonstrators, while the information minister accused Shia protestors of using a doctored flag where the usual five white triangles had supposedly been increased to 12, which, it was claimed, indicated their allegiance to the 12 Shia imams rather than to the nation-state. While this 12-point flag does not seem to have actually existed, the competing stories about flags highlight the propaganda battle over national symbols at a time of political contestation, where the protestors claimed to be the representatives of 'the people' while state media cast them as 'traitors' serving a 'foreign agenda'. This 'foreign agenda' narrative has also been used heavily in the UAE against 94 dissidents now facing trial there. The theme of safeguarding the authentic identity of the nation against foreign criticism has also been used in official discourse responding to criticisms from international human rights non-governmental organisations (NGOs) or foreign governments, for instance when the Bahraini interior minister told a meeting of GCC ministers in November 2012 that the GCC states were facing a new 'colonial plot' under the guise of 'human rights' and 'democracy'.

Yet at other times, GCC governments have responded to opposition and protest movements by expanding the space for a national political debate. The limited expansion of political space in Saudi Arabia in the 1990s, with the return of formerly-exiled Shia dissidents, some of whom later became municipal councillors, and the creation of a half-elected Bahraini parliament in 2001, were also opportunities to give nationals from sometimes marginalised social groups a stake in the system, even if those opportunities did not prove to be the foundation for a more sustained reform project. At a time of increasing ethnic and sectarian tensions, a renewed focus on citizenship and nationhood can be a valuable, more inclusive approach.

There are both political and civil society activists seeking to counter sectarian and ethnic tensions and to develop a more inclusive notion of citizenship – whether this takes the form of campaigning for political reforms and a constitutional monarchy, or more of a ‘social non-movement’ focus on building up social solidarity and trying to develop a longer-term change in attitudes. One of the early calls for protests in Bahrain on 14 February 2011 called on Bahrainis of all religious and ethnic groups to march together, stating sectarianism was constructed by the regime as part of efforts to divide people. Also in Bahrain in 2011, local bloggers gave out badges saying ‘no Sunni, no Shia, just Bahraini’. But the vast majority of protestors were Shia, and for much of the Sunni population, these became ‘Shia protests’, while in Iraq in 2013, protests in the western provinces have been dubbed ‘Sunni protests’, even when they call for basic rights on the basis of citizenship. Meanwhile in Kuwait, protests calling for a boycott of the December 2012 election resonated more among Sunni sympathisers with an opposition whose leaders include Muslim Brotherhood and Salafist former MPs, rather than the Kuwaiti Shia minority. Consequently, the parliament now has its highest-ever representation of Shia, but at the cost of representing fewer voters overall (the election turnout was 40 per cent, a record low for Kuwait). Kuwaiti youth activists have also called on Islamist opposition MPs to take a more inclusive approach to Kuwaiti Shia.

There are still questions about which groups are excluded from the notion of citizenship – the flipside of the often-romanticised Ancient Greek notion of citizenship (for adult Greek males only) being the excluded slave – and only a tiny minority of Gulf human rights activists have taken up the cause of migrant workers or the *bidoon*. On the issue of the *bidoon*, a group of Kuwaiti activists, known as the Group of 29, is campaigning for *bidoon* residents to go through a legal process to determine their nationality, while the Kuwaiti Human Rights Society and the Bahrain Centre for Human Rights have both campaigned on migrants’ rights issues and the latter has set up a Migrant Workers’ Protection Society, the first of its kind in the Gulf.

The continuing political impasse in Bahrain, the failure of Saudi opposition groups to develop a national platform that could unite the Shia protestors of the Eastern province with oppositionists in other areas of the country, and the sectarian double standards evident in the attitude of many politicians to protestors in Bahrain and Kuwait who have made similar demands but who come from different backgrounds, all indicate that social and religious divisions remain a major weakness in opposition bargaining power, and ultimately reduce the ability of citizens to negotiate with the state on the basis of their status as citizens. While some youth activists seek drastic change in the near future, others believe they should focus on longer-term awareness-raising to build up greater solidarity among citizens.<sup>51</sup>

# Islamism in the Gulf

*Guido Steinberg*

The Arab Gulf States are home to a wide spectrum of Islamist movements, which comprise an extremely broad range of characteristics from non-violent to militant, transnational to local, and Sunni to Shia. The question of how to respond to the challenge posed by Islamist groups has preoccupied Gulf regimes since the late 1970s, but has gained new urgency in the wake of the Arab uprisings in 2011, which brought Islamist movements to power in Egypt and Tunisia and heightened their influence in Libya, Syria and Yemen. The Gulf Cooperation Council (GCC) regimes fear Shia Islamists, because they regard their transnational connections as evidence that they are potential fifth columns of Iran and possibly Iraqi and Lebanese militant Islamist groups. In addition, some Gulf regimes are concerned that the Muslim Brotherhood might export the uprisings in North Africa to their countries, where the Brothers already have a presence. Government measures against both phenomena have acquired an increasingly repressive slant and have led to a palpable rise in sectarianism – which had been on the increase since 2003, but has received a new impetus since 2011. The different attitudes towards the Muslim Brotherhood of Qatar and Saudi Arabia have complicated coordination within the GCC but have not led to open clashes given a shared fear of Iran and its allies.

## **Mapping Islamism in the Gulf: violence, transnationalism and sectarianism**

The overarching goal of Islamists is the establishment of Islamic states and the implementation of their interpretation of *sharia* (Islamic law). Different Islamist strands disagree over the legitimacy of employing violence to that end. In the Gulf, as in most other parts of the Muslim world, proponents of non-violent approaches command much more popular support than those of militant strategies. More strikingly, many Islamists in the Gulf States not only reject violence, but will not openly oppose their governments on the grounds that the latter implement Islamic law. This is perhaps the most noteworthy feature of the Saudi Arabian Wahhabiya, the religious reform movement led by the Wahhabi establishment of religious scholars in Riyadh. Although the Wahhabiya has at times propagated violence, its mainstream has only done so in cooperation with the Saudi state, when the latter condoned religious-political violence or even instrumentalised it for its own political ends. Since 1930, the Wahhabiya has been domesticated by the state, after delegating the prerogative to declare jihad to the Saudi king. Given its significant influence among the population of Central Arabia, it has remained an important legitimising tool for the Saudi rulers. Saudi hostility towards the Muslim Brotherhood is in part grounded on the prominent role of the Wahhabiya; the Brotherhood is considered a potential source of competition for the allegiance of the Gulf's populations.

At the opposite end of the violence continuum in the Gulf is the jihadist movement, represented by its current standard bearer al-Qaeda. When it was founded as a terrorist organisation in 1997, it mainly consisted of an Egyptian and an Arabian Peninsula membership cluster, the latter represented by al-Qaeda leader Bin Laden himself and his followers from Saudi Arabia, Yemen and Kuwait. Its social base and its close ideological proximity to the Wahhabiya have made it perhaps more popular in the Gulf States than elsewhere in the Arab world, posing an important security threat to ruling regimes in the region.



Islamist movements in the Gulf States comprise transnational and local orientations. The Wahhabi movement has strong roots in Central Arabia and many Gulf citizens identify not only the Wahhabiya, but also its Salafi offshoots, as a local Najdi (Central Arabian) rather than a region-wide phenomenon. In fact, most Salafi movements in the smaller Gulf States like Kuwait and Bahrain draw their popular support from among recently settled tribes that have retained strong links to their cousins in Central Arabia. Given the local genesis of the movement and its accommodating stance to politics, Gulf regimes do not generally consider the Wahhabis and Salafis a threat to their rule. This is not to say, however, that the Wahhabiya has remained a purely local phenomenon. In the 1960s, the movement began to export Wahhabi thought, making use of the enormous resources of the Saudi state. In fact, this process lies at the heart of the emergence of what we call Salafism today – and which in most cases is a result of Wahhabi thought mixing with indigenous Muslim and Islamic traditions. The Arabian Peninsula thereby became one of the most influential exporters of religious ideology worldwide.

In contrast, the Muslim Brotherhood is a more transnational phenomenon. In the 1950s thousands of Muslim Brothers escaped repression in Egypt, Syria and Iraq by fleeing to Saudi Arabia and Kuwait where they were employed in the emerging educational systems and established Brotherhood outposts. Their presence had a deep impact on many of their students in the Gulf, introducing them to Islamist thinking. Ideological debates among Egyptian and Syrian Islamists also had an influence in the Gulf States. For instance, the revolutionary thinking of the militant Muslim Brotherhood thinker Sayyid Qutb (1906-1966) spread in Saudi Arabia during the 1960s and 1970s. The combination of Brotherhood thought and more traditional Wahhabi doctrines led to the emergence of *Al-Sahwa al-Islamiya* (the Islamic Awakening) in Saudi Arabia. This movement was the dominating force in the Islamist opposition which emerged in the Kingdom in the early 1990s and remains influential today.<sup>52</sup>

Tension between Sunni and Shia has been on the rise since the war in Iraq in 2003. The animosity is especially pronounced in the Gulf countries where the Wahhabi and Salafi movements propagate an extreme variant of anti-Shia sentiment and where Sunni governments rule over sizeable Shia minorities (and in the case of Bahrain a majority) in a Middle Eastern sub-region in which the Shia dominate.<sup>53</sup> The most anti-Shia forces among the Gulf Islamists are the Wahhabis and Salafis, who by and large subscribe to the view that the Shia are dangerous heretics claiming to be Muslims and thereby guilty of corrupting the true religion from within. Wahhabi and Salafi anti-Shia sentiment has informed the positions of many Sunni political actors in the Gulf States, where anti-Shia and anti-Iran polemics have become more common in recent years. Such anti-Shia sentiment is especially virulent in Bahrain, where the ruling family and Sunni political groups make increasing use of anti-Shia topoi in their discourse on the Shia opposition.<sup>54</sup>

However, the sectarian divide is not a fixed pattern of Gulf politics, but rather is connected to the escalating conflict between regional powerhouses Iran and Saudi Arabia. Sectarianism gained traction especially after the Iraq war led to the emancipation of the country's Shia population, which the Saudi Arabian government interpreted as an Iranian takeover of Iraq. Tensions have risen considerably because of the widely shared perception among Sunnis that the events in Iraq have contributed to the rise of Shia Iran to regional hegemony.

Shia political actors have tended to shy away from open sectarianism, following the example of the Islamic Republic of Iran. The latter downplays its Shia orientation (preferring to address Muslims in general), knowing full well that the Shia are a minority among Muslims worldwide. Stressing its Shia identity would mean reducing the appeal of the Iranian experience to 10-15 per cent of Muslims and focusing its search for allies on the Shia only. Furthermore, in the 1990s, the Shia in the GCC States began to de-emphasise the transnational character of the movements they belonged to and present themselves as exclusively local actors.

## The Gulf Islamists and the Arab uprisings

The Gulf States were less affected by the Arab uprisings than countries in North Africa and the Levant. One of the main reasons for their continued stability is that many of ‘their’ Islamists are loyal to the ruling regimes, or at least not openly working against them. In some cases this is due to the Islamists’ weakness (as in the case of the Muslim Brotherhood), and in others (as in the case of the Wahhabiya in Saudi Arabia) it reflects the greater legitimacy enjoyed by the Gulf monarchies. While the republican regimes in Tunisia, Libya, Egypt and Syria came to power as a result of military coup d’états between the 1950s and 1970s, most of the Gulf monarchies emerged in the eighteenth and nineteenth centuries and therefore claim greater historical legitimacy. Furthermore, the Saudi and, to a lesser extent, Omani regimes claim a religious legitimacy which is accepted by many Islamists in the region.

Although no Gulf regimes – except for Bahrain – came under threat of revolution in 2011, the Arab uprisings have had important repercussions for Gulf and Islamist movements in the region. Most importantly, the rise of sectarianism has accelerated since 2011, mainly driven by events in Bahrain and Syria. Secondly, the rise of the Muslim Brotherhood in Egypt and other transition states raised concerns among some Gulf governments that the organisation’s affiliates in the Gulf might follow suit and start to undermine regimes in the GCC. Thirdly, divergent views over the role the Muslim Brotherhood should play led to important differences in the policies of the GCC States towards the movement, with Qatar supporting the Brotherhood domestically and in the region and the United Arab Emirates (UAE) and Saudi Arabia adopting a more confrontational approach.

### *Escalating sectarian tensions*

The recent rise in sectarianism was triggered by events in Bahrain, where the Sunni ruling family in March 2011 clamped down on a

protest movement which primarily represented the island's Shia majority population and was dominated by Shia Islamist groups. As the tension escalated, neighbouring GCC states provided support. The mainly Saudi and Emirati forces secured strategic installations in the Kingdom, allowing their Bahraini counterparts to suppress the demonstrations. The brutal crackdown left some 30 protesters dead. The leaders of the protests were arrested and later sentenced to long prison terms. The following two years saw the government try to calm the situation through a mixture of offers of dialogue, limited reforms and repression. Young Shia protesters continued their protests against the regime and near-daily clashes ensued in the Shia villages around the capital Manama. The increasing radicalisation of these youths – organised under the loosely coordinated 14th February Movement – put pressure on the mainstream Islamist opposition represented by al-Wefaq not to compromise with the Al-Khalifa family.

The regime accuses the Shia Islamist opposition of being a fifth column of Iran and depicts the events of early 2011 as a coup attempt.<sup>55</sup> Since 2011, it has consistently argued that the opposition aims to establish an Islamic Republic in Bahrain. This line of argument is supported by loyalist Sunni associations, namely the Muslim Brotherhood-affiliated al-Minbar al-Islami and the Salafist al-Asala al-Islamiya, which demand an even more forceful crackdown on al-Wefaq, al-Haqq (a more radical party that broke away from al-Wefaq in 2005) and the 14th February movement. In fact, under the leadership of its secretary general Shaikh Ali Salman, al-Wefaq became the main opposition party in the country and limited its calls to the establishment of a constitutional monarchy.

The increase in sectarian tension in Bahrain has found an echo in the other Gulf States. Most importantly, Saudi Arabia's Eastern province has witnessed similar clashes between young Shia demonstrators and the security forces since 2011, albeit on a smaller scale.<sup>56</sup> The Saudi regime also responded with a wave of repression against its Shia population. The increasing polarisation of Gulf public opinion along sectarian

lines further intensified with the events in Syria. The Qatari and Saudi governments started to support predominantly Sunni insurgents in 2011 and 2012 and Wahhabi, Salafist and Muslim Brotherhood supporters privately sent help. Most Shia interpreted this policy as evidence of the rising sectarianism of the regimes in question and the Sunni population of the Gulf in general.<sup>57</sup> This has led to an increasingly bitter polarisation among Gulf citizens in 2012 and 2013.

### *Containing the Muslim Brotherhood*

The rise of the Muslim Brotherhood in all Arab Spring states, including Syria, has provoked worries among Gulf rulers. The Saudi and Emirati governments consider the Muslim Brotherhood to be a potentially revolutionary movement which – after its success in North Africa – might encourage affiliate movements in the Gulf countries to try to topple their governments.

Hostility towards the Muslim Brotherhood is especially pronounced in the UAE, where dozens of activists of the Brotherhood-affiliated *Islah* organisation were arrested and ‘accused of belonging to a secret organisation with links to Egypt’s Muslim Brotherhood’ in a trial which began in March 2013.<sup>58</sup> Some of the accused had signed a petition asking for legislative powers for the UAE Federal National Council.<sup>59</sup> Given *Islah*’s minor presence in the country and the fact that it had never displayed revolutionary inclinations, the crackdown was widely regarded as an overreaction. The UAE’s concern over the rise of the Muslim Brotherhood is to some extent shared by Saudi Arabia, which, in contrast to the UAE and other Gulf States, has never allowed the establishment of a Brotherhood branch in the Kingdom. Riyadh is critical of the Brotherhood because many Brotherhood-affiliated politicians and organisations sided with Saddam Hussein in 1990, when Iraq invaded Kuwait and Saudi Arabia hosted American troops fighting for its liberation. The Saudi regime, furthermore, considers the Brotherhood’s ideology to be behind the emergence of the

*Sabwa al-Islamiya* opposition movement of the early 1990s. Saudi Arabia, more than the other Gulf States, fears the emergence of an Islamist rival to the Wahhabi movement as it would threaten its religious legitimacy. In contrast to the UAE, Saudi Arabia has focused on containing the influence of the Brotherhood in regional rather than in domestic affairs.

### **Different strategies**

The differing appraisals of the Brotherhood by Saudi Arabia and the UAE on the one hand and Qatar on the other – with Kuwait, Bahrain and Oman remaining on the sidelines – have led to very different policies. Qatar, like Saudi Arabia, hosted Muslim Brothers fleeing repression in Egypt, Syria and Iraq in the 1960s. In contrast to Saudi Arabia however, Qatar allowed the Muslim Brotherhood greater leeway. The Egyptian Shaikh Yusuf Al-Qaradawi, a former member of the Brotherhood and its supreme religious authority, established himself in Qatar from where he promotes the Brotherhood's views with the help of the *Al-Jazeera* TV channel, becoming the most popular Sunni religious scholar in the Arab world. The Qatari leadership also seems to have made the strategic decision to support the Islamists in North Africa and the Levant,<sup>60</sup> not only through the use of soft power – namely the state-financed *Al-Jazeera* Arabic TV channel – to promote the aims of the Muslim Brotherhood, but also assisting Libyan revolutionaries and supporting Islamist insurgents with money, weapons and training. Similarly, in Syria, Qatar cooperates closely with Turkey in its support for the insurgents – especially the Islamists among them. It has also built strong relations with the Islamist governments in Tunisia and Egypt, clearly looking for new allies in the Arab world.

Saudi Arabia's approach is significantly different. Overcoming the shocking fall of the Mubarak regime, Riyadh in 2011 and 2012 supported the Egyptian military leadership as a counterweight to the new Islamist

government of President Muhammad Morsi. Initially, it hesitated to support the insurgents in Syria, where the local Muslim Brotherhood and other Islamists dominate the opposition and the insurgency. Only when the US decided to step up its support in November 2012 did the Saudis follow suit, in close cooperation with Jordan, trying to support the Free Syrian Army in the south of the country in the hope of avoiding an Islamist takeover after the fall of the Assad regime.<sup>61</sup> Diplomatically, Saudi Arabia tried to break the dominance of those backed by Qatar in the Syrian National Coalition in late 2012 and early 2013, triggering a bitter power struggle between the different factions and personalities in the Coalition.<sup>62</sup> The struggle for supremacy has not led to an open conflict between Saudi Arabia and Qatar because of a shared fear of Iranian hegemony in the Middle East, which has seen them make a common cause against the regime of Bashar al-Assad.

### **The EU and Islamism in the Gulf States**

The rise of sectarianism and the fear of the Muslim Brotherhood have made EU relations with some GCC states more problematic than before. This is most obvious in the case of Bahrain, where European calls for reform and an end to the crackdown on the Shia opposition have provoked sometimes bitter responses from the government and the loyal opposition. It has been palpable in relations with the UAE as well, which closed down the offices of some European NGOs in 2012 in parallel to its crackdown on the local Muslim Brotherhood.

The EU should be very concerned about the rise in sectarianism. Events in Bahrain and the crackdown on dissent in Saudi Arabia's Eastern Province have led to the radicalisation of the local Shia youth and repressive government policies are threatening to push them into the arms of Iran or militant Shia groups from Iraq and Lebanon, possibly resulting in more turmoil and the re-emergence of local militant organisations in the coming years.

While the EU rightly calls for addressing the grievances of the Shia in both countries by granting them equal cultural, economic and political rights, policy towards the GCC states reflects the EU's internal shortcomings and disagreements. While Brussels calls for political reforms, big member states like France, Germany and Britain focus on the GCC states as commercial partners, including in big arms deals, without consideration for the possible use of modern weaponry domestically. This threatens the credibility of both the EU and member states as political actors. The EU should encourage a more balanced approach of its member states towards the Gulf.



# Civil Society in Saudi Arabia

*Ahmed Al Omran*

The Arab uprisings have had an interesting, if not contradictory, effect on civil society in Saudi Arabia. Popular protests in neighbouring countries inspired Saudi activists to launch several online campaigns petitioning for reform in the conservative kingdom. Most of their demands centred on greater representation of their population and moves towards a constitutional monarchy, in some cases specifically calling for an elected parliament with full legislative powers. However, most of these demands fell on deaf ears. The authorities were concerned that such campaigns, as well as the growth of civil society in general, could present a serious challenge to a government already shaken by surrounding regime changes. Plans to pass legislation regulating civil society organisations (CSOs) stalled, even though the proposed draft law gave the government broad powers over civil society.

Saudi Arabia does not have a vibrant civil society. During the kingdom's early years, there were a number of CSOs in the western region of Hejaz, but the government's rapid expansion quickly overshadowed the role of these organisations. The state enjoys a near-complete monopoly over the public sphere. Political parties and labour unions are illegal, and the few civil society organisations that are allowed to operate do so under significant state-imposed restrictions. The Saudi

government does not believe in a strong role for civil society and thus CSOs' capacity to bring about change in Saudi Arabia is very limited.

According to government statistics, over six hundred associations are licensed to operate in Saudi Arabia. In addition to charitable and professional associations, approved CSOs usually enjoy the backing of members of the royal family or prominent merchant families. Given the strict restrictions, it is almost impossible to establish a civil society organisation without the support of a royal family member. Saudi activists who wish to establish an organisation have to cooperate with the state, and permission is only granted to organisations whose goals do not threaten the status quo, advocate conservative reforms, or are simply apolitical.

The establishment of the National Society for Human Rights (NSHR) in 2004 seemed to break water. The NSHR aims to 'protect and defend human rights in accordance with Islamic Sharia and with the Basic Law of Governance and related regulations and international agreements and accords that do not violate Islamic Sharia'.<sup>63</sup> Although it claims to be independent, it was only established after the late King Fahad gave his personal blessing. Since its founding, the NSHR has also received generous financial support from the monarchy, amounting to SR 100 million (€20.7 million). The NSHR has released several reports on the state of human rights in Saudi Arabia, which have been widely praised. It has also taken on several cases of child abuse and violations of women's rights, but has generally avoided any controversial issue that might put it in direct confrontation with the government.

While the establishment of the NSHR encouraged Saudi activists to follow suit, the absence of a law regulating civil society is a significant obstacle. In 2001, the Regulation of Charitable Associations and Institutions (No.107) and the Regulation of Scientific Associations were introduced, but both fall short of activists' (many of them focused on political and human rights issues) expectations. The Shoura Council – an unelected advisory body whose members are appointed by the king

and which serves as Saudi Arabia's quasi-parliament – responded to calls from activists, academics and newspaper columnists by announcing that it was working on a new draft law to regulate civil society organisations. As with most reforms in the country, however, work on the draft law has been very slow. In 2008, the Shoura Council finally agreed on a new Regulation of Civil Associations and Institutions. The local press reported that the draft law granted the government broad powers over CSOs, including the ability to break up any organisation without referral to the judiciary and overly intrusive supervisory powers over the work of civil society organisations. It also set limits on networking and cooperation with international organisations. Some activists criticised it as too ambiguous and restrictive, but at least it was a start and there was hope that it could be subsequently amended and improved upon. After the law passed the Shoura Council, it was sent to the Council of Ministers for the necessary approval prior to its implementation. However, the Council of Ministers never approved the law, which reportedly has remained in officials' drawers since 2008.

In September 2012, a former member of the Shoura Council, Abdulrahman al-Enad, expressed hope that the law would soon be approved by the Council of Ministers, but so far, there has been no indication on the part of the government that it will move forward in this regard.<sup>64</sup> Moreover, the Arab uprisings that swept the Middle East over the past two years may have given the Saudi regime yet another reason to delay approval of the law, as the flourishing of CSOs in the country would most likely present a new challenge to the regime, which is already facing pressure from its young and restless population. While the country has not witnessed mass mobilisations a new-found political dynamism has flourished across social media networks.

In the face of the government's reluctance to allow the establishment of certain civil society organisations, activists have adopted different strategies. Some decided to establish an organisation anyway and began acting as if they did not require a government license because

they consider their activities to be legal. Thanks to the internet, it has become very easy for groups of citizens to organise themselves and publicise their agendas without the need for physical office space or substantial financial resources to operate. The prime example of this approach is that of the Saudi Civil and Political Rights Association (ACPRA), founded in October 2009 by a small group of veterans and young activists in Riyadh. ACPRA focused on documenting human rights abuses committed in Saudi jails and spoke openly against the Ministry of Interior; it went as far as demanding that the minister of the interior, a member of the royal family, be brought to trial. The association also supported protests organised by the families of detainees. Such protests in the central region of Qassim, Saudi Arabia's ultraconservative heartland, were a remarkable break from prevailing Wahabbi teachings which prohibit public protests against the country's rulers. Many of these protests were led by women, challenging another taboo in a conservative society that places many restrictions on what is considered acceptable behaviour by women in public.

As ACPRA continued to publish strong statements on its website against the Ministry of Interior, the government took legal action against the association. Two of its co-founders, Abdullah al-Hamed and Mohammed Fahad al-Qahtani, were put on trial in 2012 for a series of offences including seeking to disrupt security and inciting disorder, undermining national unity and breaking allegiance to the country's ruler. Among the charges against them was that of founding an unlicensed human rights organisation. In March 2013, a court in Riyadh sentenced the two prominent activists to jail time and a travel ban. The judge also ordered the dissolution of ACPRA and the confiscation of its property, as well as the closure of its website and social media accounts. ACPRA stated that the trial was 'purely political' and based on the prosecution of opinions. 'We confirm and repeat that the origin of this case is the human rights violations committed by the Saudi government, and our attempt to stand up to these violations and document them'<sup>65</sup>, the association said in a

statement. As for the confiscation of property, ACPRA said that ‘the association has no money, assets or property’, and ‘it depends on the website and members’ voluntary efforts. The association’s spending is very limited and members cover it from their own pockets’. At the time of writing, al-Hamed and al-Qahtani remain in jail, but their lawyers are reportedly planning to appeal the court’s decision.

Other activists have taken a different approach, seeking a government license under the current Regulation of Charitable Associations and Institutions (No.107). A group of activists based in the Eastern Province, home to the country’s Shia minority, announced in December 2011 their intention to establish the Adala Centre for Human Rights (ACHR). The Centre describes itself as a ‘civil non-profit organisation concerned with reinforcing and spreading the culture of human rights in the Kingdom of Saudi Arabia’.<sup>66</sup> ACHR applied for a license from the Ministry of Social Affairs (MOSA), but its application was rejected. In the rejection letter, the MOSA claimed that the organisation’s goals were incompatible with law No. 107 and therefore could not be licensed. The founders of ACHR decided to sue the Ministry and since May 2012, ACHR and MOSA have been involved in a legal battle over the licensing of the organisation, with the founders insisting that they have the right to establish a human rights centre and the Ministry arguing that it cannot grant a license to such a centre to operate under the current laws and regulations. Although the case is still being considered in court, ACHR has been working towards its stated goals of spreading the culture of human rights and to ‘reaffirm the concept of the rule of law in society development’. The centre has been publishing on a regular basis statements and reports about the human rights situation in the eastern province. Its latest report, issued in September 2012, focused on the detention of underage prisoners of conscience.

Others have chosen yet a different approach. Activist and lawyer Waleed Abu Alkhair, for example, instead of trying to establish his organisation

– the Monitor of Human Rights in Saudi Arabia (MHRSA) – in Saudi Arabia, sought the help of friends abroad to register it in Canada. After successfully registering MHRSA in Canada, Abu Alkhair sent a letter to King Abdullah asking for permission to operate in Saudi Arabia. The activist said in October 2012 that his request had been forwarded from the royal court to the Department of Security Affairs of the Ministry of Interior where approval is still pending. When Abu Alkhair inquired about the status of the case, he was told it was classified as secret information and it was under consideration. As he waits for a license, Abu Alkhair maintains a MHRSA Facebook page where he posts news and reports related to the human rights situation in Saudi Arabia.<sup>67</sup>

In order to get around stifling government restrictions, many activists have begun to use the web to organise themselves and work together on campaigns and projects. The campaign to lift the ban on women driving was one of the first campaigns to take advantage of online social media sites. Encouraged by the Arab uprisings, a group of women used the web to call on the government to allow women to drive. The *#women2drive* campaign used Facebook and Twitter creatively to spread its message and called on women to challenge the driving ban on 17 June 2011. The campaign succeeded in mobilising dozens of women across the country behind the wheel, many of whom posted footage of themselves driving on YouTube. Other groups who also use social media to mobilise public support and promote their causes and raise awareness include the families of detainees in Saudi Arabia's central region and Shia protesters in the eastern province. Social media helps protesters to maintain their anonymity and thus avoid government crackdowns. The authorities regularly attempt to block access to their pages, but these censorship efforts are easy to circumvent and so far have proven futile. Other online campaigns in the past two years have focused on the issues of political prisoners and corruption.

According to available statistics, social media platforms have gained significant ground in Saudi Arabia. A local technology site reported earlier this year that there are 4 million active Twitter users in Saudi Arabia, and

according to a recent survey 51 per cent of internet users in the country are active Twitter users, putting Saudi Arabia in first place worldwide.<sup>68</sup> The kingdom is second to Egypt when it comes to Facebook users in the Middle East, and about 80 per cent of the daily views of YouTube videos in the region come from Saudi Arabia, according to Google statistics. The government has responded with a mixture of co-optation and repression. The regime-backed Mohammad ibn Salman Charitable Foundation for Encouraging Creativity has been increasingly active recently in the social media arena prompting some observers to question whether it is attempting to co-opt an increasingly critical twittersphere. The foundation, headed by a son of the Crown Prince who was recently granted the rank of minister as head of his father's court, organised an event for Saudi Twitter users in Riyadh in March 2012 that was seen as a veiled attempt by the government to control the twitter base in the country. The government has also attempted to exercise control over encrypted social media messaging services such as Skype, Viber and WhatsApp and threatened to block them unless they could be monitored. At the beginning of June the Saudi telecoms regulator banned Viber for allegedly failing to comply with telecommunications rules.

In Saudi Arabia, a young country that lacks political tradition and a civil society culture, the importance of online campaigns should not be underestimated. While they are unlikely to lead to immediate reforms or street mobilisations, they do suggest an increasing awareness among Saudi citizens of the role that activism can play when it comes to pushing for change in their country. The *#women2drive campaign* did not succeed in lifting the ban on women driving, but activists believe that the mobilisation, which attracted attention worldwide, was one of the factors that contributed to the king's decision to appoint women to the Shoura Council for the first time in early 2013.

The state continues to exercise control over civil society, banning the establishment of organisations that broach political issues and preventing people, notably Sunni and Shia activists, from organising

around common issues and causes. The lack of civil society contributes to the persistence of sectarianism and tribalism. But engaging in divisive identity politics by pushing the population to align along sectarian, tribal or regional lines could prove dangerous and costly.

While the state is likely to wish to maintain its control over society, regional events have raised expectations among the Saudi population. Although civil society in Saudi Arabia is still too weak to be a significant agent of change in the country, attempts to circumvent government controls and impositions, be in terms of individuals airing their criticism in social media networks or by attempting to establish CSOs despite the obstacles, speaks of a population more politically engaged. At the margins of civil society, there is also a budding contemporary art scene, with many young artists producing provocative artwork that offers political and social commentary in a subtle, artistic fashion that defies censorship. As the population increasingly becomes aware of its rights and how to uphold them, the role of civil society will become more crucial in defining the future of Saudi Arabia.



# EU foreign policy towards Bahrain in the aftermath of the uprising

*Toby Matthiesen*

For the past few decades, Bahrain has been the Gulf state with the strongest opposition movement and the highest frequency of street protests. From mid-2010, tensions have escalated after the arrest of dozens of bloggers and human rights and political activists. On 14 February 2011, inspired by the protests in Tunisia and Egypt, Bahraini activists descended on the Pearl Roundabout, which remained under their control for nearly one month. In mid-March 2011, after Saudi troops and policemen from the United Arab Emirates (UAE) entered Bahrain to guard key installations and back the government, the Bahraini regime cracked down harshly on protesters. The excessive use of force, which has resulted in the death of a number of protesters and several policemen and migrant workers, led to a radicalisation of demands, from calls for political reform and greater representation to calls to overthrow the regime.<sup>69</sup> The crackdown was an embarrassment for the European Union (EU) and the United States.<sup>70</sup> While the US (together with Saudi Arabia) acts as ultimate security guarantor of Bahrain through its Fifth Fleet, the EU has close trade ties with the Gulf Cooperation Council (GCC) and Bahrain has very close relations with Britain, its former colonial power.

The Bahraini protests have undermined the long-standing assumption that the Gulf monarchies are immune to popular uprisings because of their oil wealth – the so-called notion of the rentier state that buys off the population's

acquiescence through the distribution of rents from hydrocarbon revenues. One would assume this would lead to a re-think of relations with the GCC and a shift towards a more values-oriented foreign policy. But so far there has been no fundamental change in the EU's policy towards the Gulf. Strategic interests and the economic crisis have made the EU even more reluctant to alienate a key investor and importer of European goods. Some argue that the Arab uprisings have in fact strengthened cooperation between the EU and the GCC in the short-term.<sup>71</sup>

After the Bahraini security forces killed protesters in February and then in March 2011, EU and US leaders issued several critical statements.<sup>72</sup> However, practical repercussions have been negligible, contrasting with the actions taken against the, admittedly more repressive, regimes in Libya and Syria.

One of the reasons for such a timid western response was the pressure exerted by some of Bahrain's allies within the GCC, namely Saudi Arabia and the UAE. The two Gulf monarchies regard the security of Bahrain's ruling family as part and parcel of their own domestic security policies, and quickly sent significant troop detachments to Bahrain to help quell the uprising. Any criticism, or possible sanctions, would have been considered by these two states as an attack on themselves as well.

### **Security, investment and arms exports**

The EU's security and economic relations with GCC States make any change of EU policy towards Bahrain very difficult. The threat to call off major investment projects and government contracts with western companies played a key role in limiting european actions in Bahrain. Several western ambassadors to Bahrain have acknowledged as much and have admitted that their reports about the situation on the ground, particularly since the Pearl Roundabout crackdown, were not taken seriously in their capitals.<sup>73</sup> Some EU

member states, such as Britain and France, had a stronger and closer security relationship with the GCC, and with Bahrain in particular, and were therefore seen as less likely to change their policies than other states with more limited strategic interests in the region. Denmark, for example, asked for a stronger condemnation and put forward the idea of sanctions against regime members.<sup>74</sup>

One of the actions that was taken after the crackdown was a temporary halt in arms exports. In 2011 the US suspended arms exports to Bahrain but resumed them in 2012. This set a precedent, which was followed by other countries. While the UK initially revoked some arms exports licenses to Bahrain after the first shooting of protesters,<sup>75</sup> it also resumed arms sales, including of small arms, from 2012 onwards.<sup>76</sup> The EU did not categorically ban arms sales to Bahrain. This led to debates in the European Parliament, with one MEP suggesting in May 2011 that perhaps the EU should impose an arms embargo on Bahrain, as it had done towards Syria.<sup>77</sup>

The issue of weapons sales to Bahrain is connected to the broader sale of arms to the other GCC States. EU countries have delivered or plan to deliver a record amount of weapons to Saudi Arabia since the start of the Arab uprisings. This is despite the fact that Saudi troops were present in Bahrain during the crackdown on protesters and could potentially participate in the repression of future protests there. In addition, many of the weapons exported, including German tanks, could be used against the local population in the case of an uprising. A possible future target could be the simmering protest movement in Saudi's eastern province.<sup>78</sup>

### **Parliamentarians vs. bureaucrats**

The Bahraini crisis has highlighted some peculiarities of EU foreign policy-making. It has brought to the fore discrepancies between the interests and policies of the elected institutions (the European Parliament) and the

appointed political institutions and the diplomatic service, at both national and EU levels. The European Parliament has repeatedly criticised both the EU's policy towards Bahrain and the conduct of the Bahraini government. Fact-finding trips by MEPs have highlighted the repression of political freedoms in the country. While European bureaucrats seem to defend the EU's institutional and strategic interests, elected parliamentarians have more leeway to call for a more values-oriented foreign policy and can play on the often-negative image of the Gulf in European public spheres. The European External Action Service (EEAS) has limited its criticism towards Bahrain. While High Representative Catherine Ashton has repeatedly called for dialogue, she has refused to blame the government for the violence and the failure of dialogue. One of her top advisors, the British diplomat Robert Cooper, provoked outrage when he referred to the crackdown by saying that 'accidents happen'.

In January 2013, the European Parliament endorsed a resolution on human rights violations in Bahrain. It criticised the 'lack of an EU response to the ongoing situation in Bahrain' and called for targeted sanctions against individuals responsible for human rights violations and for a ban on exports of tear gas and technologies that allow the tracking of protesters and activists.<sup>79</sup> Bahrain has become notorious for its 'weaponisation' of tear gas '- using it as a collective punishment in residential areas - and its use of 'spying-software'.<sup>80</sup> Both of these items allegedly come from EU member states, more specifically from the United Kingdom.<sup>81</sup>

In the UK too some members of parliament have voiced strong criticism of the political situation in Bahrain. The announcement of an inquiry by the UK's all-party parliamentary Foreign Affairs Committee into relations with Saudi Arabia and Bahrain led to an extremely harsh response by these countries.<sup>82</sup> The Committee routinely conducts investigations of the UK's foreign relations, but in this case the Gulf regimes' reaction has given it an unusual amount of publicity and has heightened public interest. Nevertheless, the inquiry in itself

will not impinge on the willingness of the British political, economic and security establishments to continue their close relationship with Bahrain and the GCC as a whole.<sup>83</sup>

Even the relatively mild criticism of Bahraini government policies since 2011 by the EU and US has been fiercely rejected by the ruling regimes in the Gulf. Another prime example of this was the media campaign against the former British ambassador to Bahrain, Jamie Bowden, who was harshly criticised in pro-government media after meeting with representatives of Bahrain's largest opposition party al-Wefaq during the start of the uprising in 2011.<sup>84</sup> With 18 out of 40 parliamentary seats at the start of the uprising, al-Wefaq is seen by most stakeholders as key to any political settlement in Bahrain. It favours dialogue with the government; in fact, it is at the moderate end of the opposition. As Bowden's assignment was coming to an end – he had been ambassador to Bahrain since 2006 – he was appointed ambassador to Oman, in an attempt to manage the situation without causing long-lasting damage to UK-Bahrain relations. The new UK ambassador to Bahrain resumed the traditional position of unquestioned support for the Al-Khalifa ruling family. The manner in which the British embassy marked World Press Freedom Day in 2013 was illustrative of such an approach. Two articles by pro-government journalists calling for the censorship of pro-opposition media were published on the embassy's website, causing an uproar on social media and in the British press.<sup>85</sup> The newly-appointed ambassador also criticised a Human Rights Watch report on Bahrain, stating that its comments about the National Dialogue were 'deeply unhelpful'.<sup>86</sup>

### **'Dialogue': on going, or not?**

When asked about Bahrain, Western officials are quick to point to the National Dialogue and the Bahrain Independent Commission of Inquiry (BICI) as proof of progress; both are in fact cornerstones of the Bahraini regime's public relations strategy.

The government initiated a 'National Dialogue' in July 2011. While the main legal opposition groups, al-Wefaq and Waad, initially agreed to participate in the initiative, they soon withdrew as they began to see it as a PR exercise from which no results could be expected.<sup>87</sup> A new National Dialogue was re-started in February 2013, but again fell victim to suspicions from both sides. In fact, the dialogue sessions held since then have never gone beyond the stage of discussing procedural formalities of how the dialogue should be held, who should participate in it and what the agenda should be. Opposition representatives who attended the talks (a coalition whose strongest members are al-Wefaq and Waad) temporarily withdrew for two weeks in May 2013 in protest against repressive government policies.<sup>88</sup> The National Dialogue does not include the outlawed opposition, which is driving the protests on the ground, and seems to have only limited backing from the hardliners in the royal family. As such, it has very little chance of succeeding. MEPs have demanded that all political opposition groups, including those whose leaders have been jailed, be represented in what should be a truly inclusive dialogue.<sup>89</sup> A similar view was expressed by US President Obama when commenting on Bahrain: 'The only way forward is for the government and opposition to engage in a dialogue, and you can't have a real dialogue when parts of the peaceful opposition are in jail'.<sup>90</sup> This is not, however, the EU's official position.

The other cornerstone of the Bahraini government's PR strategy was the establishment of the Bahrain Independent Commission of Inquiry, sponsored by and answerable to the king.<sup>91</sup> The BICI, headed by the Egyptian-American human rights lawyer Cherif Bassiouni, issued a report in November 2011 that outlined human rights abuses, including systematic torture committed by security forces in February and March 2011. A year later the regime published a report stating that Bahrain was on a reform path, that torture had been uprooted, and that the BICI's recommendations had been implemented.<sup>92</sup> But the reality is that many recommendations have not been implemented, especially

those of a more political nature such as the retrial of all those convicted in military or semi-military courts and under emergency law.<sup>93</sup> Instead of starting a process of transitional justice, the BICI has become a symbol of the political stalemate in Bahrain.

### **Sectarianism at home and abroad**

The Bahraini crackdown has exacerbated sectarianism both in Bahrain and in the wider region. Particularly in Saudi Arabia and Kuwait, tensions between Sunni and Shia have increased sharply. Saudi Arabia's Shia minority, mainly located in its eastern province, close to Bahrain, was sympathetic to the protesters. In February 2011 they started protesting in solidarity with their Bahraini counterparts and against the discriminatory policies of the Saudi state. Many commentators speculated that Saudi Arabia's decision to send troops to Bahrain was an attempt to demonstrate that Saudi Arabia will defend the GCC monarchies against internal and external threats, and was also intended as a show of strength vis-à-vis Iran. But it was also motivated by fears of a Shia uprising within Saudi Arabia, to serve as a dissuasive measure. In fact, the largest Saudi Shia protests started only after the entry of Saudi troops into Bahrain.<sup>94</sup> The intervention thus backfired, and helped to encourage rather than quell Shia protests. By coupling the Saudi entry into Bahrain with a sectarian rhetoric, the Saudi and Bahraini royal families created a 'sectarian Gulf', and rallied their Sunni populations 'around the flag'.<sup>95</sup>

Since late 2011, sectarian tensions have moved to a new arena, the Syrian crisis. Although Bahrain has been relegated to the sidelines, it keeps looming in the shadow of larger regional conflicts. The more violent the Syrian civil war gets, and the more it is framed in sectarian terms, the stronger the implications for Bahrain. There have been reports of Bahraini jihadists that have died in Syria, and part of Bahrain's Sunni community is convinced that they are involved in a regional civil war.

While there have been no reports yet of Gulf Shia going to fight in Syria to defend the Assad regime, their loyalties are quite pronounced in private conversations and on social media.<sup>96</sup>

By joining forces with the Gulf States to ‘manage’ the Arab uprisings (mainly in Yemen and Syria), the US and the EU have implicitly condoned the sectarianism used by the Bahraini and Saudi governments to subdue protesters. The West has been complicit in creating a sectarian Gulf, which is in line with its strategic goal of keeping the Gulf monarchies in power to help counter Iran.

But the EU should work towards easing sectarian tensions in the region and to prevent sectarian identity entrepreneurs on both sides from framing issues within the context of a sectarian regional war. This is increasingly the case, particularly since Hasan Nasrallah, Secretary General of Hezbollah, acknowledged the deployment of his fighters in Syria and Yusuf Al-Qaradawi, the popular Qatar-based Islamic scholar, in May 2013 urged all able Sunni men to join the fight in Syria.

Revolutionaries in Bahrain are gaining in strength vis-à-vis pro-dialogue groups like al-Wefaq, and are becoming more violent. On 29 May 2013, a bomb detonated in the Shia village of Bani Jamra, injuring seven police officers.<sup>97</sup> In the medium-term it cannot be ruled out that Western expatriates, particularly British citizens, might be targeted for their government’s alliance with the Bahraini royal family.

In its relations with Bahrain, the EU should take into account both interests and values. A more balanced foreign policy should acknowledge the wave of people power that has swept the region since the start of the Arab uprisings. The EU should not limit itself to maintaining good relations with the ruling regimes, but should call attention to human rights and political reform, and should engage with civil society and non-violent opposition groups.



Several European Parliament resolutions provide recommendations that, if implemented, could lead to sustainable stability in Bahrain. A long-term solution would also need to include the full implementation of the BICI recommendations such as a retrial of all those convicted in military or semi-military courts and under emergency law and the persecution of those responsible for human rights abuses and violence, from both the protestors' and the government's side. Without such measures and meaningful political reforms to transform Bahrain into a genuine constitutional monarchy, the country is set for years of potentially violent civil strife. And this can neither be in the interest of the EU nor of the GCC.

# EU Policy towards the Gulf Cooperation Council

*Abdullah Baabood*

The role played by the Gulf Cooperation Council (GCC) states in the Arab uprisings and in the transition states has raised their political profile. The GCC States have shown that they can play a constructive role and exert some influence in the wider region. The uprisings have also injected some momentum into the stalled relations between the EU and the Gulf States. Both parties have found new areas for cooperation, supporting some of the uprisings and attempting to bring about peace and stability. A more cooperative attitude has been witnessed in Libya, Yemen and the on-going Syrian crisis. It remains to be seen whether the EU and the GCC will be able to build on these instances of cooperation and forge a more significant and strategic relationship.

## **Promising beginnings**

Collective EU policy towards the Gulf started to take shape in the 1980s. The deadlock in the Euro-Arab Dialogue (EAD), the Soviet invasion of Afghanistan, the Iranian revolution, the Iran-Iraq war, and the resultant second oil shock, prompted the then European Community to consider establishing institutional relations with the Gulf Cooperation Council,

created in the early 1980s to face security challenges. A Cooperation Agreement entered into force in 1989, with a view to strengthening stability in a region of strategic importance, facilitating political and economic relations, broadening economic and technical cooperation, and enabling cooperation on energy, industry, trade and services, agriculture, fisheries, investment, science and technology, and the environment.<sup>98</sup> A free trade agreement (FTA), which would constitute the first region-to-region FTA, was also envisaged. The Cooperation Agreement was hailed as a significant first step towards mutually-beneficial inter-regional cooperation. The agreement provides for annual joint council/ministerial meetings (between EU and GCC foreign ministers), and for joint cooperation committees at senior officials' level. Indeed, the EU and the GCC have met regularly since 1989. There are also regular annual meetings that take place in New York on the sidelines of the United Nations General Assembly.

### **Much ado about nothing!**

After over two decades of established institutional relations and inter-regional dialogue, there is very little to show. Given the ambitions of the Cooperation Agreement, the historical background, the existence of close diplomatic relations and the level of trade, economic and security interdependence, the results of this relationship have been disappointing for both sides.<sup>99</sup> The FTA negotiations which began in 1990 are at a standstill, cooperation in the wide range of areas under the Cooperation Agreement has been underwhelming, and even the political dialogue has done very little to advance political and strategic relations, especially given the numerous challenges facing the region.<sup>100</sup>

Several reasons for the lack of progress in EU-GCC relations are often cited, including the excessive focus on the FTA to the detriment of other areas of cooperation; differences inherent to the two organisations (including the nature of their regional integration and the

competencies and experiences of their institutions); a preference for bilateral relations between individual member states within each block; the incoherence of EU policy towards the region, and in particular, the exclusion of the GCC from the main EU policy instruments – the European Neighbourhood Policy (ENP) and the Euro-Mediterranean Partnership.

### **Too little too late?**

The creation of the GCC customs union in 2003 led to noticeably intensified relations. In addition to the formal ministerial and committee meetings, expert meetings in the areas of environmental cooperation, energy, education, combating money laundering and terrorist financing were also organised. Several projects and exchange networks were launched in fields such as public diplomacy, science and technology, clean energy, research and education. The long delayed European Commission representative office was finally opened in Riyadh in 2004 and in January 2013, the EU announced its intention to open a second office in Abu Dhabi.

But this seemingly reinvigorated and multi-faceted relationship was probably too little too late for the GCC states, which regarded the conclusion of FTA talks as a litmus test for relations. In 2008, the GCC suspended trade talks in growing frustration at what it considered to be EU procrastination. Informal contacts between the two sides continue to take place, but with no sign of talks being resumed anytime soon. The GCC accuses the EU of creating numerous obstacles and delay tactics to forestall FTA talks to protect narrow sectoral interests (such as aluminium, petrochemicals, refining and environmental lobbies that fear the impact of the FTA on their industries). GCC states believe that they have complied with EU demands, including the creation of the customs union, and feel that the EU, despite official statements declaring the importance of the relationship, has never accorded it

due weight. In fact, GCC states do not fall under any of the EU's regional policy approaches. Since the abandoned EAD, the EU has not been able to find a suitable policy to engage the Gulf States and has struggled to develop a comprehensive and coherent approach towards the Middle East region as a whole, including the Gulf. EU policies towards the region are determined by its own perceptions, its internal dynamics and competencies. Indeed, the EU follows separate and often confusing sets of policies towards the GCC, Iraq, Iran and Yemen separating this sub-region from the rest of the Middle East. While the Middle East is neither a coherent, nor an integrated region, such policies accentuate this fragmentation. Under existing policies, the GCC is at most a neighbour of the EU's neighbours and is not amongst the EU's privileged partners.

The feeling among GCC states of being sidelined and largely ignored by the EU has coincided with their growing prominence in the global scene, especially in terms of international trade and finance. In light of this shifting balance in global power, GCC states have become more confident and increasingly aware of their importance. In contrast, the EU is enmeshed in the economic and euro zone crisis.<sup>101</sup> The turnaround in global fortunes, together with perceived delay tactics, has made the GCC reluctant to pursue FTA negotiations.

### **EU-GCC relations revisited**

The suspension of FTA negotiations led to a reassessment of EU-GCC relations. In 2010, an EU-GCC Joint Action Programme (JAP) for 2010-2013 was agreed at the Joint Ministerial Council in Luxembourg. The JAP was an attempt to provide a more structured framework for moving relations forward. It identified fourteen priority areas for cooperation: economic, financial and monetary cooperation, investment, trade, energy and the environment and climate change, transport, industry, telecommunications and information technology,

higher education and scientific research, combating money laundering and terrorist financing, and culture and mutual understanding.

While the JAP intends to increase functional cooperation, it completely neglects the political and strategic dimensions of relations.<sup>102</sup> It was seen by some as no more than a quick fix substitute for the failed FTA. The lack of a political dialogue and of progress so far is discouraging. The EU blames the GCC for being slow in terms of decision-making and for lagging in its commitments to co-finance identified projects. In particular, the EU points to the GCC Secretariat's lack of decision-making powers and funding capacity, which requires member states individual approval, thus creating unnecessary delays in the implementation of projects. The GCC denies any responsibility for the delays and affirms that, despite its inter-governmental nature, GCC decision-making can be quick and raising funds for joint projects has never been an issue.<sup>103</sup> The GCC points instead to the lack of consensus within the EU regarding relations with the Gulf.<sup>104</sup> Regardless of who is responsible, it would appear that the JAP agenda was too broad and shallow and responded more to the need to save face than a will to develop a deliberate and coherent strategy. Indeed, some observers have been critical of the EU's policy of benign neglect towards the GCC, stating that Brussels has not accorded the Gulf region the attention it deserves. The Gulf has long been something of a backwater of EU foreign policy, which has appeared important but never urgent in the eyes of European diplomats.<sup>105</sup>

A revised Joint Action Programme with a more focused agenda is due to be agreed during the 2013 Joint Ministerial Meeting, but it is unlikely to be of great significance. The JAP should be conceived as part of an overall EU strategy, which takes into account the global balance of power shift and the GCC's growing prominence at both global and regional levels. The GCC has also been shifting its orientation from Europe to Asia, and this is likely to have an impact on the existing

privileges and trade relations between the Gulf and some EU states. Indeed, GCC investments in some Asian countries are growing and GCC trade with Asia has already overtaken that with the EU.

### **Global weight shifts**

GCC states have been gaining ground thanks to their geo-strategic location, their role in global energy markets and their economic and financial power.<sup>106</sup> Propped up by hydrocarbon export revenues, GCC states have witnessed an unprecedented period of economic development and growth in the last decade. Continued high oil prices have increased the fiscal surpluses in the Gulf. Large budget surpluses have enabled these countries' financial independence and thus granted them more freedom of manoeuvre. At the end of 2012, GCC government funds reached an all time high of around \$1.7 trillion.<sup>107</sup> In 2011 alone, GCC states posted a cumulative budget surplus of over \$60 billion.<sup>108</sup> By 2012, the GCC had emerged as the twelfth largest economy in the world, with a cumulative nominal GDP of \$1.56 trillion. This has led to widespread domestic economic growth and investment programmes to upgrade facilities and infrastructure, providing opportunities for international companies to obtain lucrative contracts in the Gulf. GCC states have become an investment destination in addition to their traditional role as hydrocarbon exporters.

The GCC's growing economic and financial power is also significant in relation to global and European financial liquidity and stability. Gulf-based Sovereign Wealth Funds (SWF) have become an important source of liquidity. Particularly during the 2009-2010 recession years, approximately one-third of emergency funding made available to European banks came from Gulf SWFs.<sup>109</sup> EU trade exports and trade balance with the GCC, as well as GCC investments in Europe including through Sovereign Wealth Funds, have played a helpful role in softening the impact of the crisis. The EU has thus started to

recognise the GCC's economic and financial significance. The potential economic and political role of the GCC cannot be ignored.

### **The way forward**

After nearly three decades of inter-regional relations, there has been little meaningful progress in EU-GCC relations. Policies have yet to yield tangible benefits; FTA talks have been suspended; there is no serious energy or security dialogue; and so far the first round of the JAP, which is coming to an end, has had little concrete results.

However, regional changes and the Arab uprisings seem to have given new momentum to the stagnant political dialogue. The EU and the GCC have converged on a number of issues, especially their mutual concern about regional stability. Political declarations demonstrate some convergence of views on the Middle East Peace Plan, on supporting stability in post-revolutionary Arab states, combating radicalisation, countering terrorism, piracy and drug-trafficking, and promoting non-proliferation. These areas of common interest could form the basis for a more comprehensive strategic relationship, commensurate with the weight of the two regions.

The widespread perception in the EU of the Gulf as a mere energy supplier and lucrative market, rather than as an important and valuable geopolitical player, needs to be replaced. The EU should fully recognise the importance of the GCC as an invaluable part of the wider Middle East region.

The future of the Middle East and the Arab world lies in regional cooperation and integration. The EU should devise new policies to support these processes. The EU and the GCC are the largest investors in the Middle East and North Africa (MENA), and much leverage could be gained by better linking the MENA with the GCC



and Europe. Triangular cooperation (EU, MENA and the GCC), as well as efforts to bring in other states like Iraq and Yemen, under an overarching EU policy towards the region would better correspond to the region's realities. This does not preclude separate policies towards the sub-regions under the overall aim of supporting regional integration. At the sub-regional level, EU policy towards the GCC should be upgraded to include a summit of heads of state, and efforts should be made to conclude the FTA. The Arab uprisings have demonstrated the increasing power of people. EU policies should also include mechanisms for engaging and enhancing people-to-people contacts, as well as industrial and business communities and civil society relations.

The GCC is actively developing strategic relations with key partners, including China, India, Russia, Singapore, and Turkey, as well as within the Arab world. The EU is a key GCC partner and the GCC is keen to develop further its strategic relation with the EU. However, the ball is still in the EU's court.

# Notes

- <sup>1</sup> This publication focuses on the states of the Gulf Cooperation Council: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. Thus references to 'Gulf States' should be understood in this context.
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- <sup>53</sup> In all eight states of the Gulf littoral together, Shia form a majority of some 70 per cent. This is mainly due to the high numbers of Shia in Iran (70–90 per cent) and Iraq (60 per cent).
- <sup>54</sup> The most blatant example has been the renaming of the Pearl Roundabout, where Bahraini protesters convened in February and March 2011 and which became a symbol of their protests just like the Tahrir square in Cairo for the Egyptian revolution. In March 2011, protesters were evicted by force and the square was subsequently renamed Faruq junction by the government, after the second caliph Umar b. al-Khattab (a.k.a. al-Faruq, ruled 634–644), who is despised by the Shia for they consider him to be a usurper.
- <sup>55</sup> The interpretation of the uprising as a coup attempt was put forth by Khalid b. Khalifa al Khalifa, the President of the Foreign Affairs, Defence and National Security Committee in the *Majlis ash-Shura*, in his presentation at the University of Bahrain's 'Bahrain Symposium' on 31 March 2013. Author's personal observation, Bahrain, 31 March 2013.
- <sup>56</sup> T. Matthiesen, op. cit.
- <sup>57</sup> Author's interviews with Shia citizens and oppositionists in Bahrain, 1–2 April 2013.
- <sup>58</sup> S. Kerr and C. Hall, 'UAE puts 94 on trial in crackdown on Islamist dissent', *Financial Times*, 4 March 2013.
- <sup>59</sup> Ibid.
- <sup>60</sup> Emir Hamad made this clear in an interview with *Al Jazeera* on 10 September 2011, available at: [www.aljazeera.net](http://www.aljazeera.net).
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- <sup>64</sup> <http://www.alarabiya.net/articles/2012/09/04/236086.html>
- <sup>65</sup> Author's translation of text on ACPRA site, available at: <http://www.acpra-hr.co/news.php?action=view&id=224>
- <sup>66</sup> Author's translation of text available on ACHR site: <http://www.adalacenter.net/?act=sec&pg=41>
- <sup>67</sup> MHRSA Facebook page, available at: <https://www.facebook.com/groups/40258229626/>
- <sup>68</sup> 'In the Middle East, twitter rules', *eMarketer*, 18 March 2013, available at: <http://www.emarketer.com/Article/Middle-East-Twitter-Rules/1009737>
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