



MEDITERRANEAN PAPER SERIES 2012

## THE GCC IN THE MEDITERRANEAN IN LIGHT OF THE ARAB SPRING

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## FOREWORD

SILVIA COLOMBO

Two years ago, the Mediterranean region erupted following the self-immolation of a young street vendor, Mohammed Bouazizi, in the remote Tunisian village of Sidi Bouzid. This event sent shock waves throughout the region, from Morocco to Syria, reaching the shores of the Arabian peninsula. What has become known as the Arab Spring has been variously described as a “revolution from below,” a “second independence,” and an “Islamist awakening.” These terms capture different aspects of the unprecedented processes that were set in motion by the events of 2011: the spontaneous and horizontal character of the uprisings; the aspiration to dignity and social justice as a way of redefining relations between the rulers and the ruled after years and decades of authoritarianism, humiliation, and dispossession; and the unfolding of transition processes that tend to have as common denominator the revival of Sunni political Islam and tension between two forms of legitimacy — revolutionary legitimacy and electoral legitimacy.

Two years into the Arab transitions, differences between the national experiences tend to prevail over similarities, and the region appears far more fragmented than it was at the beginning of this momentous transformation. The Egyptian trajectory — characterized by the intense confrontation between an increasingly structured opposition and the Islamist forces that have seized control of the governing institutions<sup>1</sup> — has little in common with the Libyan transition and its predominantly security-related problems<sup>2</sup> or the Tunisian one. And this is just mentioning the countries in which a viable process of change has begun.

<sup>1</sup> S. Colombo, “The ‘Bearded Elites’ and the Sad State of Egyptian State Institutions,” *Op-Med*, German Marshall Fund, November 21, 2012.

<sup>2</sup> International Crisis Group, “Divided We Stand: Libya’s Enduring Conflicts,” *ICG Middle East/North Africa Report*, No. 130, September 14, 2012.

This fragmentation notwithstanding, it is important to highlight some common trends affecting developments in the region, particularly in the North African context. One of them, which has not passed unnoticed and has contributed to changing the balance of power at both the domestic and regional levels, is the way in which the Arab Spring has affected the internal and external discourse, calculations, and actions of the countries of the Gulf Cooperation Council (GCC).

The turmoil sweeping across the Arab world and the ensuing transition processes have been a crucial test for Saudi Arabia, Qatar, Bahrain, Kuwait, the United Arab Emirates (UAE), and Oman. Confronted with external as well as internal outbursts of disaffection, they have responded in a mixed way by combining patronage, outright repression, and outreach to the protesters. Particularly in North Africa, where sectarian dynamics and the regional balance of power calculations are less at play than in the Middle East, the GCC, and in particular Qatar and Saudi Arabia, were at the forefront in supporting transformative change during the crucial moments that dealt a final blow to the old dictators. In the aftermath of the popular protests in North Africa, the GCC countries have exploited all available channels to pursue economic and political cooperation with the new Tunisian, Libyan, and Egyptian regimes, after years of rather discontinuous engagement. This has been achieved mainly by lending their support to the various forms of Islamist parties and movements that have emerged as the winning cards in the rapidly changing political environment in the region. This political activism is facilitated by the religious, cultural, and linguistic links between the two regions. It has also been accompanied by a pledge to make substantial sums of money available for the reconstruction of the cash-strapped Mediterranean economies, thus signaling the intention to use the Gulf countries’ financial assets,

including the Sovereign Wealth Funds, to tackle the economic root causes of the Arab uprisings.

This sort of “rediscovery” of North Africa by the GCC countries and the opportunities for political and economic engagement with the Arab Spring countries — at both the governmental and the society level — should not be detached from the internal dynamics of the Gulf countries themselves. Security issues and the legitimacy of the ruling monarchies have indeed represented the triggering factors of the GCC response to the Arab Spring in the domestic domain. While this response cannot be removed from the picture, it has been analyzed elsewhere.<sup>3</sup> It is important to focus here on the external role of the Gulf countries in North Africa by answering two questions: to what extent does the economic cooperation between the Gulf and North Africa represent an instrument of political penetration and influence and what are its effects on the transitions? Does it help or impinge on the chances of genuine reform in the countries undergoing these transitions aimed at solving the problems that triggered the Arab uprisings two years ago, e.g., lack of accountable, transparent, and inclusive institutions as well as unsustainable socio-economic policies?

To answer these questions, an international conference was organized in Rome in late June 2012, bringing together scholars of and from the Gulf region as well as southern Mediterranean, European, and U.S. experts, to discuss the changing role of the GCC countries in North Africa after the Arab Spring. This assessment revealed that the role of the Gulf countries cannot be overlooked and avenues for mutual engagement between the GCC and the transatlantic partners must be found in order to tackle the numerous socio-economic and political challenges facing North African countries.

<sup>3</sup> S. Colombo, “The GCC and the Arab Spring: A Tale of Double Standards,” *The International Spectator*, Vol. 47, No. 4, December 2012, pp. 110-126.

This report provides four of the views on the topic expressed during the conference. The four authors — coming from different geographical backgrounds and disciplines — attempted to address the aforementioned questions and to offer policy recommendations. The result is a comprehensive and multi-faceted assessment of the growing engagement of the GCC countries with the North African region and its potential impact. While offering different perspectives, the four papers contribute to highlighting a number of common points from which some policy-oriented proposals can be drawn.

The first point that stands out is that the agenda and plans of the GCC countries in North Africa may not coincide with the agendas of the North African governments and people themselves. The role of political Islam and stances toward Iran in foreign policy, for instance, are likely to become issues of contention and disagreement. In Egypt and elsewhere, there is already a lot of suspicion toward what is perceived as the GCC agenda to influence the domestic and the external policies of the new government. This also means that the old division between the resistance camp and the moderate camp, including former President Hosni Mubarak’s Egypt and the Gulf countries, has disappeared. The GCC countries will have to learn to take the new regional sensitivities into account and to tailor their policies to the changing environment. Given that the development of large sectors of the GCC economy depends on the development of North Africa, in the future, the GCC countries will need their partners in North Africa and the Middle East more than the other way round.

The second point concerns a number of dynamics underpinning this regional organization and the increased competition for leadership within it between Saudi Arabia and Qatar. It is not possible to disregard the domestic developments in the

individual GCC countries and the deep-rooted disagreements and divisions among them that threaten the unity and coherence of the GCC itself. Against the backdrop of a more fragmented region, the positions of the GCC countries will also be more diversified, and more disagreement than agreement is likely to be anticipated in the future on strategic issues, including on the Iranian nuclear dossier. In this context, bilateral relations between Western and Gulf countries may play a far greater role than multilateral frameworks. This is not to say that the important EU-GCC or U.S.-GCC dialogues and cooperation should be abandoned. However, the value-added of other engagement instruments, particularly at the bilateral level, should be recognized, and inconsistencies between the multilateral and bilateral frameworks avoided.

More specifically, the paper written by Shafeeq Ghabra underscores the extent to which the fundamental drivers of the Arab Spring have not bypassed the Gulf countries, whose monarchical regimes have had to cope with similar challenges of diminished popular support, unemployment, and the effects of an overblown and scarcely productive public sector. While the Gulf monarchies have not been immune from broader socio-economic changes brought about by globalization and linkages and informal networks constructed and reconstructed through the web and new technologies, the response of the regimes to both external and internal turmoil has been reactive rather than proactive. The GCC regimes have attempted to avoid change, especially at the socio-political level, in order to ensure regime survival. As a result of pragmatism and the learning process triggered by the turmoil, only modestly transformative changes have been implemented by these regimes, which ranks among the most conservative in the world. The paper concludes, however, not only that this strategy may not be a winning one for the GCC regimes, but also that the seeds of more important changes have been sown

and are starting to bear fruit, as demonstrated by the relatively freer and more democratic political experience of Kuwait.

The paper by Eman Ragab provides fresh insight into the fears associated with change by disentangling the complex relationship between the GCC countries and Egypt, a country whose revival — according to the author — is going to produce a shift in the balance of power at the regional level. The analysis focuses on the key issues of security and legitimacy that provide the main explanations for the GCC's behavior toward Egypt. At the same time, however, it does not fail to pinpoint the profound differences existing in the group of GCC countries and in particular between those countries, such as Saudi Arabia and the UAE, that have adopted a more confrontational stance toward the newly elected Egyptian Muslim Brotherhood leadership, and those states, in particular Qatar and Oman, that have significantly improved their relations with Egypt and have been particularly forthcoming in dealing with President Mohamed Morsi. As aptly demonstrated by the author, the explanation has again to be sought in the domestic discourse and policies toward the Islamist movements in the Gulf. The religious identity of the majority of the population in these countries and its shift into the political arena affect not only the treatment of Islamists at home but also the countries' stance toward the manifestation of a particular type of Sunni revival that differs markedly from Wahhabism.

In the paper by Kristian Coates-Ulrichsen, the emphasis is not so much on the GCC response to the Arab Spring as on the impact of the latter on the former's unity and relevance as a security-driven regional organization. The author dwells on the instruments the GCC countries have individually relied upon to forge a unilateral narrative of the events taking place in the region in order to consolidate control of power by the incumbent

elites. One of these instruments is the soft power of Al Jazeera and other satellite channels. As for the impact of the Arab Spring on the GCC's external projection, the author underscores the inward focus of the GCC that is likely to grow as a result of the vulnerabilities that have been unveiled by the events of 2011. This condition could impinge on cooperation with the European Union (EU) as a partner with which the GCC could develop an effective burden-sharing and division of labor in the reconstruction of North African economies.

From the U.S. perspective, the year 2011 put relations with its strategic partners in the Gulf under significant stress. This did not however change the fundamentals of this relationship, based on the provision of security — without interfering in domestic affairs — in exchange for access to resources and to the Asian continent, toward which U.S. attention is increasingly shifting. During the same year, the United States

arguably disengaged from North Africa, trying and succeeding in persuading Europe to take the lead, and refrained from interfering in the sensitive Bahraini quagmire. This situation represents the setting of the analysis carried out by Shadi Hamid in his paper on the GCC, the United States, and North Africa. In the current phase of transition to democracy, the author advocates the creation of an endowment, to which both the GCC countries and the West could contribute, that would financially support the reforms carried out in North African countries. Leaving aside the practical feasibility of this endowment, the main obstacle — in the author's view — lies in the potentially conflicting conditionalities put by the GCC countries, on one hand, and Western countries, on the other. While the former tend to use conditionality to block reforms and maintain the status quo, the latter has revamped conditionality in the aftermath of the Arab Spring in an attempt to promote real change.

# 1

## THE ARAB REVOLUTIONS: A SECOND INDEPENDENCE

SHAFEEQ GHABRA

The Arab world is experiencing the sudden discovery of people power and of freedom and dignity as human needs as well as rights. Dictatorship and its ability to marginalize men and women, classes, and sects are breaking down across the Arab world as they have in so many other countries and regions during the last four decades. The Arab revolutions that have taken place since 2010 represent a transformative change and a generational paradigm shift. They are, in short, a second independence. The first independence was from the colonial powers; this one is from homegrown regimes and dictators.

### Collapse of the Status Quo

The status quo in the Arab world has gone up in flames. Over the long haul, the shift will not be linear or without setbacks as is already evident in each of the countries experiencing transformational political change. It could take as long as a decade before democracy is consolidated and outstanding issues settled.<sup>1</sup> No longer, however, can one point confidently to an Arab exceptionalism when speaking of Arab societies' willingness or ability to embrace democratic change, which stands at the core of today's revolutions.

When Mohammed Bouazizi immolated himself on December 17, 2010, he ignited Tunisia and the rest of the Arab world with him. Just under a month later, his country's president, Zine El Abidine Ben Ali, had relinquished power, fleeing into exile on January 14, 2011. In Cairo, the murder of Khaled Said by Egyptian security forces in June 2010 had sparked protests and given young bloggers and others the courage to stand up to state and police brutality. Yet, it was the Tunisian revolution, with its unleashing of pent-up anger and frustration, that set off the Egyptian revolution on January 25, 2011. In Deraa, Syria, the brutal beating and torture

of teenagers by security forces led a fearful society to rebel against the regime of Bashar al-Assad and Baath Party rule in March 2011.

None of the activists in Cairo who took to the streets in January 2011 knew that they were about to start a revolution. They and others had been going to the city center since 2004, but nothing had ever changed. This time things were different. They announced a meet-up on Facebook, calling on people to join them in Tahrir Square. The regime underestimated the potential impact of the event, as did the activists, who were surprised by the tens of thousands who had heard the call and decided to raise their voices as well. Across North Africa and into the Levant and the Gulf, the walls of silence and fear were being destroyed. It was the first time in the Arab world that individuals sacrificed their lives for freedom on such a collective level.

Dignity, freedom, and social justice have been the centerpieces of the revolutions. After the demonstrators in Tahrir were beaten and killed at the hands of the police and government-hired thugs, the environment shifted dramatically. The first among the crowd who shouted, "The people want to end the regime" were echoed when thousands repeated the slogan across the square and then across the city. The revolution had begun. The activists in Cairo soon realized that being in the street against the government's wishes ironically provided them protection; it was safer there than at home, waiting for security forces to storm their apartments. This dynamic added to the protesters' numbers. Previously, "freedom" in the Arab world had meant independence from foreign or colonial rule. This time it translated as the ideals of liberty, equality, and representation.

Protesters and activists learned from each other during the recent revolutions. In particular, Egyptians watched events in Tunisia closely. Bahrainis and Yemenis learned from the Egyptians

<sup>1</sup> G. Lawson, *Negotiated Revolutions: The Czech Republic, South Africa, and Chile*, Ashgate, Aldershot, 2005.



and Tunisians; the Syrians learned from Yemenis, Egyptians, and Tunisians. They took advantage of new media, including Twitter and YouTube, and adopted such simple but effective tactics as spray painting the car windows of the security forces to make them unusable, making the streets slippery for security vehicles, and exhausting the security and police forces by conducting demonstrations day and night. They also passed around information on how to deal with tear-gas and, even more important, how to conduct non-violent campaigns.<sup>2</sup>

Every deposed Arab leader said to himself, “I am different,” followed by, “My country is not Tunisia,” and then, “My country is not Tunisia or Egypt . . . or Libya . . . or Yemen.” In the end, however, they were not so different. They all offered their people similar versions of repression, corruption, and themselves through personality cults. They all warned of dire consequences should their grip on power be loosened: “If I go, instability will create chaos.” They also argued, “If I go, Islamist extremists will take over.”

True to form, until their last minutes in office, the dictators ruled as they always had — by fear. With the collapse of these governments, some Arab societies are now able to experience normal political processes involving proponents of all shades, left, right, Islamist, liberal. New centers of power are slowly emerging in the Arab world as evidenced by the post-revolution elections in Egypt, Libya, and Tunisia.

### **Causes of a Revolutionary Moment and Managing Transitions**

Hosni Mubarak had held power for 30 years before being forced from office, Ben Ali for 22 years. Muammar Gaddafi lorded over Libya for 42 years, while in Yemen, Ali Abdullah Saleh held on for 32.

<sup>2</sup> Based on extensive interviews with Egyptian activists, June and September 2011.

Bashar al-Assad took the reins of government in 2000 in Syria following the death of his father, who had seized control in 1970.

In addition, emergency rules were in place in Syria and Egypt since 1981. Each of the doomed regimes relied heavily on security to suppress opposition. In the 1980s, Egypt had an army of 1.5 million and a security force of 250,000.<sup>3</sup> In 2011 it had a security force of 1.5 million and an army of 250,000. Somewhere over the course of 20 of Mubarak’s 30 years as president, the definition of the enemy changed from an external foe, Israel, to an internal menace, Egyptian citizens.

Greed has been a characteristic of many of the regimes of the region. Passing the reins of government to a son or running the state as a family enterprise reflected a fear of change in the power structure should the people be allowed a voice in the selection of their leaders. The economic policy of selling off public-sector enterprises to the private sector — including relatives and corrupt regime members — destroyed traditional social safety nets in Egypt, Libya, Syria, Tunisia, and Yemen. The regimes rigged elections, changed constitutions overnight, and imprisoned or ruined anyone who dared to challenge them.

The youths driving the revolutions had been politicized in part through their social and global awareness. The demoralized older generation became an example of what they did not want to look like in the future. The role of the new media coupled with the dark realities of dictatorship helped this generation break the cycle of permissiveness. The groups that formed the Arab revolution had been active for some time. They tried peaceful methods and slowly built a foundation for grass-root action against corruption,

<sup>3</sup> This figure first came to my attention during a discussion with Dr. Saad Eddin Ibrahim, January 2011. It was confirmed more than once by the Egyptians I interviewed in Cairo, June 2011.

torture, censorship, manipulation of elections, and police brutality. Facebook and Twitter provided a space for their activism. Being technologically savvy helped them understand the world better. As a generation, they grew up quickly and believe in themselves. At the same time, no leader like a Nasser or Khomeini has emerged among the revolutionaries, and none of the movements has been overtaken by a single ideology. Jean-François Lyotard would perhaps consider this characteristic of a post-modernist revolution.<sup>4</sup>

It is ironic that over the decades, the hardline regimes spent incredible resources on discrediting the non-violent opposition and moderate forces in their societies. With the repression of dissent through the use of torture and other abuses of human rights, the longtime rulers succeeded to the point that when the revolutions erupted, they found no one with whom to negotiate the course of events. In Egypt, for example, the regime could not tolerate an intellectual like Saad Eddin Ibrahim, nor could the Syrian, Libyan, and Tunisian regimes tolerate minimal dissent. Prisons were jammed with writers and intellectuals whose only fault was publishing a book or signing a critical statement. As Marawn Muasher argues in his book about the Arab world, the undermining of the loyal moderate opposition and members of the elite with critical views contributed to the degeneration of Arab political life. This, in particular, brought the message closer to the young generation. They simply lost faith in the reform-oriented political parties, the moderate public figures, and the loyal opposition.<sup>5</sup>

Although the Egyptian revolution had no leader, the Mubarak regime wanted to negotiate with someone to try to keep the situation under control.

<sup>4</sup> J.-F. Lyotard, *The Postmodern Condition: A Report on Knowledge*, Manchester, Manchester University Press, 1984.

<sup>5</sup> M. Muasher, *The Arab Center. The Promise of Moderation*, New Haven, Yale University Press, 2008.

It therefore sought out someone in Tahrir Square to represent the revolutionaries. Abdul Rahman Yousef had been part of a group of youths who went to Tahrir Square on day one. He is a well known poet and leading member of the National Association for Change. Four days into the revolution, on January 29, 2011, President Mubarak appointed a new, close associate, and a well known air marshal and member of the Mubarak governments since 2002 as prime minister (Ahmad Shafiq). Yousef and two others met with Shafiq on February 3, 2011. Yousef recalled, “We met with the prime minister. Our message was clear: Mubarak has to leave immediately and delegate all his rights to his deputy, Omar Suleiman. Shafiq did not get it. His answers were simple: ‘The man (Mubarak) is old and only has a few more years to live.’ This meeting ended with nothing substantial.” On another day during the revolution, Yousef met with Omar Suleiman: “He sat with us. We were three: Yasser al-Hawwari, Mustapha al-Najjar, and myself. When we saw him, we understood he [had] just [experienced] an assassination attempt. But he was very collected and calm. When you talk to Omar Suleiman, you see nothing beyond a face of steel with no expression. He is a man of security. Suleiman was blunt: He said, ‘What is going on in the maydan is prompted by external forces and Brothers.’ He told us Egypt will suffer from a military coup if, we, the demonstrators, do not stop. ... This did not shake us: We have been under army rule for 60 years anyway.”<sup>6</sup>

Knowledge of the theory and tactics of non-violence and its use are a common characteristic of the Arab revolutions. The activists in Egypt had read translations of Gene Sharp and other theorists and writers.<sup>7</sup> The heavily armed population of Yemen chose to undertake a largely

<sup>6</sup> Interview with Abdul Rahman Yousef, Cairo, June 2011.

<sup>7</sup> Interviews with members of the “6<sup>th</sup> of April” movement and other Egyptian activists, Cairo, June 2012.

peaceful rebellion. While Egyptians and Tunisians successfully brought about change through peaceful protest and civil disobedience, in Libya a peaceful population had no option but to turn to armed rebellion after initial attempts at non-violent resistance. The overwhelming military power used against Libyan civilians created a militant reaction and instigated a NATO-led military intervention. In the case of Syria, the population used peaceful means for four months against the regime until, in response to the state's brutality, an armed phase began, including the formation of the Free Syrian Army. The ongoing devastating attacks against Syrian cities have led to desertions from the military and the further militarization of the rebellion.

Egypt is the heart of the Arab world, so what happens there tends to have an impact across the Middle East. At the moment, its revolution is in a state of incompleteness and self-correction. A new elite is being formed through the contest for power between the Egyptian Military Council, the Tahrir revolutionaries, and Islamic forces after the election of President Mohammed Morsi. Like Egypt and Tunisia, every Arab country that experiences a revolution will need to find its way toward democracy, writing new constitutions and electing new leaders and representatives. This long process of transformation involves not only political and economic changes, but also dignity.

A regime change in Syria will greatly alter the face of the region as well. The Assad government has squandered whatever legitimacy it once had, so it is only a matter of time before it falls and a new reality emerges. The transition in Syria may take longer than in other Arab states, depending on the nature of events surrounding the regime's final stand. Other countries, among them Algeria and Sudan, cannot hope to avoid the impact of the political changes around them. The Palestinians — who have for years practiced non-violent

resistance to Israeli occupation, most obviously during the intifada that began in 1987 — continue their pursuit of an independent state. There is no guarantee that the Palestinian Authority will be able to survive pressures from the ongoing occupation and from a constituency seeking dignity and national rights.

### **The Monarchies**

The Arab rebellions have put pressure on the Arab monarchies to offer their citizens reforms. Although the monarchies have more legitimacy than the long-time rulers of the Arab republics had, the populations they rule have lived with the same lack of political expression, freedoms, and accountability as Arabs under other systems of government. Monarchal legitimacy comes from the older tribal structures of the state and from its moderate use of coercion relative to republics. The tribal and relatively less coercive system served the monarchies in the past. But in light of the Arab transformation since 2010, it is apparent that the older tribal systems have outgrown their usefulness and will not be able to avoid implementing major reforms and changes.

Movements in Jordan and Morocco are trying to gain traction, which is why it is important for the monarchies to present the people with road maps for reform. Of all the region's monarchs, Moroccan King Mohammed VI has been the most forthcoming in constitutional and political reforms and has in the short term been able to absorb the energy of the street. A prime minister and a government have been voted in on the basis of competitive elections between various political parties. This has helped Morocco avoid major instability.

In Jordan, King Abdullah II has formed four governments since the Arab Spring. Reforms have been limited, however, and challenges from the street movement have gained strength. In

May 2012, the resignation of Awn Khasawneh, a reform-oriented prime minister, contributed to the fragmentation of the regime's political base. Khasawneh objected to the limitations on his reforms coming from the security apparatus and from the king's inner circle. Issues such as unemployment, corruption, democratization, the voting system, and social justice, along with the power of the monarch versus the power of the parliament, stand at the core of the present movement in Jordan. Jordan currently sits at the crossroads of a total system collapse or far-reaching reforms that could lead to a constitutional monarchy. Attempts to avoid major reforms will only exacerbate the situation. In addition, Jordan's stability could be shaken once the Syrian rebellion concludes.

In the Gulf, Bahrainis filled the streets to protest discrimination, centralization of power, and marginalization of the Shia majority, who used to be 70 percent of population and are now, as a result of targeted naturalization, 60 percent. They also expressed their dissatisfaction with having had the same prime minister for 40 years. Bahrainis had agreed through a national document signed with King Hamad al-Khalifa in 2001 to turn Bahrain into a constitutional monarchy but this never came to fruition. In February 2011, Bahrainis rebelled but were suppressed by the Bahraini government with the military support of the Gulf Cooperation Council (GCC), the first time ever in support of a collapsing government. The GCC, led by Saudi Arabia, justified the military intervention by claiming the rebellion in Bahrain was instigated by Iran. Not all GCC countries subscribed to this logic, however. Kuwait, for example, was hesitant and refused to participate militarily. The intervention in Bahrain allowed the government there to not come to terms with the movement. Furthermore, the intervention caused a major split in the Arab and Islamic world between the Shia and Sunni branches of Islam.

Farther up the peninsula, Kuwait is politically the most open Gulf state. Kuwait has a constitution and a freely elected parliament, but political parties are prohibited. The Amir appoints the prime minister, who forms the government. The parliament constantly challenges the prime minister over policy and direction. Throughout 2011, a Kuwaiti youth-based movement organized opposition to the government, mobilizing over 60,000 demonstrators (out of a population of 1 million Kuwaitis). As a result, the Amir changed the prime minister, who is a leading member of the ruling family, accepted the resignation of the government, and called for new parliamentary elections, in which the opposition won 34 of the 50 seats. During the summer of 2012, the constitutional court declared the 2012 elections illegal on procedural grounds, opening the way for new parliamentary elections on December 1, 2012. This created further divisions. During the past few months, the main opposition groups and the youth movements have staged several peaceful marches. One of these marches saw the participation of 80,000 people.

Many among the opposition and the youth-led movements believe in turning Kuwait into a constitutional monarchy with a popularly elected prime minister and a government formed by the legislature. This would require, as a first step, the legalization of political parties and judicial and electoral reforms. Such an evolution in the coming years would make Kuwait the first consolidated democracy in the Gulf. However, there is resistance to such a possibility among the ruling elite. Issues of reform will continue to cause internal strife over direction. Kuwait, too, is at the crossroads.

On the other hand, the announcement of the arrest of 41 citizens in the United Arab Emirates (UAE) in July 2012 for conspiring to change the regime is representative of the current climate in calmer countries. Citizens are becoming bolder. Demands for freedom of expression, the right to form

political parties, and to partner with the ruling families on policy and direction have moved to the forefront. Even Oman has experienced protests, with several Omanis losing their lives in the process in 2011.

Saudi Arabia, the most populous GCC member state, is also experiencing external and internal challenges as a result of the Arab revolutions. King Abdullah has announced large housing projects and the creation of more than 60,000 jobs — most of them in the Ministry of Interior. Furthermore, the kingdom has created one of the most ambitious scholarship programs in its history to send tens of thousands of students to the United States to complete graduate and undergraduate degrees in various fields of knowledge. As Saudi society changes, the role of intellectuals will gain new momentum. Saudis on the whole are becoming more active and assertive, and this will likely make political reform necessary to ease growing tensions.<sup>8</sup> During 2012, the number of Saudis expressing their opinion publicly through social media outlets rose significantly. Any survey of Twitter and Facebook will show how far the discussion on social, cultural, and political issues goes. Old taboos are less respected, and more people are likely to get in trouble while raising the bar.<sup>9</sup> Dissent in the Arab world evolves, on many levels, in the virtual world. Once it has matured in that world, it starts showing signs of moving to the real world. The virtual world is a training ground for activists.

The most immediate challenge facing Saudi Arabia is in the eastern province, in Qatif and Ihsa. The Shia minority, roughly (and unofficially) estimated at 1 to 1.5 million, is weary of discrimination against them in jobs, employment, religious, social, and political rights. The Shia issue and the

<sup>8</sup> E. Knickmeyer, "Idle Kingdom," *Foreign Policy*, July 19, 2011.

<sup>9</sup> J. Templin, "In Saudi Arabia, Dissent Is Alive and Well, but Only Online or in Private," *Time*, July 12, 2012.

handling of it could lead to demands for equality in other areas of the kingdom, including in Najd and Riyadh, home to the country's cultural and power structures.

The transition from the older generation of al-Sauds to younger ones is another challenge facing Saudi Arabia. Demands for a popularly elected prime minister are not yet a priority among Saudi activists, but by the end of this decade, it should not come as a surprise if Saudis begin asking for the constitutional rights that others are currently seeking in the region. What happens in Jordan and Kuwait will have an impact on the Saudi political system.

### **Gulf Reactions to Revolution**

The situations in Bahrain and Oman left GCC members, especially Saudi Arabia, sufficiently worried that they committed themselves to a \$20 billion economic package to help the two countries. The events motivated Saudi Arabia to lead the call in May 2011 for the incorporation of Jordan and Morocco in the Gulf Cooperation Council. GCC states were not ready for the proposal and were taken by surprise. When it found limited support among the GCC states, in May 2012 Saudi Arabia pushed for unity among all six GCC states. This idea did not receive much support from Qatar, UAE, or Kuwait either and was totally rejected by Oman. Only Bahrain gave its full commitment to the idea. In both calls for unity, the GCC populations were never consulted and therefore stayed on the sidelines. Fear of Iran, the widening Shia-Sunni divide, and the pressures coming from the Arab revolutions were driving forces behind the calls for unity. But, for now, the GCC states remain separate entities.

In the case of Libya, Qatar took the lead in supporting the revolution and NATO's subsequent intervention; the other GCC members followed. The GCC stance on Yemen represented a consensus

among the six nations, with Saudi Arabia being instrumental in convincing President Saleh to resign. In Syria, the GCC has agreed to support the Syrian rebellion, but Qatar led the way in generating support. One should keep in mind that the populations of the GCC countries have sided with the Syrian rebellion; a fact certainly not lost on the GCC regimes. To sit back and allow the Assad government to simply crush the rebellion could have proved troublesome in the Gulf. Saudi Arabia was more supportive of the Egyptian Military Council after the revolution, while Qatar aligned itself with the Muslim Brotherhood. The situation, however, is not black and white. For instance, the first trip by the newly elected President Morsi, a representative of the Egyptian Muslim Brotherhood, was to Saudi Arabia.

In future years, it is to be expected that the GCC member states will remain united on traditional issues, such as Palestine, the UAE islands occupied by Iran, and security of the Gulf, but they might have difficulty speaking as one in dealing with the still evolving political ramifications of the Arab Spring.

With instability in formerly steady Egypt, Libya, Tunisia, Syria, and Yemen, the GCC countries will adopt policies supportive of a return to stability. At the same time, GCC relations with Arab Spring countries will take place in an environment of ongoing change and transformation, adding an extra element of uncertainty. With the limited economic markets in the Gulf, the GCC's business communities, such as those involved in Islamic banking, will seek new opportunities in Arab countries with new regimes.

Of the GCC members, Qatar stands out for having made some bold decisions and having invested in the change reshaping the Arab world. Of the Gulf states, it has been the most successful at using its soft power, including media coverage of the Arab

revolutions. It has, in a sense, become a powerful player as a result of the Arab Spring. Kuwaitis, on the other hand, through their grassroots political forces and their influential Islamic and liberal blocs, interact with the Arab revolutions on many levels, including financial and political support.

Before the recent revolutions, the Arab Middle East was divided between a resistance camp — which included Syria, Qatar, Hamas in Gaza, and Hezbollah in Lebanon — and a moderate camp led by Egypt and Saudi Arabia. The revolutions have obliterated this old framework. Syria is in rebellion; Hezbollah is fretting over its strategic losses; Egypt has left the moderate camp; and Qatar no longer supports the Syria-Iran axis. The unfolding dichotomy appears to be between democrats and non-democrats, with Turkey siding with the Arab revolutions and with the Syrian revolution in particular.

In addition, the Gulf's dominance in soft power, largely based on its control of the communications media that have a strong resonance in the region, will shift at some point. The shift will be apparent as new communications outlets representing the revolutionary climates in Egypt and elsewhere challenge the ability of Al-Jazeera and Al Arabiya to dominate regional media.

The area will also witness changes in the relationship between government and religion. In Egypt and Syria, religion will become less about authority or the repression of minorities or obedience to a ruler. In contrast to the conservative Wahabism of Saudi Arabia, a different, more libertarian form of Islam is likely to emerge as deeper discussions about religion and democracy, electoral politics, and minority rights take place across the region.

Furthermore, having Islamists in power around the broader Middle East makes Gulf governments

uneasy. GCC Islamists might feel more empowered and become further politicized and demand changes in power sharing and constitutional arrangements. The regional shifts will impact the monarchies and other regimes in the peninsula. This is at the core of some GCC countries' reactions against the Muslim Brothers and Islamist groups.

### **Conclusion**

The Arab world as a whole is at a crossroads. Attempts to avoid reform by governments in countries that have not experienced revolution will contribute to deeper internal conflict and lead to revolutions. Countries that went through revolutions, like Egypt, Yemen, Libya, Tunisia, and Syria, must find their way toward democracy, writing new constitutions and electing new leaders and representatives. During this era of transition, the Islamist forces will be incorporated into the political structures of the region. This development can help moderate and democratize Islamists over time.

During the early days of the Arab Spring, Friday noon prayers developed the ability to shift the

balance of power between the people and their governments. After the Tunisian revolution, every Friday in the Arab world had the potential to turn into another mass protest or demonstration against the status quo. The wall of fear has fully collapsed in the Arab world and the domino effect this created has contributed to its most profound transformation since the end of colonial rule.

We are witnessing an Arab democratic moment that will lead to responsive and representative political systems. Attempts to turn the clock back and return to authoritarianism will lead to deeper conflict in the region. The most important task during this era is to find ways of encouraging the democratic transitions and reform in the region. An economic agenda for change and development is equally important to consolidate the democratic potential. The people of the Arab world are asserting themselves as the source of political power and legitimacy during this second independence.

# 2

## A FORMATIVE STAGE: RELATIONS BETWEEN GCC AND NORTH AFRICAN COUNTRIES AFTER THE ARAB SPRING

EMAN RAGAB

Since the 2010 wave of uprisings known as the Arab Spring, the Arab region has been going through a transitional period that is shaping a new strategic environment and exposing Gulf Cooperation Council (GCC) countries, which have yet to experience their own revolutions, to the question of how to deal with countries that witnessed these uprisings, such as Egypt, Tunisia, and Libya. This situation is pushing them to adapt to this new strategic environment and to cope with all the opportunities and threats it poses to their security and interests. Three different aspects characterize the new environment. The first is the transformation of the traditional matrix of regional roles. Qatar, Iran, and Turkey are playing increasingly influential roles at a time when Saudi Arabia and Egypt are concerned with their internal problems and redefining their regional influence. For instance, the ousting of Hosni Mubarak, in particular, proved the strategic importance of Egypt in the region. It became clear to the United States, as well as regional powers, in particular Iran and Turkey, that what will happen in Egypt will shape the region. Besides, since being sworn in as president, Mohammed Morsi has reiterated in many of his speeches the crucial role Egypt will play in the region.<sup>10</sup> A second aspect is the redefinition of the sources of threat, whereby change becomes a threat for some countries and a path to development for others. A third aspect is the rising importance of transnational non-state actors, namely the Muslim Brotherhood, which

raises many challenges for states on how to manage relations with it.<sup>11</sup>

In order to analyze the policies of Gulf countries toward Egypt after the revolution and toward other Arab Spring countries, two facts must be recognized. First, there are differences among the Gulf countries that prevented a common position on the Arab uprisings from emerging among them. This is due to their different and to some extent conflicting interests, especially since each of these countries considers the other an ally and, simultaneously, a competitor for influence and prestige in the region. We can distinguish three different kinds of relations: competition among Qatar, Saudi Arabia, and the United Arab Emirates (UAE); Bahrain's complete subordination to Saudi policies; and the relative independence of Kuwait and Oman. Despite these patterns of relations, there are situations that create common interests, and require a measure of coordination in security policies. This was reflected in the Gulf countries' management of the February 14, 2011, protests in Bahrain.

Second, the Maghreb countries carry different degrees of importance for the Gulf countries. On the one hand, there are differences in the degree of destabilization caused by the Arab Spring and in the reactions to it: while Egypt and Tunisia experienced peaceful uprisings, Libya witnessed an armed revolution, Algeria's "spring" occurred two decades ago, and Morocco offers a unique model of reform, which could be followed by Gulf countries. Furthermore, these countries are experiencing different transitional paths, and some are still stuck

<sup>11</sup> For more details, see articles (in Arabic) published in *Al-Siyassa al-Dawliya* (International Politics Journal), No. 185, July 2011: M. AbdelSalam, "Regional Disorder: In Search of Clues to Understanding the Future of the Middle East"; E. Ragab, "Transformation of Non-state Actors in the Middle East"; M. Beialy al-Oleimy, "Egypt after January 25<sup>th</sup>: A Return to the Regional Scene"; M. Abbas Nagy, "Iran Receding Role in the Middle East"; A. Galal Moawadh, "Confounding Turkish Role: A Preliminary Reading."

<sup>10</sup> See Morsi's speeches on the official website of Egypt's state information service at [http://www.sis.gov.eg/En/DatedTemplate.aspx?Category\\_ID=1222](http://www.sis.gov.eg/En/DatedTemplate.aspx?Category_ID=1222).



at the beginning of it. On the other hand, most GCC countries understand the strategic importance of maintaining relations with Egypt, but fear the increasing political influence of the Muslim Brotherhood, and the extent to which it is going to shape Egypt's foreign policy toward many regional issues. Some Gulf officials consider the Muslim Brotherhood's victory in the Egyptian presidential elections a source of threat to their security, and prefer to ignore it, while redirecting investments to other Arab Spring countries, such as Morocco. Yet, they understand that developments in Egypt cannot be ignored as they are bound to affect their own interests in the region.

This chapter seeks to analyze how the GCC countries' relations with Egypt after the January 25, 2011, revolution will be shaped. It argues that GCC-Egypt relations after the revolution are in a formative stage and that the outcome cannot be predicted. The variables affecting this delicate phase are, first, the consensus among GCC countries that Egypt ruled by the Muslim Brotherhood is not the same as Egypt under Mubarak. Yet, this consensus is overshadowed by the conflicting trends within each country as to how to deal with the situation. These trends trigger questions. Is Egypt an asset or a threat? Should it be ignored or helped? Should it be supported or contained? Is the solution cooperation or conflict? Second, the power structure in Egypt has yet to be settled: the Muslim Brotherhood managed to gain the majority in the November 2011-January 2012 parliamentary elections, but this was contested by the revolutionary forces, the military, and the judiciary. It managed to have its candidate Mohammed Morsi elected as president of Egypt, but a struggle for power has ensued between the president, the Supreme Council of the Armed Forces (SCAF), and the judicial authorities. The next parliamentary elections are planned to be held two months after the implementation of the constitution, but a date has yet to be announced, and the Muslim

Brotherhood's share in the new parliament cannot be predicted. Thus, Egypt has become a "question" for Gulf countries or, as expressed in an opinion piece in *Asharq Al-Awsat*, a "dilemma."<sup>12</sup>

The chapter is divided into three sections. The first section discusses the effects of the Arab Spring on Gulf countries' perceptions of their security and stability. The second analyzes the policies followed by the Gulf countries during the past few months in dealing with Egypt, as well as other Arab Spring countries. The third section discusses the possibility of cooperation or contrast between the Gulf countries and Egypt in the foreseeable future.

### **The Revolution' Effects on the GCC Countries**

The Arab Spring led to a change in the Gulf's perceptions of Arab countries, and to a debate in the Gulf as to whether this is a threat or an opportunity for expanding their influence in the region. Recent developments in Egypt and other countries have proven that it is not the revolution itself that is likely to affect the Gulf countries, but rather the structure of power it will create, the dynamics it could kick off, and the type of forces that will dominate it. Gulf leaders have fears and concerns about the role of the Muslim Brotherhood in Egypt, and their share of power, as this could potentially influence the Gulf Brothers' activism. Riyadh sees the Muslim Brotherhood as having a competitive political ideology to that of the Wahabism supported by the ruling families. Indeed, despite the great interest shown in post-revolutionary Egypt in the Gulf's official statements, as well as in articles and columns published in local Gulf newspapers, there is an underlying trend that perceives Egypt as a threat to the security of the Gulf countries and calls for caution.<sup>13</sup> There are two major threats resulting

<sup>12</sup> Tareq al-Hameed, "Egypt...dilemma for the MB! (in Arabic)," *Asharq Al-Awsat*, December 4, 2011.

<sup>13</sup> See, for example, M. Bin Howaiden, "The New Egyptian President and the Gulf Countries (in Arabic)," *Al-Bayan*, July 1, 2012.

from the Arab Spring as perceived by the Gulf countries, one internal and one external, and both have an impact on their relations with Egypt.

### **Internal Vulnerability to Change**

The Gulf countries became aware, to varying degrees, that they are more vulnerable to change than ever before, and that they will be affected, some more than others, by what is happening in the Arab revolution countries. What matters for them is the extent of the change and its timing. Therefore, the security of the ruling family and the legitimacy of the regime has become a number one priority. The cases of Bahrain, and to a lesser extent Oman,<sup>14</sup> are worst case scenarios for these countries, especially for Saudi Arabia. Bahrain has witnessed, since February 14, 2011, a wave of demonstrations and sit-ins that have paralyzed the state and threatened the legitimacy of the existing regime, forcing Saudi Arabia to intervene to protect the Bahraini regime with the GCC's Peninsula Shield forces. Saudis, as narrated by a Bahraini pro-regime leader, fear the collapse of the regime through alleged Iranian interference and the success of the Shiite majority in gaining control of the country.<sup>15</sup> The protests have been portrayed by the Saudi and Bahraini elites as the export of the Arab Spring to the Gulf.

The intervention of the Peninsula Shield Forces was unprecedented in the history of the GCC, especially in terms of the countries that participated in it. Even though Saudi Arabia contributed by far the largest number of forces, Kuwait, UAE, and Qatar

also contributed troops.<sup>16</sup> This is why the current situation differs from that of the 1990s, when Saudi troops intervened in Bahrain to support the regime in suppressing the protests of the Shiite opposition. It reveals a common recognition among these countries of the seriousness of what happened in Bahrain, and its implications for their internal security, especially with regard to the demands of the Shiite populations.

These countries, particularly Saudi Arabia and Kuwait, but to a lesser degree also the UAE, suffer from problems in their relations with their Shiite citizens. For instance, Shiites represent around 10 percent of the population in Saudi Arabia, and are located in the oil rich eastern province. For decades, they have complained of discrimination in religious practices, government employment and businesses. The main demands of Shiite activists include an end to discrimination, development of Shiite areas, and an end to arbitrary arrests for Shiites.<sup>17</sup> In the case of Kuwait, Shiites represent around 20 percent of the population. Although recognized as a political force by the regime and represented in parliament, they still suffer from discrimination that can be traced back to the Iraq-Iran war.<sup>18</sup> It is worth mentioning that there were some in Qatar and Kuwait, during the Bahrain uprising, who preferred a political solution instead of sending forces into Bahrain. Kuwait attempted to mediate

<sup>14</sup> In February 2011, Oman witnessed protests and attacks on public facilities in conjunction with protests in Bahrain. What happened in Oman was unexpected, unlike Bahrain, which suffers from a number of structural problems that paved the way to the February protests. For more information on the Oman protests, see "Oman protests: More unrest despite sultan's reform vow," *BBC News*, February 28, 2011.

<sup>15</sup> E. Ragab, "Sectarian Protests: the Features of the Local and Regional Crisis of Bahrain Demonstrations (in Arabic)," *Al-Siyassa Al-Dawliya*, Vol. 184, April 2011.

<sup>16</sup> Saudi Arabia contributed 1,000 soldiers, UAE 500 police officers, and Qatar with a small number of troops (there are no data on the number of the Qatari troops). Kuwait sent a limited number of navy vessels to Bahrain. See "Kuwait Sent Navy Troops to Bahrain (in Arabic)," *France 24*, March 21, 2011; "Qatar has Sent Troops to Bahrain," *Al-Ahram online*, March 18, 2011; "GCC troops dispatched to Bahrain to maintain order," *Al-Arabiya*, March 14, 2011.

<sup>17</sup> T. Matthiesen, "Saudi Arabia's Shiite Problem," *Foreign Policy Middle East Channel*, March 7, 2012; International Crisis Group, "The Shiite Question in Saudi Arabia," *ICG Middle East Report*, No. 45, September 19, 2005.

<sup>18</sup> A. Cowel, "Kuwait Orders a Crackdown on its Shiite Minority," *The New York Times*, March 19, 1989; data on the Kuwaiti population available at: <http://countrystudies.us/persian-gulf-states/19.htm>.

between the Bahraini regime and the opposition, but it did not achieve much.<sup>19</sup> In the case of Qatar, the king of Bahrain rejected its mediation as it was based on U.S. suggestions. The Bahraini opposition, however, was in favor of the Qatari suggestions, which included the formation of a new government within 60 days, and the withdrawal of all Peninsula Shield Forces.<sup>20</sup>

This wave has had its echo in Saudi Arabia. During the protests in Bahrain, Facebook activists called for a “haneen” (nostalgia) revolution in March 2011,<sup>21</sup> and also called for a “day of wrath” in 17 Saudi cities.<sup>22</sup> Recently, Saudi Arabia witnessed a number of demonstrations organized by the Shiite citizens in the eastern province, calling for political reform and the establishment of a constitutional monarchy.<sup>23</sup>

The seriousness of these protests lies not only in their organization, but also in their political repercussions on the country, especially in cases in which the security forces clash with demonstrators, leading to casualties that could become a popular icon, as in the case of Bahrain. There, clashes culminated in a series of sit-ins in the Pearl

Roundabout, sit-ins that are still taking place in a number of Shiite cities and villages, called areas of resistance. The ongoing protests are undermining the regime’s legitimacy as one of the slogans of the “February 14 youth,” one of the Bahraini opposition parties, is “bring down the regime.”<sup>24</sup>

### ***The “Brotherhood Crescent” Exporting the Arab Spring***

The fears of the Gulf countries are no longer linked only to internal vulnerabilities to revolution, but also to the perception that the Egyptian Muslim Brotherhood — a transnational movement — could export the revolution to them. GCC countries are concerned about the spillover effect that would turn the Muslim Brotherhood in Egypt into a source of inspiration for the Islamist opposition forces in other countries, including the Gulf countries, especially in light of the historical and religious links between the Brotherhood in the Arabian Peninsula and its counterparts in Egypt.<sup>25</sup>

The core of this concern is associated with the possibility of the Muslim Brotherhood becoming a driver of political change in the Gulf countries and not just a force reaping the fruits of change, as happened in Egypt. This fear is based on two factors. First, the Gulf countries do not seem willing to embark on a process of political change even as revolutions are spreading in the region. The suppression of the protests in Bahrain shows that these countries more or less reject change led by the people, sticking to the idea of change led by the ruling elite, often contrary to the political demands in the Gulf. Second, the Muslim Brotherhood in Egypt, which considers itself a transnational movement, tends to espouse the idea that harming the Muslim Brotherhood in one country requires

<sup>19</sup> “Bahraini Opposition Accepts Kuwait Mediation (in Arabic),” *Al-Watan*, March 2011; “Bahrain Shuns Kuwait’s Mediation Offer,” *Al-Jazeera*, March 28, 2011.

<sup>20</sup> “King of Bahrain Rejects Qatar’s Mediation (in Arabic),” *Bahrain Mirror*, November 29, 2011.

<sup>21</sup> See “A Saudi Official: 75% of those Calling for Demonstrations are from Outside the Country (in Arabic),” *Al-Ahram*, March 15, 2011; “Security Mobilization in Saudi Eastern Province in Anticipation of Henin Revolution (in Arabic),” *Al-Ahram*, March 5, 2011; “Calm in Saudi Cities in the Day of Wrath (in Arabic),” *Al-Ahram*, March 11, 2011; R. Fisk, “Saudis mobilise thousands of troops to quell growing revolt,” *The Independent*, March 5, 2011.

<sup>22</sup> See “Calm in Saudi Cities in the Day of Wrath (in Arabic),” cit.

<sup>23</sup> Saudi Arabia has sought to buy time with the aim of delaying change, it has allocated \$30 billion to infrastructure, which may make it immune from any reform demands for the next five years according to some experts. See Tarek El-Tablawy, “Oil-Rich Saudis Try To Stave Off Revolution With Cash,” *Common Dreams*, February 23, 2011.

<sup>24</sup> Interview carried out by the author with members of the Bahrain opposition from Haq, Revolution Youth, and Al-Wafaq, Bahrain, April 2012.

<sup>25</sup> See, for example, M. Khalfan Alsawafi, “The Bogus Reformers! (in Arabic),” *Al Itihad*, August 1, 2012.

a reaction from the Muslim Brotherhood in the other countries. The statements of Sheikh Yusuf al-Qaradawi, who condemned the stripping of citizenship of seven Brotherhood members in the UAE, angered the Dubai Police Chief, Dhahi Khalfan.<sup>26</sup> Khalfan threatened to arrest Qaradawi. Mahmud Ghezlan, the official spokesman of Muslim Brotherhood in Egypt, threatened to move the Islamic world against the UAE if Qaradawi was arrested.<sup>27</sup> This triggered a reaction from the general secretary of the GCC, Dr. Abdul Latif bin Rashid al-Zayani, who noted that these statements are “irresponsible, lacking wisdom, and conflicting with the links and common ties that connect the Arab and Islamic peoples.” He emphasized that “these statements work against the efforts of GCC states and Egypt to enhance their strong relations over the years.”<sup>28</sup>

Therefore, it became clear that the crisis of legitimacy faced by the Gulf countries does not originate from the Shiites only. There are fears among the Gulf ruling elites, to varying degrees, of a weakening of their legitimacy in favor of the Muslim Brotherhood, especially after the formation of a “brotherhood crescent,” based on the success of the Muslim Brotherhood in the elections in Egypt, Tunisia, and other Arab countries, including those that have not experienced revolutions, as in Kuwait and Morocco. This crescent stretches from North Africa all the way to Kuwait, and has the support of Islamic groups in some Gulf countries.

<sup>26</sup> These statements included condemning UAE police for deporting a number of Syrian activists. For more information, see “What Beyond the Issue of Yusuf al-Qaradawi, UAE, and Dubai Police Chief (in Arabic),” *France 24*, March 10, 2012; Simeon Kerr, “Dubai police chief hits at cleric on Syria,” *Financial Times*, March 5, 2012; B. Baskan, “The Police Chief and the Sheikh,” *The Washington Review of Turkish & Eurasian Affairs*, April 2012.

<sup>27</sup> “Ghezlan Defends Qaradawi (in Arabic),” *Russia Today*, March 9, 2012.

<sup>28</sup> “The GCC Describes Muslim Brotherhood’s Statements toward UAE as Being Demagogic (in Arabic),” *Akhbar Al-Youm*, March 10, 2012.

As the legitimacy of these elites is partially based on historical considerations mixed with tribal and religious factors, they cannot be classified as secular regimes. Nevertheless, the advanced political discourse of the Muslim Brotherhood, which criticizes the lack of institutional frameworks for the Gulf regimes’ legitimacy, constitutes an important challenge to their power. For instance, *al-Islah*, the Muslim Brotherhood in UAE, demands the institutionalization of elections, respect for the rule of law, and freedom of expression and political activism,<sup>29</sup> while the ruling elite is adopting more conservative stances and repressing *al-Islah* activists. According to Christopher Davidson, “the UAE monarchies have faced a serious and likely permanent loss of legitimacy over the past year, largely because of the alacrity with which they resorted to repression.”<sup>30</sup>

GCC countries reacted in different ways to the formation of this crescent. Qatar supported it, having adopted a strategy of controlling the process of change taking place in some countries in the region by supporting specific forces. It had hosted Yusuf al-Qaradawi for decades, who enjoys a special status among the Muslim Brotherhood members and followers in the region. Qatar bets on the success of the Muslim Brotherhood, which is one of the most organized forces in most Arab uprisings countries.<sup>31</sup> Qatar has even tended to urge the West to accept the rise of the Brotherhood in these countries; the prime minister of Qatar said that Islamists are likely to represent the “next wave”

<sup>29</sup> The petition of *al-Islah* in UAE is available at <http://www.aleslaah.net/site/showthread.php?id=3803>.

<sup>30</sup> C.M. Davidson, “The United Arab Emirates: Frontiers of the Arab Spring,” *Open Democracy*, September 8, 2012.

<sup>31</sup> The support lent by Qatar was not confined to the Muslim Brotherhood only, but also extended to Salafi groups, as is clear from the report of the Egyptian Justice Minister, which included information about Qatari financing to religious groups in Egypt. See “Al-Ahkbār Publishes the Most Dangerous Report Prepared by the Fact Finding Committee on Foreign Finances: Qatar and Kuwait Gave 692 million pounds to Ansar Alsunna AlMuhammadiyah Society (in Arabic),” *Al-Ahkbār*, November 17, 2011.

of political power in the Arab world and the West has to “cooperate with them.”<sup>32</sup>

Other countries have reacted with suspicion, as in the case of Saudi Arabia and UAE. For example, Dubai Police Chief, Dhahi Khalfan, pointed out at a national and regional security conference, held in the GCC framework in Bahrain on January 18, 2012, that the Muslim Brotherhood threat to Gulf security is equivalent in importance to the Iranian threat.<sup>33</sup> In addition, the UAE foreign minister, Abdullah bin Zayed, criticized the Muslim Brotherhood for not respecting national boundaries and accused them of plotting to “undermine states’ sovereignty.” He called upon all GCC countries to cooperate to confront this threat. Oman and Bahrain have not paid attention to this matter because they have settled their relations with the Muslim Brotherhood, as we shall see later on.

#### **GCC Policies toward Egypt**

Affected by these perceptions, there is an ongoing debate and conflicting trends inside the Gulf countries on how to manage relations with Egypt. Most GCC countries understand the strategic importance of maintaining relations with Egypt as compared to other Arab countries, but have not yet developed a clear strategy of how to do it. Many Gulf and Saudi leaders have issued statements that appreciate the importance of Egypt in the region, as seen in a huge number of articles and columns in local newspapers.<sup>34</sup> For example *Al-Riyadh* and *Al-Jazeera* newspapers have portrayed the announcement of Saudi Arabia about providing

grants to Egypt as a “duty.”<sup>35</sup> The Saudi Foreign Minister, Saud al-Faisal, said that Egypt is “the captain of the Arab world and we care about its stability.”<sup>36</sup> *Okaz*, *Al-Riyadh*, and *Al-Jazeera* newspapers described Egypt as a “large Arab shield.”<sup>37</sup> At the same time, some Gulf officials consider Egypt a source of threat to their security and thus prefer to ignore it. This “duality” of Egypt has a long historical trail. During the Nasser era, King Saud portrayed Egypt as a friend, and at the same time as a source of threat represented by the spread of communism in the Arab region. Nevertheless, Egypt has always been of great importance to Saudi Arabia, to the extent that King Saud recommended his successors not to abandon Egypt and to seek harmonious relations with it.<sup>38</sup>

The GCC countries’ approaches to the Arab Spring are underpinned by two perceptions that have emerged since Mohammed Morsi was elected president of Egypt — perceptions of fear as well as of “possibility.” The perception of fear realizes that there are specific risks for the security of the Gulf regimes associated with the success of Muslim Brotherhood candidates in elections, who can call for reform and change at a time when these countries do not want it. This reflects a type of threat stemming from the “export of the revolution,” which has represented a concern for these countries since the 1979 Iranian revolution. The impact of that trend differs from one Gulf state to another, depending on its degree of political

<sup>32</sup> Roula Khalaf and Heba Saleh interview with Qatar’s prime minister Hamad bin Jassim bin Jabr al-Thani, “West ‘should not fear Islamist movements,” *Financial Times*, November 30, 2011.

<sup>33</sup> “UAE: Gulf States must Stop Plotters,” *Gulf Times*, October 9, 2012.

<sup>34</sup> “Saudi Newspapers: Egypt is a Large Arab Shield and Supporting it is a Duty (in Arabic),” *Al-Ahram*, May 24, 2011.

<sup>35</sup> “Two Saudi Newspapers: Supporting Egypt is an Essential Necessity because it is the Source of Balance in the Arab World (in Arabic),” *Al-Ahram*, May 22, 2011.

<sup>36</sup> See the statement in “Saoud al-Faisal: Egypt is the Captain of the Arab World (in Arabic),” *Al-Ahram*, July 3, 2011.

<sup>37</sup> See Yosuf al-Kuwleit, “Egypt and Saudi Arabia: Inseparability of Interests and Goals (in Arabic),” *Al-Riyadh*, May 23, 2011; “Saudi Newspapers: Egypt is the Arab Shield (in Arabic),” *Al-Ahram*, May 24, 2011.

<sup>38</sup> For more information about this era, see J. Benoist-Méchin, *Le roi Saud; ou, L’Orient à l’heure des relèves*, Paris, Albin Michel, 1960.

openness and the extent to which political freedom is granted to the Muslim Brotherhood as a political actor. These concerns are the lowest in Kuwait and Bahrain, where Muslim Brotherhood participation in Bahraini political life takes place through the Islamic Menbar Association and through the Islamic Constitutional Movement in Kuwait. These concerns are the highest in UAE, which deals with the Muslim Brotherhood as an advocacy group, *Da'weia*, and refuses to allow it to practice any political activity.

The perception of “possibility” is a bet on Morsi that he will be a “national Egyptian” president. This would entail working to secure Egypt’s interests and respecting the rules that have governed Egypt’s relations with Gulf countries, namely the policy of non-interference in their domestic affairs, along with cooperation against any Iranian threat to Gulf countries as part of Egyptian security, and a supportive stance on the Gulf’s positions toward the Syrian crisis and the Iranian nuclear program.<sup>39</sup> Thus, Egypt is perceived as an asset, even though the ruling Muslim Brotherhood is seen as a threat to varying degrees. As a result of these dynamics, Gulf relations with Egypt are being reshaped along two different lines: containment and engagement.

### **Containment**

This set of policies aims at protecting GCC regimes from the impact of the revolutions, as well as protecting other monarchies in the region from a domino effect. A distinction can be made between internal and external containment. Internal containment includes a set of measures taken by Gulf countries to restrict the renewal of residence permits of Egyptian and Tunisian workers so

as to avoid revolutionary contagion from these workers.<sup>40</sup>

External containment is represented by a set of foreign policies pursued under the GCC framework and led by Saudi Arabia. As a part of the proposal to expand the GCC to include both Morocco and Jordan, many difficulties notwithstanding, the Gulf countries are committed to providing a \$2.5 billion fund for development projects for each country.<sup>41</sup> They have also increased their investments in Morocco,<sup>42</sup> as they believe that increasing government spending on economic and social projects can ensure stability for some time. Obviously, Jordan and Morocco have accepted. The king of Morocco has recently pointed out the importance of “deeply strengthening relations” with GCC member states.<sup>43</sup>

Gulf countries, especially Saudi Arabia, have also sought to intervene in countries geographically close to them, in order to influence changes that could occur. For example, Saudi Arabia, through the GCC, was keen on establishing close relations

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<sup>40</sup> For instance, Mohammed Gamal Heshmat, deputy of the Foreign Relations Committee at the People’s Assembly in Egypt, called attention to the conditions of Egyptian expatriates in the UAE, the persecution of Egyptian workers through refusal to renew their contracts, and the dismissal of some of them. In his letter to the speaker of the Parliament, Heshmat said that the workers in the UAE sent him a letter saying: “the UAE tends not to renew Egyptian workers’ residency, even though there is a need for them. Meanwhile the UAE renews the residency for workers of other nationalities. This is on the ground that Egyptians, after the revolution, have become barbaric people and the country must be cleansed of them. See “Assistant of Egyptian Foreign Minister: We are Discussing with UAE Officials the Renewal of Contracts and Work Visas (in Arabic),” *Al-Ahram*, March 13, 2011; “Heshmat Called for Solving the Problem of Dismissing the Egyptian Workers in UAE (in Arabic),” *Al-Ikhawan online*, March 28, 2012.

<sup>41</sup> “Gulf States Approve \$5 Billion Aid to Morocco, Jordan,” *Reuters*, December 20, 2011.

<sup>42</sup> J. Hussain, “GCC Sovereign Fund Investments in Morocco,” *Al Jazeera Center for Studies Reports*, January 22, 2012.

<sup>43</sup> See, for example, “King of Morocco Calls for Developing the Joint Arab Action to Overcome the Current Political Situation (in Arabic),” *Asharq Al-Awsat*, July 31, 2012.

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<sup>39</sup> For example, see M. bin Houidn, “The New Egyptian President and Gulf Countries (in Arabic),” *Al-Bayan*, July 1, 2012.

with the new Yemeni regime and on preventing the eruption of a complete revolution, which would have meant the arrival of the Arab revolutions on its southern borders. With this in mind, the Gulf initiative was designed to change only the president, while leaving the regime intact.<sup>44</sup> The initiative protected the president's image and provided him with immunity against any trials. Many reports point out that the GCC countries also tended to exert pressure to protect Mubarak from prosecution or execution.<sup>45</sup> Saudi Arabia also hosted ex-president Ben Ali, refusing to deliver him up to Tunisian authorities.<sup>46</sup> The Saudi/GCC mediation facilitating efforts to protect former presidents is in line with Saudi Arabia's own attempt to protect the king's image.

#### **Cautious Engagement**

The second set of policies reflects the GCC countries' desire, especially that of Saudi Arabia and the UAE, to provide Egypt with economic aid. They are willing to help Egypt and other Arab uprising countries economically, but providing aid to them means supporting the Muslim Brotherhood, especially in Egypt, which could lead to unintended consequences exacerbating the crisis of legitimacy.

This explains why former Prime Minister Kamal Ganzouri mentioned in his first speech before the Egyptian Parliament on January 31, 2012, that the Arab and Western countries that promised to help Egypt after the revolution "have not fulfilled their

promises."<sup>47</sup> According to Fayza Abo El-Naga, the former Egyptian minister of international cooperation, the total Arab aid for Egypt declared after January 25, 2011 is \$8.2 billion. Saudi Arabia paid \$500 million on May 16, 2011, while it had promised to offer a package amounting to \$3.75 billion, in the form of a deposit in the Egyptian central bank, grants for developmental projects, and direct support for the Egyptian budget. Although the UAE promised to provide \$3 billion to Egypt in the form of loans, deposits, and grants, at the time of writing it has not taken any real step to fulfill this promise, waiting instead for Egypt's next parliamentary elections.

The case of Qatar is different from both Saudi Arabia and the UAE. Given that Qatar does not see the Muslim Brotherhood as a threat, it has broadened its support to them as a channel through which Qatar can control the path of change in these countries. Some of the Tunisian media called it "the American cat's paw to contain the Arab Spring."<sup>48</sup> It is worth mentioning that Qatar has clear investment policies toward Tunisia and Libya but not Egypt; the Emir of Qatar Sheikh Hamad Bin Khalifa al-Thani visited Tunisia during the celebrations for the first anniversary of the Tunisian revolution in January 2012. According to the Tunisian minister of investment and international cooperation, agreements with Qatar mainly target the oil and gas sectors; it was agreed to implement the Skhira refinery project in southern Tunisia in cooperation with Qatar Petroleum. In addition, a bank deposit of \$500 million was given to Tunisia. Qatari assistance to the Libyan revolution, before the fall of Gaddafi, also increased and, after his fall, many deals have been signed amounting to \$8 billion. The former chairman of the Libyan executive office turned to Doha for \$2.5 billion

<sup>44</sup> President Saleh signs Gulf-brokered power deal ending 33 years in office," *Al-Arabiya*, November 23, 2011.

<sup>45</sup> Many opinion columns in Egyptian and Gulf newspapers addressed this issue. See, for example, Y. Farouk, "The Gulf Countries: So as not to Lose Egypt (in Arabic)," *Al-Shorouk*, February 15, 2012; M. Bin Houidan, "The New Egyptian President and Gulf Countries (in Arabic)," *Al-Bayan*, July 1, 2012.

<sup>46</sup> Interview with Marzouki published in *Al-Ahram* on July 14, 2012. During the August 15, 2012, Mecca summit, Al-Marzouki also requested the extradition of Ben Ali from Saudi Arabia. See *Al-Masry al-Youm*, August 17, 2012.

<sup>47</sup> The speech is available on youtube: [http://www.youtube.com/watch?v=\\_SiNBOft18s](http://www.youtube.com/watch?v=_SiNBOft18s).

<sup>48</sup> "The American Cat's Paw to Contain the Arab Spring (in Arabic)," *Youm 7*, March 1, 2012.

in financial assistance. Some reports suggest that following the freeze of Libyan assets, Qatar offered to market millions of barrels of oil on behalf of the transitional council, bringing in \$100 million in revenues.<sup>49</sup> As for Egypt, the delay in making new Qatari investments is linked above all to the Egyptian political situation. Qatar prefers to wait until the structure of power in Egypt is settled before pumping in more investments. Qatar has promised to support Egypt with \$8 billion in the form of investment projects, but there is no accurate data showing what Egypt has already received.<sup>50</sup>

### Cooperation or Conflicts?

So far, the threat perceptions of the Gulf countries have mainly been discussed. However, the post-revolutionary North African states, above all Egypt, can also affect them through their foreign policy. Four issues are central in this respect: Egypt's relations with the Gulf states, Iran, Syria, and Turkey. When Mohammed Morsi was elected President of Egypt on June 17, 2012, it was expected that he would not pay much attention to Egypt's foreign policy during the first six months, even the first year, of his presidency in that he would be busy with internal affairs. It was expected he would spend his time deepening his relations with domestic political powers, especially interest groups, and with the revolutionary powers in a way that would enable him to achieve a sufficient degree of stability. The last part of his first official speech on June 24, 2012,<sup>51</sup> touched upon foreign policy issues and expressed in general terms Egypt's keenness on peace and its respect for international agreements, in a clear reference to the priority of

ensuring continued relations with Israel, and hence with Washington.

It is worth mentioning that in this speech, there was no mention of Gulf countries; there were no reassuring messages addressing their concerns about an Muslim Brotherhood candidate taking over the reins of power in Egypt. In response, many opinion columns in *Asharq Al-Awsat* and Gulf newspapers discussed Morsi's speeches in Tahrir Square and at Cairo University, indicating how they sent reassurances to the West while forgetting about Gulf countries. However, President Morsi visited Saudi Arabia on July 12, his first official visit after taking over power. The visit was a sign of the strategic nature of Egypt's relations with Saudi Arabia. Morsi's speech after meeting King Abdullah confirmed the kingdom's religious importance for Egypt and the Islamic world as the cradle of Sunni Islam. Politically, his visit to Saudi Arabia was a clear message to the other Gulf countries, which did not welcome his coming to power as a member of the Muslim Brotherhood. During the visit, Saudi newspapers confirmed the importance of continuing strategic relations with Egypt and suggested ignoring the fact that Morsi belongs to the Muslim Brotherhood in order to promote and protect Saudi interests.

It could be argued that President Morsi and his Freedom and Justice Party, which held a majority in the disbanded parliament, realize the Gulf concerns and attempt to overcome them by preserving the country's national interests. Morsi has thus adopted an "indirect reassurance policy" to address the Gulf countries' concerns. He has indicated that Egypt will not work on exporting its revolution to any other country. In his speech at Cairo University, Morsi stated that "we are not exporting the revolution. Egyptians do not export the revolution, we do not interfere in others' affairs, and we will not allow for anyone to interfere in our affairs." UAE Foreign Minister Abdullah bin Zayed

<sup>49</sup> "Libyan Opposition Requests 2.5 Billion Dollars as International aid (in Arabic)," *Al-Arabiya*, August 24, 2011.

<sup>50</sup> E. Ragab, *Increasing Qatari Role: the Map of Gulf Economic Aid to Egypt after the Revolution* (in Arabic), a Web Analysis for the Regional Center for Strategic Studies, September 11, 2012.

<sup>51</sup> The speech can be found on youtube: [http://www.youtube.com/watch?v=3cPy\\_HHMUs4](http://www.youtube.com/watch?v=3cPy_HHMUs4).



emphasized Egypt's position after his visit to Cairo, referring to the importance of the reassurances contained in these statements. This was followed by visits by the Kuwaiti foreign minister and the Bahraini minister of state for foreign affairs, which both invited Morsi to their countries. Nonetheless, Morsi's stance of non-interference will likely be tested repeatedly and challenged within the Egyptian Muslim Brotherhood should security measures be taken against the Gulf Brotherhood in any of the Gulf countries.

Regarding Iran, there are Gulf fears of Egypt's attitude toward Tehran and whether it will lead to full normalization of relations between them. This is based on a few recent developments: Iranian attempts to draw closer to Egypt during the past few months through investments, but also by hosting martyrs' families and trying to find a foothold for the Imam Alkerany in Egypt. Furthermore, the Muslim Brotherhood has paid attention to Iran's openness. This has been expressed by the public diplomacy delegation that visited Tehran in June 2011, President Morsi's statements during the presidential campaign that "a special relationship with Iran is normal," his visit to Tehran in August 2012 to attend the Non-Aligned Movement meeting and his initiative to form a regional quartet recognizing Iran as part of the solution in Syria.<sup>52</sup> This issue is being used by Morsi to strengthen his legitimacy, unlike Mubarak, who was known as being "subject to the American desire" for not normalizing relations with Iran. It can be argued that, despite the importance of this issue for the Muslim Brotherhood, they will not go the extent of organizing demonstrations in Tahrir Square demanding the activation of relations with Iran. Nevertheless, the Muslim Brotherhood is expected to exert pressure through the president and the new government, or through

<sup>52</sup> E. Ragab, *Success Conditions: Would Morsi's Initiative Achieve a Breakthrough in the Syrian Conflict?* (in Arabic), a Web Analysis for the Regional Center for Strategic Studies, August 26, 2012.

the parliament to develop relations with Tehran, especially in the economic field. In addition, on this front it is expected that the Muslim Brotherhood will not succeed in gaining support from other political Islamist groups, especially the Salafis, who have played an important role in strengthening the Islamic majority in parliament and supported Morsi during the presidential elections. Salafi groups have adopted conservative stances toward any cultural or religious cooperation with Iran due to their position regarding Shiites in general, and they opposed Morsi's visit to Tehran. Thus, deciding to get closer to Iran will create many challenges to the Muslim Brotherhood; their alliance with the Salafis could be at stake.

With respect to the ongoing conflict in Syria, Gulf countries would prefer Egypt and Tunisia to be more supportive in helping the Syrian opposition, while the official Egyptian stance, as expressed in all regional and international forums such as the "Friends of Syria group, is still a preference for a peaceful solution, refusing military intervention."<sup>53</sup> Egypt expressed this position during the Mecca summit, held on August 15, 2012, to discuss the conflict in Syria and other issues. Egypt suggested setting up a new regional quartet that includes Saudi Arabia, Turkey, and Iran, besides Egypt, to facilitate dialogue and negotiation between the opposition and the Assad regime.<sup>54</sup> The importance of engaging with Iran on Syria is increasing. Saudi Arabia expressed its intentions to engage with Iran by calling the Mecca summit. Its main goal was to launch a regional initiative to settle the conflict in Syria with the support of Iran, a position that is in conflict with the United States' refusal to invite Iran to join the meetings of the Friends of Syria group, which is moving away from the Qatari policy of

<sup>53</sup> Details on Egypt's stances during the "Friends of Syria" summit in Turkey April 2012 were published in *Rose Al-Yousuf* newspaper on April 2, 2012.

<sup>54</sup> "Egypt's Suggestion on Syria (in Arabic)," *Asharq Al-Awsat*, August 16, 2012.

arming the opposition and moving closer to the Egyptian position. The summit failed to launch this initiative, however, and Egypt put forward its own suggestion instead. It can be understood from the Saudi reaction that there was no opposition to this initiative until the first meeting of the quartet was held in Cairo in September 2012. Iran expressed its preference to have it as a forum to discuss all regional issues, not just the Syrian issue, and requested that Iraq and Venezuela be invited to join the group. This position hindered the proceedings of the quartet's second meeting in Egypt and motivated Saudi Arabia to boycott it.<sup>55</sup> According to many Saudi commentators, Saudi Arabia did not attend the meeting due to Iran's "lack of cooperation"; Turkey also disagreed with many of Iran's policies.

Finally, concerning the relationship with Turkey, Gulf countries fear that an axis including Turkey and Egypt could lead the Sunni Islamic world, excluding them. Turkey is considered a "model" for Egypt, as well as for other Arab revolutionary countries. Morsi attempted to deal with this concern during his visit to Riyadh in July by stating that both Egypt and Saudi Arabia are protecting Sunni Islam.<sup>56</sup>

### Conclusion

Relations between Gulf countries and Egypt, following Morsi's success in the presidential election, are in a formative stage. How they will develop depends largely on the stances taken by all protagonists in the near future. Regarding the Egyptian Muslim Brotherhood, its approach toward issues that are thorny for Gulf countries

<sup>55</sup> "The Quartet Calls for a Regional Solution and Iran Suggests Sending Monitors from the Quartet to Syria (in Arabic)," *Asharq Al-Awsat*, September 19, 2012; "Riyadh Boycotts the Quartette Meetings (in Arabic)," *Mayadeen News*, October 3, 2012; "Saudi Arabia stays out of regional talks on Syria," *Reuters*, September 17, 2012.

<sup>56</sup> "Morsi: Egypt and Saudi Arabia Protect the Sunni-Islamic Project (in Arabic)," *CNN Arabic*, August 11, 2012.

— i.e., the export of the revolution, as well as relations with Iran and Turkey — will be crucial. This will be challenging for the ruling Muslim Brotherhood, since the revolution has created new realities for foreign policy. The dignity of citizens has become a dimension of Egypt's foreign policy and citizens on the street have become part of foreign policymaking. Concealing information or ignoring citizens' demands, especially with the increasing role of the media and the means of communications that played such an important role in guiding the citizens on the street is no longer acceptable. The GCC countries' image among revolutionary forces, who are the ones that affect political decisions, is problematic. For instance, protests have been organized in both Egypt and Tunisia against the "Qatari intervention,"<sup>57</sup> and there are campaigns in Tunisia denouncing Saudi Arabia's refusal to hand over Ben Ali to Tunisia.

Each Gulf country, for its part, is adopting "contingement" (containment/engagement) as a main strategy in managing its relations with Egypt. On one hand, Egypt is now ruled by a faction that represents a threat to Gulf countries. Fighting or boycotting that faction would not be in the interest of these countries. Practically, this would motivate Egypt to enhance its relationship with Iran and be more open to cooperation and coordination with Turkey, while ignoring Gulf security. GCC countries need to contain the threats posed by Egypt. On the other hand, Gulf engagement with Egypt and openness toward Morsi would put him under pressure to maintain the low level of relations with Iran, thus reassuring the Gulf countries.

To conclude, it is worth considering the development of GCC countries-Egyptian relations

<sup>57</sup> For example, the General Coalition of Popular Committees had organized a protest on January 12, 2012, in front of the Qatari embassy in Egypt to oppose the Qatari intervention policies in Egypt and demand the suspension of Qatar as a member in the Arab league. See "Protesters Demanding the Closure of Qatari Embassy (in Arabic)," *Al-Ahram*, January 13, 2012.

in light of the United States' and European Union (EU)'s response to the Arab Spring. The United States and EU are more concerned with political and economic stability in Egypt and are ready to cooperate with any political force that can maintain it, including the Muslim Brotherhood. This stance was expressed by William J. Burns, U.S. deputy secretary of state, after his meeting with Mohamed Morsi on July 8, 2012: "We are fully committed to working with Egypt's president, its new government and all parties to sustain our partnership and advance our shared interest in a strong, democratic, and economically vibrant Egypt that is a force for peace and stability in the region."<sup>58</sup> A similar position was adopted by the high representative of the EU for foreign affairs and security policy, Catherine Ashton.<sup>59</sup> Hence, it can be argued that the GCC issues with Egypt after the revolution will not impinge on the relations between the transatlantic partners and Egypt.

Furthermore, stability in Egypt now means pumping more cash and investments into

<sup>58</sup> Remarks are available on the State Department's website: <http://www.state.gov/s/d/2012/194682.htm>.

<sup>59</sup> Remarks of Catherine Ashton following her meeting with President Morsi (MEMO/12/588), Cairo, July 19, 2012, [http://europa.eu/rapid/press-release\\_MEMO-12-588\\_en.htm](http://europa.eu/rapid/press-release_MEMO-12-588_en.htm).

the economy, and urging other countries and international organizations to do so. It also means respecting democratic process and results, and supporting the government's efforts in fighting terrorism in Sinai. Until now, the United States has provided conditional support and aid to the new Egyptian cabinet,<sup>60</sup> provided it respect minority rights, condemns the use of violence, and does not threaten Israel's security.<sup>61</sup> In this light, the United States and the EU could play a role in urging GCC countries to direct more economic aid and investment to Egypt, but all depends on the GCC's openness to this move.

<sup>60</sup> After the popular attacks on the U.S. embassy in Egypt in reaction to the anti-Islam film, a debate in the U.S. Congress has taken place on the political reasons for providing \$450 million as aid to Egypt. See "Protests near U.S. Embassy in Cairo Continue after Obama Warning," CNN, September 13, 2012; S. Lee Myers, "Emergency Aid to Egypt Encounters an Objection," *The New York Times*, September 29, 2012.

<sup>61</sup> See E. Ragab, *Reassurance Policies: How Egypt's Muslim Brotherhood Manages Relations with the U.S.?* (in Arabic), a Web Analysis for the Regional Center for Strategic Studies, July 6, 2012. Hillary Clinton in her speech at Carnegie on July 30, 2012, said that U.S. engagement with Egyptian leaders "will be based on their commitment to universal human rights," e.g., women and Coptic Christians rights. See Remarks at the Release of the 2011 International Religious Freedom Report, Washington, July 30, 2012, <http://www.state.gov/secretary/rm/2012/07/195782.htm>.

# 3

## A EUROPEAN PERSPECTIVE ON THE GCC INVOLVEMENT IN THE MEDITERRANEAN IN LIGHT OF THE ARAB SPRING

KRISTIAN COATES ULRICHSEN

The popular uprisings that swept across North Africa in 2011 caught most analysts and observers by surprise. For European Union states, the fall of longstanding regimes in Tunisia, Egypt, and Libya shattered the status quo on their southern flank. It also ushered in a period of uncertainty with regard to the types of regimes that would replace them. For the states of the Gulf Cooperation Council (GCC), the fall of Presidents Zine El-Abidine Ben Ali, Hosni Mubarak, and Colonel Muammar Gaddafi presented an ideational challenge to the durability of authoritarian regimes. It also called into question their ability (or otherwise) to meet popular calls for political reform and economic and social justice. Yet, these differing priorities masked a common political objective drawing together European and GCC perspectives toward the transition states in North Africa. This was to ensure that the instability of early 2011 be as short-lived as possible.

This chapter examines the European perspective on GCC involvement in the Mediterranean after the Arab Spring. The opening section contextualizes the Arab Spring within the broader processes of global change and the challenges of transition to a new political order. It also argues that the period of upheaval is far from over as a messy period of transition gets underway in North Africa. This leads into the second section, exploring the range of GCC states' involvement in the Mediterranean during the Arab Spring, and highlighting issues of common interest and divergence with European states. The third and final section takes a look forward to anticipate the challenges that lie ahead and suggests pathways for future development of policy in the Mediterranean.

### Challenges of Transition

The series of uprisings across the Arab world that commenced in December 2010 highlighted the complex interconnections between globalizing forces and regional dynamics. The impact of

new media and social networking, encrypted communication technologies, and satellite television, has transformed state-society relations and redefined the politics and possibilities of protest. It enabled the intersection of the economic stagnation of the region and the failures of corrupt and repressive autocratic regimes with a disenchanted youthful population wired together as never before, triggering a political struggle few anticipated. Moreover, their size and contagious overspill distinguished the civil uprisings from earlier expressions of discontent and demonstrated the magnitude of the socio-economic and political challenges facing the region.

Globalization and the acceleration of global interconnectedness has dramatically transformed the world order and reconfigured notions of state power and political authority. At its heart has been a re-conceptualization of the concept of political community into a distinctive form of "global politics." This operates beyond the sphere of the individual nation-state and it involves multiple layers of global governance that stretch across the domestic, regional and international levels.<sup>62</sup> Yet the globalization of political and security dynamics also determines regional and local pathways and trajectories of change. This produces tension in an international system caught between globalizing pressures and localized responses.<sup>63</sup>

In the Middle East and North Africa (MENA), these tensions are magnified by the legacy of political authoritarianism, economic stagnation, and shifting patterns of social and intergenerational interaction. Underlying everything is the rapid increase in demographic growth and the growing youth bulge. The population of the Arabian

<sup>62</sup> D. Held and A. McGrew (eds.), *The Global Transformations Reader. An Introduction to the Globalization Debate*, Cambridge, Polity Press, 2000, p. 11.

<sup>63</sup> A. Hurrell, "One World? Many Worlds? The Place of Regions in the Study of International Society," *International Affairs*, Vol. 83, No. 1, January 2007, p. 128.

Peninsula rose eightfold between 1950 and 2007 (from 8 to 58 million) while that of the Levant increased fourfold; up to 75 percent of the population in North Africa is under the age of 30.<sup>64</sup> According to the Population Reference Bureau in 2005, nearly 95 million people in the MENA were between the ages of 15 and 24 alone, but were suffering from “political, social, and economic systems [that] have not evolved in a way that effectively meets the changing needs of its rapidly growing young population.”<sup>65</sup> These place great strain on struggling economies to generate sufficient jobs to absorb the generation of young people entering regional labor markets. Indeed, World Bank estimates that 5 million jobs will need to be created each year for the next two decades emphasize the scale of the challenge ahead.<sup>66</sup>

Together, these factors place authoritarian regimes in a difficult position as they seek to balance globalizing forces with the maintenance of their domestic bases of support and power. The awkward paradox facing regional policymakers is that discontent at faltering political economies will likely be worsened by attempts to hold back or dilute the processes of greater global engagement. Yet, it is these same global pressures that have given the civil uprisings their sharpness by bringing into clearer focus the possibility of alternatives to the status quo. Their empowering effect on youth groups and activists will not be settled by regime attempts to minimize their influence through greater levels of surveillance or control. They also

<sup>64</sup> C. Spencer, “Introduction: North Africa and Britain,” *International Affairs*, Vol. 85, No. 5, September 2009, p. 924; A. Drysdale, “Population Dynamics and Birth Spacing in Oman,” *International Journal of Middle East Studies*, Vol. 42, No. 1, February 2010, p. 124.

<sup>65</sup> R. Assaad and F. Roudi-Fahimi, “Youth in the Middle East and North Africa: Demographic Opportunity or Challenge?,” *Population Reference Bureau Policy Brief*, Washington, April 2007, p. 1.

<sup>66</sup> Tunis Declaration adopted at the conference on “Building 21<sup>st</sup> Century Knowledge Economies for Job Growth and Competitiveness in the Middle East,” Tunis, November 3, 2009, <http://go.worldbank.org/0R2V9YA0I0>.

reflect officials’ misplaced belief that they can separate technological advances from societal changes.

Several major themes represent the crux of the issue for regional policymakers. Is the Arab Spring shaping up to be a true revolutionary moment or merely a change of elites that simply reproduces the inherited structures of power? Beyond the removal of the person of the dictator and his immediately family (most notably his sons), can the broader regime of “crony capitalists” and networks of patronage be removed? Is the military a part of the “old regime” or can it be trusted to oversee the move toward democracy, as, for example, in Egypt? Can a counter-elite emerge to challenge the existing elite, as has happened (democratically and without a revolution) in Turkey after 2002? How will the successor regimes cope with the massive socio-economic challenges, such as unemployment and economic exclusion, and with the inevitable disillusionment when people’s material situation fails to improve overnight?

It is still far from clear, and also too early to tell, if the Arab revolution will transition toward democratization and the consolidation of its institutions and values. Significant obstacles remain unresolved in states weakened by the legacies of authoritarian rule, lacking autonomous civil society organizations and freely independent political parties, and unsure of the relationship between the citizen and the state inherent in concepts of citizenship. Although the elections in Tunisia and Egypt in 2011 and 2012 provided a legitimate test of the strength of participatory mechanisms and direction of public opinion in the post-revolutionary moment, democratic transition is about much more than the mere conduct of elections, important though they are. It is about internalizing and embedding concepts of social justice, inclusion, and cohesion as a starting-point for reformulating the relationship between the state

and its citizens. The development of a substantive democratic political system will inevitably be a long process, as it has been elsewhere in Eastern Europe and Latin America. Multiple transitions need to occur on political, economic, and social levels.<sup>67</sup>

### European and GCC States in the Mediterranean

For the European Union (EU) states, the political upheaval in North Africa posed a multifaceted challenge to their southern flank. In particular, migration dynamics dominated and largely overshadowed EU policymakers' thinking in their dealings with their counterparts in North Africa. Ex-Libyan leader Colonel Gaddafi's maverick attempt in 2010 to obtain payments of up to €5 billion each year in return for stopping illegal migration from Africa to Europe was symptomatic of this approach.<sup>68</sup> The securitization of migration contributed in part to the marginalization of the lofty cooperative ideals expressed at the launch of the Euro-Mediterranean Partnership in 1995.<sup>69</sup> It also hindered attempts in the 2000s to respond to local calls for political change and democratic participation. During that period, state responses to migration became increasingly militarized as the policy discussion of international flows of people was transformed from a social or labor issue into a security matter, particularly after September 11, 2001. This reflected multiple concerns or perceptions that migrants might become a social or economic burden, a threat to cultural or national identity or, after 9/11, even a potential agent or supporter of terrorism. The shock of the attacks on the United States prompted many developed countries, including the member states of the European Union, to suspend plans to liberalize

immigration policies, and adopt more vigorous measures to ensure border (and "homeland") security instead.<sup>70</sup>

All of these pathologies were on display in European policy reactions to the outbreak of the Arab Spring. The initial unrest in Tunisia and the subsequent violence in Libya resulted in thousands of Tunisians and Libyans fleeing their homeland and making their way to the small Italian island of Lampedusa. Their arrival was received with hostility by the Berlusconi government amid a febrile domestic political debate on immigration and asylum. Public and political discourse alike equated the arrivals with heightened fears for crime and insecurity, playing on already-existent local and national concerns for economic security in the middle of the European debt crisis. The fact that the countries that are most affected by the economic turmoil are those on the southern rim of Europe is also a significant factor in guiding policy toward migration.<sup>71</sup> A similar tension became evident in the startling success of the extreme far-right and anti-immigrant Golden Dawn party in the two Greek elections in May and June 2012, revealing the rise of a virulent nationalism aimed at protecting citizens from the new arrivals.<sup>72</sup>

The Arab Spring thus intersected with Europe's alarming economic slowdown, creating diverging push and pull dimensions to the inter-regional relationship. Both North Africa and southern Europe experienced simultaneous bouts of sustained political upheaval and economic dislocation during 2011 that look set to last for prolonged periods of time. While granting that their very different causes were rooted

<sup>67</sup> K. Coates Ulrichsen and D. Held, "The Arab 1989 Revisited," *Open Democracy*, September 27, 2011.

<sup>68</sup> "Gaddafi Wants EU Cash to Stop African Migrants," *BBC News*, August 31, 2010.

<sup>69</sup> K. Kausch and R. Youngs, "The End of the Euro-Mediterranean Vision," *International Affairs*, Vol. 85, No. 5, September 2009, p. 239.

<sup>70</sup> P.J. Smith, "Climate Change, Mass Migration, and the Military Response," *Orbis*, Vol. 51, No. 4, Fall 2007, pp. 628-29.

<sup>71</sup> S. McMahon, "Italy is Failing North Africa's Refugees," *The Guardian*, April 6, 2011.

<sup>72</sup> J. Henley and L. Davies, "Greece's Far-right Golden Dawn Party Maintains Share of Vote," *The Guardian*, June 18, 2012.

in fundamentally distinct socio-political and economic systems, they nevertheless represented systemic shocks to the system in each region. Yet their synchronicity has increased the incentives for emigration from MENA countries just as it has reduced public and political support for immigration into Europe. This has had, and will continue to have, political implications throughout Europe, as politicians fear being outflanked by the resurgence of populist, largely right-wing political groups, and consequently adopt tougher lines on immigration.

By contrast, the GCC states have been able and willing to utilize their comparatively greater financial leverage to shape the direction of transition in North Africa. Qatar, Saudi Arabia, and, to a lesser extent, the United Arab Emirates (UAE) have used their political, economic, and cultural influence to play a markedly greater role in the region since early 2011. Qatar and the UAE provided essential support to the anti-Gaddafi rebellion and played a pivotal role in engineering the United Nations Security Council resolution and subsequent multi-national intervention. They then recognized the Transitional National Council as the legitimate representative of the Libyan people and supplied it with a wide range of military and non-military equipment that proved essential to its eventual success in toppling the Gaddafi regime.<sup>73</sup>

In Egypt, the Qatar-based Al Jazeera network was heavily involved in covering the initial uprising that toppled Mubarak in 2011, and subsequently in reporting the 2012 presidential elections that resulted in the Muslim Brotherhood coming to power. The tone of its coverage, particularly by its newly-formed Egyptian subsidiary channel, *Al Jazeera Mubasher Misr*, came in for strong criticism, with the accusation that the channel “has been dedicating its coverage in favour of the Muslim

<sup>73</sup> K. Coates Ulrichsen, “Libya and the Gulf: Revolution and Counter-Revolution,” *Hurst Publishers’ Blog*, December 16, 2011.

Brotherhood around the clock.” Prominent UAE commentator Sultan al-Qassemi argued that “Al Jazeera’s love affair with the Muslim Brotherhood was evident from the channel’s beginning” in 1996, noting the high profile of one of the Brotherhood’s intellectual leaders, the Egyptian Sheikh Yusuf al-Qaradawi, at the network.<sup>74</sup> Indeed, while al-Qaradawi had long been noted for his voluminous writings on Islamic jurisprudence, theology, education, and Islamic finance, the establishment of Al Jazeera provided him with a platform to reach a global audience through his regular religious program, *Sharia and Law*.<sup>75</sup>

Yet it would be wrong to view the GCC states as a monolithic entity in their political involvement in North Africa. It is precisely in the transition states that significant fault-lines have developed between Qatar, on the one hand, and Saudi Arabia and the UAE, on the other. Qatar has provided refuge to al-Qaradawi since 1961, and also took in political dissidents from many other Arab countries. They included prominent Libyan Islamists such as Ali and Ismail al-Sallabi. Both played a prominent role in the uprising against Gaddafi, and channeled the majority of Qatari assistance through their own militias and networks.<sup>76</sup> Blessed with a fortuitous combination of a very small national population and massive hydrocarbon reserves, Qatar — uniquely in the MENA — views the Arab Spring as an opportunity, rather than a challenge, and can afford to be sanguine about the rise to power of the Muslim Brotherhood without undue concern for any domestic blowback within Qatar itself.

<sup>74</sup> S.S. Al-Qassemi, “Morsi’s Win is Al Jazeera’s Loss,” *Al-Monitor*, July 1, 2012.

<sup>75</sup> B. Graf and J. Skovgaard-Petersen (eds.), *Global Mufti. The Phenomenon of Yusuf al-Qaradawi*, London, Hurst, 2009, pp. 4-5.

<sup>76</sup> S. Dagher, C. Levinson, and M. Coker, “Tiny Kingdom’s Huge Role in Libya Draws Concern,” *Wall Street Journal*, October 17, 2011.

The same cannot be said of Saudi Arabia and the UAE. Both countries have attempted to suppress the Muslim Brotherhood and its local affiliates, and escalated their surveillance and repression of domestic Islamist activists since 2011. The chief of the Dubai Police, Lieutenant-General Dhahi Khalfan Tamim, went so far as to inform a Kuwaiti newspaper in March 2012 of a Brotherhood plot to take over the GCC states by 2016, beginning with Kuwait in 2013.<sup>77</sup> In late July, in the wake of the arrest of more than 50 activists in the UAE, Khalfan spoke again of an “international plot” to overthrow Gulf governments, warning that they must be on guard against the threat from the Muslim Brotherhood as much as from Iran. He added, provocatively and seemingly without any evidence, that “[t]he bigger our sovereign wealth funds and the more money we put in the banks of Western countries, the bigger the plot to take over our countries.”<sup>78</sup> Consequently, officials in Saudi Arabia and the UAE viewed the empowerment of political Islamists in Egypt and Tunisia with deep suspicion. During the protracted Egyptian parliamentary election process in 2011, rumors persisted of Saudi funding for the Salafist Nur party in Egypt.<sup>79</sup>

Aside from political channels, Gulf States’ assistance to North Africa has taken a number of other forms. The UAE and Saudi Arabia have been major investors in Egypt while Qatari investments in Libya and Tunisia have also increased significantly. Much of these flows has gone into funding major infrastructural development or as budgetary transfers. The UAE, for instance, pledged \$3 billion in aid and investments following the fall of Mubarak, while it also hosts some 300,000 Egyptians whose remittances constitute important

inflows into an ailing Egyptian economy.<sup>80</sup> In 2011, the volume of Saudi investments in Egypt totalled some \$110 billion with bilateral trade in excess of \$3.5 billion annually. Moreover, in June 2012 alone, Saudi Arabia approved \$430 million in project aid to Egypt as well as a \$750 million line of credit to import petroleum products, in addition to a separate transfer of \$1.5 billion in direct budget support.<sup>81</sup> Qatari investment in Libya surged after the fall of Gaddafi, while it has signed agreements with the new leadership in Tunisia relating to infrastructural development and assistance in the oil and gas sectors.<sup>82</sup>

In addition, the GCC states are home to some of the largest and most region-focused aid-giving agencies. The Kuwait Fund for Arab Economic Development, the Abu Dhabi Fund for Development, and the Saudi Fund for Development, as well as multilateral institutions such as the Arab Monetary Fund, the Islamic Bank for Development, and the Arab Bank for Economic Development in Africa are all hosted or closely linked to the GCC states. Individually and collectively, these organizations have long records of giving aid to conflict-affected countries or those undergoing transition in the Arab and Islamic worlds. Significantly, political and humanitarian motivations appear to be greater drivers of aid policy than purely economic motives, while they often lack the conditions-based element associated with multilateral organizations. While problematic in terms of a relative lack of transparency and commitment to entrenching certain normative values, such as good governance, human rights, and women’s empowerment, these modalities offer the potential for “quick-fix” solutions, albeit lacking

<sup>77</sup> “Islamists Plot Against Gulf: Dubai Police Chief,” *Gulf News*, March 27, 2012.

<sup>78</sup> “Dubai Police Chief Warns of Muslim Brotherhood, Iran Threat,” *Business Intelligence Middle East*, July 26, 2012.

<sup>79</sup> Y. Trofimov, “As Islamists Flex Muscles, Egypt’s Christians Despair,” *The Wall Street Journal*, June 11, 2011.

<sup>80</sup> S.S. Al-Qassemi, “Will Egypt’s New President Rebuild Ties with the UAE?,” *Gulf News*, June 27, 2012.

<sup>81</sup> S.S. Al-Qassemi, “Nayef’s Demise: Relief for the Brothers?,” *Egypt Independent*, June 25, 2012.

<sup>82</sup> “Qatar, Tunisia Sign Investment Accords,” *Gulf Times*, January 14, 2012.



the potential for generating longer-term sustainable development.<sup>83</sup>

Thus the GCC states are better positioned than their European partners to make targeted and quick interventions in North Africa. Gulf States lack the historical-political “baggage” and human rights-related conditions to aid and development policies and, as such, may be more palatable for states and societal stakeholders in North Africa. “Soft” forms of assistance, such as remittances, will remain important to struggling regional economies, as will the more dubious forms of direct budgetary assistance. Against this, questions about the coherence and structure of GCC states’ approaches to North Africa (as elsewhere), and about their ability to sustain and implement them, remain unresolved. Recent analysis of Qatar’s widely hailed diplomatic mediation, for example, has emphasized the lack of monitoring and implementation capacity, the small size of Qatar’s professional expertise, and the apparent absence of long-term visions or plans.<sup>84</sup>

### Future Challenges

In addition to doubts about the viability of GCC states’ regional engagement, which, in the case of Qatar’s policy in Libya became viewed by members of the Transitional National Council as controversial owing to its scale and alleged intrusion into Libyan sovereignty, there are a number of other factors that suggest there are difficulties ahead. First and foremost is the fact that the Arab Spring is still very much underway, and while it may appear to have largely bypassed the GCC states, Bahrain apart, there are worrying signs that this may not be the case. Nervous rulers reacted to the unfolding upheaval by announcing

massive packages of welfare spending and direct and indirect economic “handouts” in 2011. Their scale was enormous, with the \$130 billion package of welfare measures unveiled by King Abdullah of Saudi Arabia exceeding the cost of every national budget prior to 2007. Other measures included hand-outs of cash (Kuwait, Bahrain, and the UAE), creating jobs in already saturated public sectors (Saudi Arabia, Bahrain, and Oman), and raising workers’ wages and benefits (Saudi Arabia, Oman).<sup>85</sup>

The challenge now facing Gulf policymakers is two-fold. One is that the measures are fiscally unsustainable over the medium and longer term. Over the past decade, the break-even price of oil that Gulf economies require to balance their budgets has risen inexorably. In Saudi Arabia, the increase has been from \$20 to nearly \$90 per barrel, with the Institute for International Finance forecasting a break-even price of \$115 by 2015. Bahrain already faces a break-even price exceeding \$100 per barrel while even the oil-rich UAE has seen its benchmark soar from \$23 in 2008 to \$92 in 2011. In Kuwait, the International Monetary Fund warned that the escalating rise in government spending meant that “government expenditure will exhaust all oil revenues by 2017, which means the government will not be able to save any portion of these revenues for future generations.”<sup>86</sup> Budgeted spending in Kuwait trebled between 2004 and 2011 by which time it already accounted for up to 85 percent of annual oil income. The practical consequences of this profligacy became clear in a startling admission by the acting finance minister in March 2012 that Kuwait would require an oil

<sup>83</sup> S. Barakat and S. Zyck, “Gulf State Assistance to Conflict-Affected Environments,” *LSE Kuwait Programme Research Papers*, No. 10, July 2009, pp. 29-34.

<sup>84</sup> M. Kamrava, “Mediation and Qatari Foreign Policy,” *Middle East Journal*, Vol. 65, No. 4, Autumn 2011, p. 556.

<sup>85</sup> S. Hertog, “The Costs of Counter-Revolution in the GCC,” *Foreign Policy*, May 31, 2011.

<sup>86</sup> T. Arnold, “IMF Tells Kuwait to Cut Spending or Risk Running Out of Oil Money,” *The National*, May 17, 2012.

price of \$109.50 to balance the budget in 2012-13, and an astronomical \$213.50 by 2029-30.<sup>87</sup>

The second difficulty is that the decision to intensify the politics of patronage by increasing the flow of unproductive payoffs to key sectors of society delivers damaging blows to the attempts in recent years to scale back the role of the state in the economy and boost the role of the private sector. Instead of strengthening the private sector and weaning citizens off public sector employment, the new packages expand government spending and widen an already large discrepancy between the public and private sectors. In addition, they create hostages to fortune by locking in government spending at very high levels that depend on the price of oil remaining high, as it is much easier to give handouts than take them away in redistributive political economies.<sup>88</sup>

Reinforcing the political status quo by increasing rent redistribution at best delays the calls for change and leaves untouched the underlying challenges of resource depletion and the transition toward post-oil economies. However, buying support in the short term also increases the challenges of transition in the long term, with immediate needs of ensuring regime survival trumping those of genuine political and economic reform. Ominously for Gulf rulers, there are increasing signs that the redistributive measures have failed to quell demands for reform and for political freedoms and human rights. This is most evident in the UAE, where some of the pay rises announced in 2011 subsequently had to be cancelled as they were deemed unaffordable, and the government ruthlessly started a campaign of suppression of dissenting voices.<sup>89</sup> As of the end of July 2012,

<sup>87</sup> K. Coates Ulrichsen, "Kuwait and the Politics of Unsustainable Development," *Hurst Publishers' Blog*, April 2, 2012.

<sup>88</sup> S. Hertog, "The Costs of Counter-Revolution in the GCC," cit.

<sup>89</sup> M. Swan, "HCT Puts Lecturers' Salary Rises on Hold," *The National*, September 7, 2011.

more than 50 political activists and human rights advocates had been detained without charge in a disconcerting sign that the authorities in the UAE were falling back on repressive measures to quell any potential reform movement.

One cannot yet talk about a post-Arab Spring moment in the Gulf, just as much as it is still an ongoing process of transition in North Africa. The transformative impact of the changing relationship between the state and its citizens will take years to work its way through the existing socio-political system. In particular, the technocratic measures described above miss the critical social dimension of the Arab Spring, which has empowered people across the region with notions of political freedom, economic and social justice, and human dignity.<sup>90</sup> It is this realization — manifested through continuing protests calling for an end to discrimination and marginalization in the eastern province of Saudi Arabia, ongoing calls for greater rights and freedoms in Bahrain and Oman, and the undercurrents of discontent in the UAE — that so concerns regional leaders in the Gulf.

It is, therefore, entirely possible that the GCC states will soon begin to look inward as domestic tensions proliferate and multiply. This is particularly the case with the aging monarchical systems in Saudi Arabia, Oman, and Kuwait, where issues of succession are likely to take up increasing attention and resources. Saudi Arabia, alone, has had to deal with the death of two Crown Princes in less than one year, while in Oman, the succession to Sultan Qaboos remains obscure and uncertain at a time of escalating strikes, demonstrations, and the voicing of hitherto-taboo direct criticism of the Sultan himself. In Kuwait, the recurring political deadlock between the elected parliament and appointed government is complicated by the looming issue of the eventual move to a new generation of Al-Sabah

<sup>90</sup> K. Coates Ulrichsen, "Gulf States: Studious Silence Falls on Arab Spring," *Open Democracy*, April 25, 2012.

leadership, as ambitious royals compete for position and favor.

In all of this, the Gulf States have stood out as staunch bastions of conservatism and status quo politics, with the differences between Qatar and Saudi Arabia focusing more on the nuts and bolts of which particular status quo to preserve than any support for revolutionary change. The highly visible seating of Egyptian Field Marshal Tantawi next to Saudi Arabia's King Abdullah at the funeral of Crown Prince Nayef bin Abdul Aziz testified to the enduring links between the authoritarian counter-revolutionary forces.<sup>91</sup> The rise to power of the Muslim Brotherhood in Egypt threatens to drive a wedge between Saudi Arabia and Qatar, as officials in Riyadh deeply distrust Al Jazeera's highly visible support for the movement. Having intervened in Yemen to manage the process of transition away from Ali Abdullah Saleh, and in Bahrain to prop up the monarchical status quo, the GCC states will be watching developments in Egypt with great interest and not a little concern.

As political tensions increase in the GCC states, the focus of their attention will become more introspective. Attempting to control the pace and direction of change in countries that have already undergone regime change will give way to efforts to quell burgeoning domestic opposition movements. Any sustained period of internal unrest in the Gulf would deal a serious blow both to European and North African economies. Potential disruption of energy and investment flows would impact the former while the latter would suffer from a reduction in remittances and much needed infusions of Gulf capital for infrastructure and development. Therefore, while policymakers in both regions share a common interest in stabilizing the transitions underway in North Africa, significant challenges lie ahead. These call

<sup>91</sup> "Difficult Geopolitical Context," *Gulf States Newsletter*, Vol. 36, No. 926, June 21, 2012, p. 3.

into question the sustainability of the Gulf States as they move into the next phase of the Arab Spring, as well as the ability of a crisis-stricken Europe to play more than a token role in North Africa. Internal dynamics will therefore take priority over inter-regional interests in the formulation of policy toward North Africa and the Mediterranean in the years ahead.

European and Gulf interests converged in 2011 in favor of supporting a managed and stable transition in North Africa. Their internal difficulties ensure that the same level of engagement will be hard to maintain in the future. This presents both a challenge and an opportunity to their North African partners. Although it means that political engagement and economic support may be overshadowed by domestic developments, it does afford the post-transition governments a breathing space to establish and deepen their own roots of legitimacy and political authority. This is important, as demonstrated by the Libyan backlash against the extent of Qatar's intervention in 2011. In the meantime, mechanisms should be established to coordinate aid and development assistance from all donor countries, to prevent overlaps and cement standards of good governance, transparency, and accountability.

Therefore, policymakers in both regions would do well to focus on practical and implementable measures that can address issues of mutual interest in the Mediterranean region. These would include ensuring that aid and investment policies are aligned with each other and do not overlap or leave gaps; the formation of joint committees and plans to better coordinate regional policy-formulation; and due consideration as to how best to leverage the comparative advantages of each actor to maximize the resulting outcomes. Combining higher levels of foreign investment from GCC states with the ability of the EU to assist in sector-specific

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or regulatory reform might, for example, prove an optimal intersection of leverage.

Similarly, European interests might benefit from closer cooperation with Gulf partners on identifying quick-impact projects designed to accelerate economic recovery in the transition states. This would take a different form in Libya, which experienced protracted and violent civil conflict, than Tunisia and Egypt, which did not. Officials from both regions could convene

regular meetings to deliver targeted interventions designed to reduce points of volatility. Moreover, involving all external stakeholders in discussions on stabilization and reconstruction can lead to comprehensive policies that accentuate the intersection, rather than divergence, of interests. In a fragile regional context in which external partners also face challenging domestic-level issues, that may significantly reduce their effectiveness, this will both be timely and extremely important.

# 4

## OLD FRIENDS, NEW NEIGHBORHOOD: THE UNITED STATES, THE GCC, AND THEIR RESPONSES TO THE ARAB SPRING *SHADI HAMID*

### Rethinking the Role of International Actors

Since the Arab uprisings began in December 2010, it has become commonplace to hear some variation of the following: that the Arab Spring is a truly indigenous movement, that the role of external actors is therefore constrained, and that Arabs, themselves, do not want foreign powers to “interfere.” These views have been adopted, to varying degrees, by the United States and the European Union. Far from mere rhetoric, such perceptions of the role external actors should — and should not — play has framed the often hesitant Western responses to the Arab uprisings. In contrast, the countries of the Gulf Cooperation Council (GCC), including Saudi Arabia, the United Arab Emirates (UAE), and Qatar, have opted for an increasingly muscular foreign policy approach in response to regional developments.

For better or for worse, the role of international actors has not only influenced the Arab Spring, but in several countries, defined it. There has been only one truly “indigenous” revolution, in Tunisia. In the others — Egypt, Libya, Yemen, and Syria — external actors have played significant, even decisive roles, particularly in the latter three. The 18-day uprising in Egypt was effectively internationalized, with foreign media devoting countless hours to covering every turn of the uprising, helping to raise awareness and, in the process, putting the issue at the very top of the policy agenda. The United States exerted considerable pressure on the Egyptian regime to refrain from using force against protesters. With its \$1.3 billion in military aid, amounting to at least 20 percent of Egypt’s defense budget, the Obama administration had considerable leverage with Egypt’s generals. Similarly important were the thick military-to-military relations, including the warm relationship between U.S. Secretary of Defense Robert Gates and Field Marshall Hussein Tantawi, head of the Egyptian armed forces.

When the uprisings first broke out, Western officials were heartened that the protests appeared to be focused on domestic issues. While it is true that protesters were angry over “bread and freedom,” the third element, dignity, is more difficult to characterize. Here, Egypt’s pro-Western policies — and perceived subservience to the United States — figured prominently, including in the uprising’s defining chant: “you’re Egyptian, raise your head up high.” Over the 18 days, numerous chants attacked Mubarak for being an agent and lackey of the United States and Israel (one such chant claimed Mubarak only understood one language — Hebrew).

While the mass protests in Tunisia and then Egypt caught their leaders by surprise, subsequent uprisings challenged regimes that were more insistent on holding on to power, and more brutal. The role of international actors escalated accordingly, the most obvious case being Libya, where NATO military intervention was required to depose Muammar Gaddafi. Here, the GCC endorsed a no-fly zone on March 8, 2011, which proved critical to shifting the tide in favor of military intervention. Syria, like Libya, has a clique of rulers willing to fight to the very end. For them, voluntarily giving up power is not an option. In the Syrian conflict, both the regime and opposition called on outside powers to intervene (the Syrian National Council came out in favor of foreign military intervention in December 2011).<sup>92</sup> Meanwhile, the political settlement in Yemen — which forced the resignation of longtime president Ali Abdullah Saleh — required extensive international mediation from Saudi Arabia and the United States, among others. Ultimately, a GCC-formulated plan removed Saleh from power.

<sup>92</sup> “The Syrian National Council Calls For the UN and International Community To Immediately Establish A Safe Zone for Protecting Civilians in Syria,” Syrian National Council, December 21, 2011, <http://www.syriancouncil.org/en/press-releases/item/127>.

### A More Muscular Foreign Policy

This changing context allows us to better situate the GCC's multi-faceted response to the Arab uprisings as well as its increasingly tense relationship with the United States. The first breach between the Obama administration and the GCC, particularly Saudi Arabia, was over the former's unwillingness to stand by its longtime ally Hosni Mubarak.<sup>93</sup> For the Saudis, Mubarak's Egypt was critical to the region's security architecture. President Mubarak was a dogged opponent of Iran. Perhaps more importantly, he could be counted on for his steady, conservative foreign policy approach. For a status quo power like Saudi Arabia, this was precisely what was called for in a time of unprecedented political change.

Mubarak's departure, and the circumstances surrounding it, forced Saudi Arabia to reconsider its strategic posture. The United States, under successive administrations, was always a sure thing, providing much-needed arms and military expertise to Gulf governments. More than that, the United States was the GCC's security guarantor. However, with the advent of the Arab uprisings, Saudi Arabia began to doubt the United States' staying power and, in particular, its commitment to the security order that had governed the Arab world for decades. Bahrain opened up a new source of tension. In March 2011, the United States worked overtime to broker a deal between the regime and the Shia-led opposition. In the span of one week, U.S. Assistant Secretary of State Jeffrey Feltman

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<sup>93</sup> To some degree, we can speak of the GCC-1, or the "Qatari exception." While Qatar is certainly an important part of the GCC's emergence as a leading regional actor, it often takes positions distinct from Saudi Arabia and other GCC states. Generally, Qatar has been supportive of pro-democracy uprisings, including in Egypt. There is also a clear divergence on how to respond to the Iranian threat. Qatar has a working relationship with Iran, with numerous high-level visits taking place between the two countries in recent years. That said, in Libya and Syria, the GCC countries, including Qatar, have all adopted similar positions in support of rebel forces.

visited Bahrain several times.<sup>94</sup> The Saudis, sensing a critical juncture, rendered U.S. efforts void with their decision to send troops — under the auspices of the GCC's "Peninsula Shield Force" — to quell the uprising.

In failing to give the U.S. advance notice, Saudi Arabia sent a clear signal that it was willing to act unilaterally when it felt its vital interests were at stake. The widening gap between the two allies was, in part, the result of differing threat perceptions. Saudi Arabia and the UAE saw all security threats, internal or external, through the prism of Iran, which took precedence over all else. Where the United States saw an indigenous uprising in Bahrain fueled by legitimate grievances, Saudi leaders saw an Iranian and Shia plot to destabilize the Gulf. In what was, for them, an existential struggle, concession and compromise would be a sign of weakness, inviting further attacks from the Bahraini opposition and its supposed Iranian masters. As King Abdullah reportedly said, "Saudi Arabia will never allow Shia rule in Bahrain — never."<sup>95</sup> The same unyielding, zero tolerance response was more than evident in Saudi and Emirati responses to their own relatively limited domestic opposition. Instead of opening up, even if only slightly, some political space, both countries did the opposite, using force to quell unrest, arresting activists for relatively mild political offenses and, in the case of the UAE, stripping at least six members of the Islamist group al-Islah of their citizenship.

The United States, like its Gulf allies, has long been wedded to a regional order designed to protect and promote a set of key national security interests, including, of course, the free flow of oil.

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<sup>94</sup> M. Ottaway, "Bahrain: Between the United States and Saudi Arabia," *Carnegie Commentary*, April 4, 2011.

<sup>95</sup> M.S. Indyk, K.G. Lieberthal, and M.E. O'Hanlon, *Bending History: Barack Obama's Foreign Policy*, Washington, Brookings Institution Press, 2012, p. 156.

Like its Gulf allies, it sees Iran's nuclear ambitions as a dangerous threat. But the United States, in the wake of the Arab Spring, was willing to adapt its old approach to better deal with new regional realities. President Obama and senior U.S. officials repeatedly proclaimed their support for Arab democratic aspirations and acknowledged the importance of getting on the "right side of history."<sup>96</sup> This rhetoric — despite only intermittent translation into policy — made Gulf leaders nervous. Could they count on U.S. support when things got difficult? The United States, they felt, was naïve and easily led astray by its own ideals. As Martin Indyk, Ken Lieberthal, and Michael O'Hanlon note: "[The leaders of Saudi Arabia and the UAE] had entrusted their external security to the United States; now it looked like the president, in his newfound passion for universal rights, had turned America into a threat to their internal security."<sup>97</sup> In May 2011, Nawaf Obaid, a Saudi academic with close ties to the ruling establishment, wrote a widely discussed article in *The Washington Post* in which he declared that "a tectonic shift has occurred in the U.S.-Saudi relationship."<sup>98</sup> Obaid said Washington was "an unwilling and unreliable partner against [the Iranian] threat" and concluded that "there is simply too much at stake for the kingdom to rely on a security policy written in Washington, which has backfired more often than not and spread instability."

Perceived threats have a way of promoting unity. The GCC itself was founded as a loose security alliance in the aftermath of the Iranian revolution (although members avoided calling themselves a

<sup>96</sup> For an assessment of President Obama's approach to democracy promotion in the Arab world, see S. Hamid, "Prioritizing Democracy: How the Next President Should Reorient U.S. Policy in the Middle East," *Campaign 2012 Papers*, No. 11, June 20, 2012.

<sup>97</sup> M.S. Indyk, K.G. Lieberthal, and M.E. O'Hanlon, *Bending History*, cit., p. 148.

<sup>98</sup> N. Obaid, "Amid the Arab Spring, a U.S.-Saudi Split," *The Washington Post*, May 16, 2011.

security alliance to avoid provoking Iran). Despite significant progress in promoting economic cooperation and mobility across member states, the GCC has long been less than the sum of its parts. As Neil Patrick notes, the Gulf states have been unwilling to "compromise their national sovereignty by integrating their security or defense functions."<sup>99</sup>

The Arab uprisings have provided an additional impetus for the Gulf states to increase coordination and cooperation. The ongoing Iranian threat and the perception of continued U.S. decline has pushed the Gulf Cooperation Council to newfound prominence. First, the GCC put together a \$20 billion aid package for Oman and Bahrain. It backed a no-fly zone in Libya well before the United States did, with Qatar and the UAE sending fighter jets. Meanwhile, in Syria, Saudi Arabia, and Qatar were the first to provide military and other assistance to the Syrian rebels in their struggle against the Assad regime.

The growing prominence of the GCC, and its apparent successes in Libya, Yemen, and elsewhere, has propelled discussion of greater integration in the form of a "Gulf Union." Support for the Union was expressed in the Riyadh Declaration of the 32<sup>nd</sup> GCC Summit.<sup>100</sup> In an April 28, 2012 speech, Prince Saud al-Faisal, the Saudi foreign minister, elaborated further: "In the area of foreign policy, the existence of a GCC supreme body coordinating foreign policy decisions will collectively rearrange priorities of these countries realizing their collective interests. When the six GCC states collectively negotiate with other states in a federal structure, this will strengthen the bargaining power of our

<sup>99</sup> N. Patrick, "The GCC: Gulf State Integration or Leadership Cooperation," *LSE Kuwait Programme Research Papers*, No. 19, November 2011, p. 8.

<sup>100</sup> 32<sup>nd</sup> GCC Summit Final Statement and Riyadh Declaration, December 20, 2011, available at: <http://www.susris.com/2011/12/21/32nd-gcc-summit-final-statement-and-riyadh-declaration>.

countries in a way that cannot be provided by the [actions of individual states] which [are] void of tools of collective pressure.”<sup>101</sup>

Such enthusiasm aside, the obstacles to the formation of a union are considerable, not least the concerns of smaller states, like Oman, of Saudi domination. Meanwhile, Qatar, with its distinct, largely autonomous foreign policy, is unlikely to cede decision-making authority to Saudi Arabia.<sup>102</sup> Yet the very fact that greater integration is being discussed publicly suggests that a greater, if still constrained, regional role for the GCC is very much a possibility.

### **The United States and the Gulf**

The United States has gone out of its way to avoid alienating its allies in the Gulf. After Assistant Secretary Feltman’s 11<sup>th</sup> hour diplomatic efforts in early 2011, the Obama administration failed to put significant pressure on the Bahraini regime, despite close relations and the presence of the U.S. Fifth Fleet in Manama. In May 2012, the United States resumed arms sales to Bahrain.<sup>103</sup> The Obama administration has dispatched a succession of senior officials to reassure their Saudi counterparts and to re-establish a united front on common interests. This has led, inevitably, to downplaying the Bahrain crisis and other human rights issues. When, for instance, U.S. Secretary of Defense Robert Gates met with King Abdullah on April 6, 2011 he admitted that he did not bring up Saudi Arabia’s military intervention in Bahrain.<sup>104</sup> The

democratic aspirations of Bahrainis may have been important but it was not going to trump a relationship between the United States and Saudi Arabia that had, for decades, been a pillar of U.S. policy in the region.

The United States continues to provide tens of billions of dollars of arms to the various Gulf states, along with the military and technical expertise necessary to utilize complex weapons systems. There are no ready replacements for the United States in its critical role as the Gulf’s security guarantor. And the longer Iran remains a threat, the more the Gulf states will seek U.S. assistance in developing missile defense capabilities that can protect against and deter potential Iranian aggression. As part of such efforts, the United States is deploying missile defense radars in the United Arab Emirates, Kuwait, and Qatar. In July 2012, the United States announced that it would be selling Kuwait more than \$4 billion in weaponry, including four advanced radars.<sup>105</sup>

Nevertheless, the tensions between the United States and its Gulf allies over the Arab uprisings will continue and may even intensify. The GCC is challenging the United States in areas where it was once dominant. As mentioned above, the GCC has committed to providing financial, political, and military support to Oman and Bahrain. Saudi Arabia has expanded its ambitions and also offered considerable financial backing to Jordan and Morocco, two other conservative, pro-Western monarchies that have faced political unrest. In May 2011, the GCC extended an invitation to both countries to join the council, even though neither are actually in Gulf. The economic rationale is dubious. Compared to the Gulf states, Jordan and Morocco are relatively poor, with high levels of economic inequality and structural underemployment. Due to these

<sup>101</sup> Prince Saud al-Faisal, “Toward a Union Formula,” April 28, 2012, available at: <http://www.susris.com/2012/04/30/toward-a-union-formula---prince-saud-al-faisal>.

<sup>102</sup> See footnote [92] for a brief consideration of Qatari foreign policy and the “GCC -1.”

<sup>103</sup> “U.S. Resumes Bahrain Arms Sales Despite Rights Concerns,” *Reuters*, May 11, 2012. See also C. Bockenfeld, “U.S. Silence on Continued Bahraini Repression,” *Foreign Policy Middle East Channel*, July 31, 2012.

<sup>104</sup> M.S. Indyk, K.G. Lieberthal, and M.E. O’Hanlon, *Bending History*, cit., p. 157.

<sup>105</sup> T. Shanker, “U.S. and Gulf Allies Pursue a Missile Shield Against Iranian Attack,” *The New York Times*, August 8, 2012.



challenges, Morocco and Jordan are unlikely to ever become full council members. That said, the impetus behind the GCC's invitation is very real — to provide much-needed economic support to cash-strapped monarchies and, in the process, forestall revolution. After its December 2011 summit, the GCC announced the establishment of a fund that would provide upwards of \$2.5 billion to each country, in addition to existing bilateral aid. Such an approach stems from the belief that rising discontent in the Arab monarchies is fundamentally economic, and not political, and therefore can be assuaged through economic stimulus and poverty reduction.<sup>106</sup>

Jordan and Morocco are interesting countries to target for other reasons. Jordan is the world's second largest per-capita recipient of U.S. assistance, while Morocco has a multi-year \$698 million Millennium Challenge Compact agreement — one of the largest — with the United States. Saudi Arabia is stepping well beyond its traditional sphere of influence and encroaching on what has traditionally been U.S. (and European) territory. While the United States will continue to back the Moroccan and Jordanian monarchies, it does not want to see either country dragged back toward a more robust authoritarianism. "Stability" from a U.S. perspective does not mean what it used to, or what Saudi Arabia still thinks it means. For stability to be maintained, U.S. officials believe, governments must respond to the substantive demands of their people and provide them with a real stake in the political process. In short, while U.S. and Saudi interests do indeed align on a number of issues, they do not align on this broader,

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<sup>106</sup> This approach has also been reflected in the domestic policies of Gulf states, most of which have significantly boosted public sector salaries and benefits in the wake of the Arab uprisings. Saif and Fakhoury estimate that "domestic social spending pledges ... [amounted] to 12.8 percent of the GCC's total GDP for 2011." See I. Saif and R. Fakhoury, "Lessons from the Gulf's Twin Shocks," *Carnegie International Economic Bulletin*, February 16, 2012.

almost philosophical question of how to manage political change. And it is this essential difference that is likely to complicate the question of Gulf financial assistance.

### **The Allure of Gulf Funding**

Ideally, the United States, tied down by budget constraints at home and suffering from Middle East "fatigue," would like to see the GCC provide considerable economic aid to the fledgling democracies of Egypt, Tunisia, and Libya. So far, they seem willing to step into the void with assistance packages that exceed those of the United States. For example, as part of a \$2.7 billion aid package, Saudi Arabia made a direct \$1 billion cash transfer to Egypt's Central Bank in May 2012.<sup>107</sup> In the young democracies of Tunisia, Egypt, and Libya, Gulf funding does not, obviously, come with any strings attached (or even expectations) on political reform, which may make it more attractive to recipient countries. But it does come with other conditions that limit the countries' freedom of movement on foreign policy. (For example, if Egypt decided to pursue a friendly relationship with Iran, Saudi Arabia would almost certainly threaten to freeze aid). It remains unclear to what extent Saudi Arabia and the UAE can reconcile themselves to increasingly assertive Muslim Brotherhood governments, since both see their own Brotherhood affiliates at home as their primary opposition. (The tense verbal exchanges between the Dubai police chief and the Egyptian Brotherhood are a case in point). However, if they calculate that Islamists are here to stay, they are likely to decide that it is better to use their aid to influence them rather than to undermine them.

It is in the "reforming monarchies" that Gulf aid may prove, from a U.S. perspective, more problematic. Here, Saudi Arabia and the UAE

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<sup>107</sup> "Egypt gets \$1 bln from Saudi as ties warm," *Reuters*, May 10, 2012.

share an interest in strengthening and stabilizing the Moroccan and Jordanian monarchies so as to depress popular demands for greater democratization.

### The Challenge of Aid Conditionality

It is ironic that the Arab uprisings happened at precisely the time when U.S. and EU influence was at a low ebb. As the Syrian and Libyan uprisings demonstrated, Western powers can still be “indispensable” actors in world politics, without whom the resolution of armed conflict is difficult, if not impossible. Yet, while the GCC states have pledged billions in new funding to their neighbors, the United States has struggled to appropriate new funding beyond existing bilateral aid.<sup>108</sup> The question of economic aid after the Arab Spring is directly tied to aid conditionality — the notion that aid can, and should, be used as leverage to incentivize Arab governments to democratize.

In both the U.S. and European capitals, there is a “firm movement toward greater conditionality,” although coupled with a concern that the line between encouraging political reform and political interference can be blurry.<sup>109</sup> The Obama administration’s MENA Incentive Fund and the European Union’s Support for Partnership, Reform, and Inclusive Growth (SPRING) programs are both nods in the direction of conditionality (although the mechanisms of conditionality remain vague). The problem with both programs is their small scope, amounting to a proposed total of about \$1.3 billion annually. This means that no one country can expect to get more than a couple hundred

million dollars at most — a number that is simply not high enough to have a real impact on the recipient’s political calculations. With the sharp increase in GCC funding pledges, the United States and Europe are no longer the “only game in town.”

Western economic support, however, cannot be measured solely in terms of direct aid. There are loans (including from the IMF and World Bank), trade benefits (e.g., free trade agreements), and foreign direct investment. Taken together, these can have a decisive impact on economic recovery. Considering their economic difficulties, Egypt, Jordan, Morocco, and others cannot do without these sources of support.

If the goal is not just providing economic support, but using such funds to incentivize political reform and democratization, then there is a need to coordinate funding across the United States, EU, as well as international financial institutions and agree on a set of explicit benchmarks for recipient countries. Elsewhere, I have proposed a “multilateral reform endowment” of at least \$5 billion that would provide clear incentives to Arab countries to implement necessary reforms.<sup>110</sup> Ideally, the Gulf could be enlisted in such an effort, but, with the exception of Qatar, the GCC states are unlikely to support explicit aid conditionality on democracy.

### Conclusion

The United States is unlikely to push too hard on Arab democratization, for precisely the same reasons it avoided confronting Saudi Arabia on its interventions in Bahrain. Successive U.S. presidents have insisted that values and interests are aligned as never before. What the tense relationship between the United States and the GCC makes clear is that they are not.

<sup>108</sup> For an overview of U.S. democracy assistance in the Arab world, see S. McInerney, “The Federal Budget and Appropriations for Fiscal Year 2013: Democracy, Governance, and Human Rights in the Middle East and North Africa,” *Project on Middle East Democracy Reports*, July 2012.

<sup>109</sup> S. Shaikh and S. Hamid, “Between Interference and Assistance: The Politics of International Support in Egypt, Tunisia, and Libya,” *2012 U.S.-Islamic World Forum Papers*, November 2012.

<sup>110</sup> See S. Hamid, “Prioritizing Democracy: How the Next President Should Re-Orient U.S. Policy in the Middle East,” cit.

Senior U.S. officials worry that if they further alienate Gulf allies, it will push them to consider alternative sources of military support from China and Russia. While this may be a legitimate concern in the long run, China and Russia are in no position to provide the same security guarantees and cooperation that the United States and, to a lesser extent, Europe provide. At times, the Gulf states act as if they have more leverage with the United States than the United States has with them. The United States has reinforced this perception by dutifully avoiding confrontation with Saudi Arabia, even when it may be justified. Saudi policies in Bahrain are preventing a political resolution to the ongoing crisis there, radicalizing the opposition in the process and widening the sectarian gap.

It would, however, be misleading to call Saudi Arabia and other GCC states

“counterrevolutionary.” U.S. and Gulf interests have aligned in Syria and Libya, with Saudi Arabia, the UAE, and Qatar all playing major roles in supporting rebels in both countries to unseat their dictators. This is especially important at a time when the United States appears interested in “leading from behind” and limiting its footprint in the Middle East after two devastating and costly wars. With this in mind, the United States and the GCC, despite apparent public tensions, will continue to find ways to work with each other, however imperfect the relationship might be. Neither, for now at least, is in a position to do otherwise. Ultimately, though, this will dampen any bold U.S. initiative to support greater democratization in the region, particularly in the conservative monarchies of Bahrain, Morocco, and Jordan.

The image features a solid brown background with several horizontal white lines. Small white dots are placed at various intervals along these lines, creating a minimalist, grid-like pattern. The lines and dots are distributed across the page, with a higher density in the lower half.

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