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## WHAT MAKES THE GULF STATES ENDURE?

What has been – and will continue to be – the path of development followed by the Gulf monarchies, and why has it been successful? That is the key question which drives any consideration of the strength and durability of the six states which make up the Gulf Cooperation Council (GCC): Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates (UAE), and Oman. Many people have long regarded these Gulf States (i.e. the GCC members) as anachronisms, propped only by oil money and due to disappear into the dustbin of history at any time. Yet the Gulf States not only have survived, but they have endured and prospered. Why is this the case?

Proper examination of this question must begin with the intrinsic nature of these régimes and the characteristics which set them off from other countries. The overthrow of the monarchies in Iraq (1958) and Iran (1979) led some observers to predict the impending demise of the Gulf States. But the Gulf States were far different from the socially and economically variegated nation-states of Iraq and Iran. Their societies are far more homogenous and comparatively more "traditional" than those of their neighbors. Smaller populations have allowed oil wealth to underpin comprehensive social welfare structures. Their monarchical political systems have evolved out of a traditional tribal environment and oil income has permitted régimes to complement traditional bases of legitimacy with more modern considerations.

The Gulf States have endured for a variety of reasons. The régimes have been largely competent and responsive to the needs and demands of their citizens. The citizenry has accepted continued rule by monarchies partly because they are content to enjoy high standards of living and partly because alternatives posed elsewhere in the region are seen as unacceptable. The GCC has been a vehicle for coordination and some integration of common political, security economic, cultural, and other concerns – and thus has served as a psychologically important defensive mechanism in an often hostile world. The cultivation of close relations within the Arab and Islamic worlds has been supplemented with a security alliance with the West – which proved its value after Iraq's 1990 invasion of Kuwait.

But the future poses even greater challenges to the continued prosperity and even existence of the Gulf States. Régimes must adapt to changing expectations, including the cession of more political participation and curbs on the excesses of ruling families and other elites. The Gulf States must evolve from "rentier" to productive societies. The GCC needs to assume a more pivotal – and independent – role if it is to transform its small and weak individual members into a larger, less vulnerable entity. The Gulf States must also translate the dependent relationship with the West into a broader, more self-reliant pattern of association in their external affairs.

What has been – and, for that matter, will continue to be – the path followed by the Gulf monarchies, and why has it been so successful? That is the key question that drives any consideration of the strength and durability of the six states which make up the Gulf Cooperation Council (GCC): Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates (UAE), and Oman. Ironically, many observers have long regarded the Gulf States as anachronisms, propped up only by oil money and overdue to disappear into the dustbin of history at any time. Yet, the Gulf States not only have survived, they have endured and prospered. Why is this the case?

The central question of this essay is not easy to answer. A simple answer might be that the Gulf States have endured because they are sound regimes based on durable political construction. When compared to their neighbors in the Gulf, the Middle East, Africa, and Asia, there is more than a modicum of truth in this response. Yet, it simply restates the obvious. At the risk of sounding tautological, the Gulf States are likely to endure because they have endured already. Over a few short decades, they have faced down successive challenges of modernization, radical pan-Arab nationalism, and Islamic revivalism. They have demonstrated that they possess the qualifications necessary for survival.

Still, they are monarchies in a world that has rejected monarchies. Granted, there is much about these states that does seem anachronistic and part of a bygone era. For example, the conservative and largely traditional societies, the uncertain criteria for succession, the favored – and resented – status of the ruling families, and the combination of rule by and benefits to what is essentially an oligarchy of political and economic elites. Still, it is also true that these states have seen unprecedented political and social change. The newly built cities of the Gulf, with their expansive boulevards, modern buildings, and crowded shopping malls, vividly illustrate the types of changes that have occurred. At the same time, however, conclusions drawn from these more superficial transformations may give a misleading impression of the persistent continuity in Gulf society. From another angle, the region's media emphasis on the daily "court report" and the outwardly unaltered structure of the regimes undoubtedly obscures the great extent of change that has occurred already. The first step in properly answering the question of what makes the Gulf States endure must, therefore, be to examine the intrinsic nature of these regimes and the characteristics that set them off from other countries.

### ***The Fate of Monarchies in the Gulf, 1900-2000***

It is worth restating the obvious in a slightly different context. The Gulf States are both Arab and Muslim states, which has endowed them with a profound legacy of political and social norms. Significant among these are Arab and Islamic concepts of legitimacy being invested in rulers who are strong and capable, who govern according to the precepts of Islam (i.e., they permit that which Islam allows and prohibit that which Islam forbids). In this sense, contemporary Arab monarchies can be seen as the heirs to the Umayyads and the Abbasids. The test of legitimacy therefore lay as much in the power and capability of the regime as in its inherent right to rule. When regimes became weak or ineffective, stronger,

more capable rulers replaced them, as happened in this century across the Gulf with the replacement of the Qajar regime by Reza Shah and the creation of his own Pahlavi dynasty. The emergence of the Gulf States in the last century or more owes much to the appearance of strong leaders, who were able to forge durable tribal coalitions and establish dynastic rule over the proto-states they had formed.

Britain encouraged the existing inclination toward hereditary rule, in imitation of its own monarchy. At the end of the First World War, Britain attempted to replace weak Ottoman authority in the areas under its control with local monarchies – such as the Hashemites in the Hejaz, and subsequently in Transjordan and Iraq, the Sanusis in Libya, and the descendants of Muhammad Ali in Egypt. These particular experiments were not very successful, as illustrated by the disappearance of four of the five monarchies. In Arabia, the Hashemite Kingdom of the Hejaz failed because of the emergence of a stronger regime, the resurgent Al Saud under the redoubtable Abd al-Aziz bin Abd al-Rahman (more commonly known in the west as Ibn Saud). In Oman, Britain encouraged the evolution of a hereditary monarchy out of the historical tradition of a sectarian Imamate. Elsewhere along the Arab littoral, Britain fashioned treaty relationships with the shaykhly families of the predominant tribes, and these gradually metamorphosed into monarchical forms of government, particularly after rulers became the direct recipients of oil revenues.

Until just a few decades ago, all the littoral states of the Gulf were monarchical. But in 1958, a military coup produced an Arab nationalist, socialist regime in Iraq, and in 1979 political and social upheaval forged an Islamic revolution in Iran. Nevertheless, and despite the divergent ideological threats posed by these changes to the north, aided at various times by active intrigues of new regimes in Baghdad and Tehran, the Gulf States survived, prospered, and endured. Predictions that they would disappear have been ubiquitous over the past decades – particularly from the time of British withdrawal through the Iranian Revolution. Luck may, in part, be responsible for their persistence but a more fundamental reason lies in the deep differences between the Gulf States, on the one hand, and Iran and Iraq on the other.

### ***What Makes the Gulf States Different?***

There are many fundamental reasons why the Gulf States are different from their northern Gulf neighbors. Inherent differences overlaid with variant historical experiences – even when just the 20th century is considered – have determined evolutionary divergences in social and political organization. Both Iran and Iraq evince complex societies with many different sectarian, linguistic, ethnic, and occupational communities – in contrast to the relatively uniform societies in the Gulf States. Even more obviously, the Gulf States tend to be much smaller in both geographical size and in population. As a consequence, societies have been more homogenous and cohesive and, in a sense, more controllable. Smaller populations also meant that the impact of oil wealth was felt more strongly and positively throughout the population.

Furthermore, Iran and Iraq long enjoyed, at least in relative terms, a measure of economic diversity and development, enabled by such factors as natural resources and education. On the other hand, a principal distinguishing characteristic of the Gulf States before oil was extreme poverty, which retarded economic development and severely restricted education. The Gulf States remain poor in natural resources

– with the notable exception of crude oil and in some cases natural gas – and this factor restricts both the direction and scope of their post-oil development.

Consequently, delayed development in the Gulf States allowed little scope for ideological ferment and discontent. It is no accident that Bahrain is the only country in which serious discontent has occurred. Bahrain was the first country among the Gulf States to enjoy the oil income that prompted significant socioeconomic change on the island-state. At the same time, however, Bahrain's oil bonanza has been modest and so the distribution of oil wealth has been the slightest there.

Until recently, only Iran and Iraq could be classified as nation-states because of their size, sophistication, experience, interaction with the outside world, and so on. This not only meant that ideologies found fertile ground but that the simultaneous suppression of social complexity and political participation resulted in the revolutionary experience in Iran and in the emergence of a repressive dictatorship in Iraq. The Gulf States, on the other hand, retain many aspects of the traditional nature of their societies, accompanied by an attendant patrimonial form of politics. Rulers are essentially regarded as legitimate, and protests by intellectuals and others discontented with the political system, generally focus on the elimination of imperfection and injustice in the existing systems. Most are not demanding a change of systems.

### *How Did the Gulf States Change?*

Despite their outwardly traditional character, the regimes in the Gulf States have undergone considerable change in the last half-century. While less altered in appearance than other Middle Eastern entities, Gulf regimes are far from the traditional forms of government that existed before oil. All have undergone roughly similar phases in the transformation from minimalist polities to full-fledged national governments.

The first of these steps was the pre-oil conversion of tribally based systems into quasi-state entities. Broadly speaking, the process was similar in all six states although the path followed in each country was unique. For Saudi Arabia, the transformation came about through the pivotal role of King Abd al-Aziz bin Abd al-Rahman. Basing his claim to leadership – and legitimacy – on the historical role of his family, the Al Saud, and in spreading the message of reformist Wahhabi Islam, young Abd al-Aziz recaptured the family's capital of Riyadh from his enemies and set about constructing a new state. Within a few decades, his new state had spread from its Najdi center to the shores of the Gulf in the East, and the Red Sea in the West. Further expansion to the North, East and South was prevented by the British presence, direct or otherwise, on these land frontiers, as well as by Yemen's mountain fastness (even though Abd al-Aziz incorporated much territory along the border).

Oman too underwent transformation. Although comprising a unique national identity and effectively independent for more than a thousand years, the country's political system evolved from the more traditional Ibadi Imamate to a more purely secular-based Sultanate, nurtured at first by its overseas interests and then kept alive largely because of British support. Even though Oman retained its independence, tenaciously at times, Britain played an important role in forging a new expression of statehood through its

financial and military support during two civil wars on the threshold of the oil era. Like King Abd al-Aziz, Oman had its own strong ruler in Said bin Taymur, who held the country together during trying times by force of personality as much as anything else.

The smaller states, the emirates, grew in the 18th and 19th centuries more directly out of tribal politics. The emergence of dominant tribal clans and their dominance was solidified through British recognition of Trucial Shaykhs in the 19th century. New territorial states coalesced around these Shaykhs, their clans, tribal allies, and small but pivotal settlements with significant merchant communities. By the dawn of the oil era, a clear-cut system of small states, under British protection but responsible for their own internal affairs, had put down roots.

Although the basic political outlines remained set with hereditary rulers drawn from fixed families, the introduction of oil income dramatically enlarged the role of the sovereigns, set ruling families apart from the rest of the population, and consolidated power in their hands. Payments made to rulers, first as concession fees and then as royalties on oil production, reinforced the Shaykh's' traditional role as benevolent fathers of their communities, responsible for members' material needs. It affirmed the rulers' position as the paramount political authorities, stronger than ever before. It consolidated the primacy of the ruling families – officially in the government and unofficially in their economic prosperity and social elite status.

Oil income provided the opportunity for established merchant families and then for new entrepreneurs to expand their businesses and acquired unheard of wealth, but always in cooperation with ruling families. It also had the side-effect of cementing ties between ruling families and merchants whose origins lay outside the tribal community – such as the Shia in Kuwait, the Hawalah in Bahrain, and Iranian and Indian merchants throughout the Gulf. Thus, the ruling families provided the protection which these groups needed to conduct their business and, in return, rulers and ruling families often exploited them for loans. Importantly, many rulers conducted their own commercial interests through these merchants.

Not least of course, oil income to the Gulf States percolated throughout the small populations and raised standards of living immeasurably. This, in turn, strengthened the loyalty of populations to rulers who seemingly had fulfilled their part of the "social contract" by distributing oil benefits and maintaining an atmosphere conducive to the pursuit of material ends within a traditional framework.

Another profound effect of oil revenues was the creation of modern governments. The traditional situation whereby individual rulers were able to oversee the behavior and welfare of all their constituents, and to respond with financial assistance or punitive measures whenever required, soon disappeared. The initial rush to create infrastructure improvements – including roads, harbors, schools, dispensaries, bridges, and airports – created a demand for qualified individuals, beginning with expatriates, to supervise foreign contractors. As projects grew in number and in scope, government departments were created and training and educational programs for Gulf citizens initiated. Where rulers were unable to bridge the chasm between minimalist forms of governing and the delegation of authority to formally constituted and specialized bodies, they were deposed, as in the case of Shaykh Shakhbut bin Sultan of Abu Dhabi and Sultan Said bin Taymur of Oman.

### ***Why Have the Gulf States Endured?***

Given the unique and legitimate origins of the Gulf States, and their adaptability, the next obvious question is how have they managed to endure throughout the dual pressures of external ideological challenges and internal socioeconomic changes? Perhaps the first relevant factor is that, above all, the Gulf regimes have been competent. They have been responsive – or at least have sought to be responsive – to the needs and demands of their constituents. Just as the Shaykh of the tribe assumed the function of, and was regarded as, a father for the members of the tribe, the rulers of the Gulf States have assumed the role of fathers of their national communities. Continued legitimacy depended on protecting the position of the community vis-a-vis the outside world as well as providing protection and justice for members of the community. Just as the head of a family, the Shaykh/ruler was responsible for the material well being of his constituents, which meant sharing his prosperity when appropriate. In the oil era, this responsibility translated into the construction of universal social welfare systems.

At the same time that rulers and regimes sought to preserve the traditional basis of legitimacy, they also endeavored to create a newer, more modern basis by satisfying new demands and criteria on the part of their constituents. Regimes were not shy about impressing their virtues in the minds of their people. Citizens were buffered from the chaos surrounding the Gulf. Within limits, regimes generally permitted their people to conduct their lives and business in relative freedom. The alternative to their benign paternalism, they suggested, was the oppression and uncertainty found in neighboring countries.

Although ultimate decision-making in all these states was restricted to the rulers and their immediate families, the small population base and emphasis on education combined to allow talented individuals from many different backgrounds to participate in all levels of government. On many issues, these individuals shaped the debate, and lent their weight to the selection of optimal choices. Above all, the regimes benefited from an emerging culture of materialism and the resultant popular perceptions that the existing systems were responsible for the comfortable standards of living created in the 1970s. The failure of some groups to participate equally in the new prosperity, and then the decline of benefits relative to expectations in the 1980s and 1990s, have typically resulted in the criticism of certain abuses within the existing systems, not for their wholesale replacements.

The banding together of these six states into the Gulf Cooperation Council in 1981 also has played a supporting role. Despite the early protestations that the GCC was formed to address a multitude of economic, social, and political concerns, it is clear that the primary motivation was to create a defensive alliance in the face of worrisome events in Iran and Iraq. Regional security issues continued to predominate in GCC agendas, especially during and after the Iraqi occupation of Kuwait, even though effective security integration still eludes the Riyadh-based organization. Although GCC security arrangements play only a minor strategic role in the defense of the region, they have imparted a strong psychological impact that, arguably, has carried over into other spheres.

A generation or more of Gulf citizens has grown up with the GCC and the idea that the group of six Gulf States comprises a common identity nearly as profound as the underlying Arab and Islamic identities. Individuals visit and mix with their neighbors in the GCC far more than in the past. People are more inclined to travel within the Gulf for business, shopping, entertainment, and sightseeing, thus adding

local destinations to the older ones of Cairo, Beirut, and London. Ties between social and public entities such as professional organizations, universities, and athletic teams have become the norm.

In the economic sphere, the drive towards integration has been long and rocky and even the interim goals of common tariffs and a common market have yet to be achieved. Nevertheless, barriers are falling and the rights of travel, residence, employment, and ownership between GCC states have taken strong root. Intra-GCC investment and joint business opportunities are on the rise, stimulated perhaps equally by government encouragement and commercial promise. Government reluctance to end protection and subsidization of internal industries appears to be the single most restricting factor in further economic cooperation, but even this is under pressure. In this respect, such an attitude perhaps reflects a more fundamental concern over the submergence of national sovereignty, so recently attained, in an uncertain GCC entity that must inevitably be dominated by Saudi Arabia at the expense of the interests of the other smaller five.

It must also be said that the durability of the Gulf States has been enhanced by their strategic alliances with the West. This should not be allowed to obscure the deep and profound interaction between the Gulf States and the rest of the Arab World, nor the position of the Gulf States in the Islamic World. After all, much of the wisdom and sweat expended on creating the recent appearance of the Gulf States belongs to expatriate Arabs and Muslims. Yet, the relationship of the Gulf States with these spheres has been troubled, and frequently marked by mutual suspicion. While grateful for the assistance provided, the Gulf States remain wary of adverse political trends emanating from the region. The persistent divisions between the Gulf States and the northern Arab world were vividly illustrated in 1990 by the affirmative reaction of many Arabs to the Iraqi invasion of Kuwait.

On the other hand, the Gulf States have continued to develop and strengthen relations with Western Europe and the United States. The interlocking occurs on many levels. While the uninterrupted supply of oil is the West's most obvious interest in the Gulf, the region depends on that same oil for the lion's share of its income and prosperity. For decades, a pattern has been established for the recycling of oil income into infrastructural development, consumer goods, and arms that in turn benefits Western economies. Even before the Kuwait War, the Gulf States' purchase of Western arms and military equipment strengthened the perceived guarantee that the West would intervene to defend the Gulf States against all threats. In fact, payment of top price for materiel, the purchase of more arms and especially equipment than can be used profitably by indigenous forces, and agreements for American and other Western uses of local facilities, are all aspects of the formal and/or implicit contract between protectors and protectees.

Thus, it can be said that the military or security connections drive the political relationships, particularly at the top levels. But it should not be forgotten that many of the political, military, and commercial elites of the Gulf received their education or training in the West and retain strong cultural affinities with it. There exists considerable cause for disagreements; still, there is little doubt that Gulf States' populations often regard the West in positive terms.

The price regimes have paid for their reliance on Western governments, has been relatively mild – so far. They have suffered some abuse for being American lackeys and must fight off both external and domestic criticisms of continued close alliance with Israel's biggest supporter at a time when Middle Eastern peace prospects appear to flounder. Most have steadily distanced themselves from the UN

sanctions regime on Iraq. Indeed, Western criticisms on concerns such as human rights, the lack of formal democracy, and poor treatment of expatriate workers has been largely muted and has not affected government-to-government relations between the GCC and the West.

### ***What Must the Gulf Monarchies Do to Survive in the Future?***

Success in past of course is no guarantee of survival in the future. To retain an approximation of their present form and function, Gulf monarchies must continue to adapt and change. Regime responses must include the recognition that their populations are changing. The rapid growth of population, with annual rates approaching 4% in all the Gulf States, means that emphasis on the personal touch – so important in relations between ruler and ruled, as well as between any two Gulf citizens – will no longer suffice. Growing numbers of people and divergent patterns of education mean that younger generations no longer know all their counterparts. The physical spread of Gulf cities, sprouting ever-farther flung housing areas and choked by automobiles, means that traditional daily visits between family members are observed less. Even the personal contact between citizen and his or her government weakens, as busy bureaucrats end up dealing with streams of visitors they do not know. Thus, the growing complexity of government and of public issues means that rulers and senior officials become increasingly over-worked and rulers and their families grow more distant and aloof as monarchical trappings put down roots.

But Gulf populations are changing in more ways than just sheer size. The expansion and encouragement of education inevitably changes perception of government-constituent relations. Increasing numbers of educated, middle-class, and politically aware citizens are no longer content with the father-child model, and demand greater say in the increasingly difficult choices their countries must make. Throughout the Gulf, one universal source of friction is the privileged status of ruling families, which number in the thousands in some Gulf States. The need to curb the excesses of some family members, and to restrict their many privileges, is not only demanded by political sensitivities but also required by changing economic circumstances.

Ruling families, elites, and general population alike must deal with the fact that the rush of wealth of the 1970s was an aberration and sounder policies must apply on a permanent basis. It is understandable that societies suddenly exposed to immense wealth after long periods of poverty should embrace materialism so fiercely. But it is also clear that the existing emphasis on materialism must be tempered with more spiritual, intellectual, and artistic aspirations. Furthermore, insofar as oil is a depreciating asset, Gulf societies must evolve from rentier societies to productive ones. The example of how Japan developed with few natural resources often has been invoked in the Gulf but rarely examined seriously, let alone acted upon. Instead, all too often, Gulf societies betray an extreme dependence on the state, the result of the government being the source of almost all income and the orchestrator of the social welfare system.

Given these key factors, what productive role can the GCC play in this process? Can the GCC be a tool of integration, allowing countries to achieve a sort of social "economy of scale?" Can the opening of borders result in healthier competition and the emergence of the fittest and best qualified? Or will the Saudi big brother crush independent initiative and resolve? So much of what has preoccupied the GCC

has remained unfulfilled rhetoric and the actual accomplishments have been so far achieved through the time-consuming and costly process of consensus building.

Looking farther afield, while there apparently is no other choice than to maintain the strategic alliance with the West, and especially the United States, it is also important to ask whether such a dependent relationship is healthy in the long run. It can only be noted with uneasiness that the United States, as the world's lone superpower, has begun to act more like the global bully. A fundamental emphasis on preserving the status quo has discouraged Gulf rulers from initiating significant reform while US politicians, seeking to maintain an undisturbed strategic relationship, look at the short-term advantages of dealing with the status quo and avoid the long-term quandaries of pressing for change no matter how necessary.

The 1990 Iraqi invasion of Kuwait illustrated how little had changed in Gulf/Arab relations in half a century. The same battle lines were drawn, the same divisions between "haves" and "have-nots" came to the fore, and the same slogans were shouted. While the bonds between Gulf Arabs and northern Arabs are indisputably fundamental, the relationship in practical terms is fraught with suspicion and often disdain. As an integral part of the Arab world, the relationship between Gulf Arabs and northern Arabs must be propelled to a more harmonious and mutually beneficial level.

Finally, the essential relationship between the Gulf States and the rest of Asia needs re-examination. For the most part, relations with Asia remain minimal or circumscribed. East Asia is a trading partner and only occasionally enters into strategic calculations, such as the Saudi purchase of Chinese missiles as a counter to dependence on the West. South Asia is the source of labor – professional, skilled and unskilled – without which the citizens of the Gulf States would find it difficult to maintain their lifestyles. But Gulf societies have developed a deep prejudice against South Asians and the only strategic relationship, shaky as it is, is with Pakistan. That, however, is a relationship without much hope for concrete benefits, given the history of chronic political turmoil in Pakistan and its embroilment in crises closer to home.

Furthermore, economic factors – the trade of crude oil and LNG exports for consumer goods, technology, and industrial involvement – necessitate a closer, permanent relationship with Asia. Already, Dubai looks to the example of Hong Kong and Singapore as a model for its development. Political considerations apply as well, ranging from concern over developments in Muslim areas such as Chechnya, Afghanistan, and Kashmir, to emerging perceptions of an Indian Ocean Rim identity.

Not surprisingly, the Gulf States must look to their own devices when assaying their future. Dire predictions of doom, collapse, and revolution have swirled around the Gulf States since before British withdrawal from the region in 1971. Without a doubt, they will continue into the future. What the Gulf States must therefore do is continue building on the traditions of the past to transform themselves into entirely new entities in the future.

Undoubtedly the grip of rulers and ruling families on their countries will loosen, just as it has occurred already with the rocky but entrenched institution of the Kuwaiti National Assembly, the introduction of new consultative councils in Oman and Saudi Arabia, the reforms of cabinet composition in Saudi Arabia and Qatar, and the emergence of the first wave of a new generation of rulers in Bahrain and Qatar. Even the paternalistic role of ministries of information will continue to be eroded by the effects of increased travel and greater penetration of societies by satellite television and the Internet. Old-

fashioned bureaucrats are gradually being supplanted and younger scions of family firms are branching out into new and uncharted commercial waters. The Gulf States will change but chances are that the change is likely to be gradual, consensual, and peaceful.