

## **New Security Challenges in the Persian Gulf: Analyzing the National Interests of Iran, US, and PGCC Triad\***

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**Abstract:** A wide range of disputes among the Persian Gulf littoral states exacerbated by the intervention of the extra-regional powers have deprived the regional states of the chance to create a viable security system. The subsequent article seeks to analyze Iran's policies on ensuring regional security of the Persian Gulf as well as the policies of the United States and the littoral Arab states. Tehran has always made efforts to expand its ties with the neighbouring states in order to create a collective security system. Yet a number of key regional and international players have tried to undermine Iran's efforts in this respect, in particular the United States which continues to pursue its interventionist policy through military means in order to confront Iran. Such an ill-advised policy makes the prospects of yet another futile conflict in the region more likely.

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## Introduction

The littoral states of the Persian Gulf's sub-system<sup>1</sup> with a population of well over 150 million and an approximately 4,898,000 km of land area are home to a great portion of the world's energy resources. They also have an easy access to the strategic international trade routes and waterways. However, there has been inequality in wealth and income in this energy rich region when it comes to sharing these strategic resources. For example, the 2003 per capita income of the United Arab Emirates was \$22,420 compared to just about \$889 in Yemen. Based on the Human Development Index (HDI) reported by the United Nations in 2005, Qatar with a 0.849 index ranked 41 in the world among 177 countries, compared to Yemen's HDI of 0.489 which had a ranking of 151 with 49 percent in the illiteracy rate and 60.6 year of life expectancy.

To ensure a successful regional security system, Iran, Iraq and Yemen must be part of any security arrangement in the Persian Gulf. However, the Arab littoral states have had different agenda with regard to the membership of these three nations in the Persian Gulf Cooperation Council (PGCC). A few years ago there were some discussions of Yemen's membership in the Council. In 2004, the Saudi Prince Naif Bin Abdul Aziz issued a warning by declaring that, "We will not allow Yemen to become a PGCC member state", adding that Yemen is not a Persian Gulf littoral state. Abdullah Bin Zayed Al Nahyan, the information minister of the UAE, also claimed at the same time that "Yemen is not qualified to accede to the Council."<sup>2</sup> Despite the disappointing comments, Saudi Arabia and the UAE allowed Yemen to participate in many projects and activities carried out by the PGCC.<sup>3</sup> The issue of the membership of the two northern Persian Gulf states, in particular the non-Arab Iran, is yet to be discussed at the Council. One reason has been the opposition of Western great powers to include Iran in a security arrangement similar to the one which was established in 1981 by the direct support of the US and Western powers aimed at stepping up the hostilities towards the Islamic Republic of Iran.

From the political development perspective, the Arab states of the Persian Gulf have some of the most traditional political systems in the world. Of the six member states of the council, all have been as monarchy or Caliphate or Emirates or Sheikhdoms with almost no inputs from the civil society for a long time. The Saudi family maintained its grip on power in 1902; the Al Khalifah gained power in Bahrain in 1783; and the Al Thani family became the rulers of Qatar in 1878. The Al Said family also took power in Oman in the mid 18<sup>th</sup> century. Al Sabah family inherited the throne in Kuwait in the mid 18<sup>th</sup> century and the members of the Sheikhdom in the UAE have been in power since the 19<sup>th</sup> century. Still, there are some signs of instability and insecurity in these states. To name a few instances, one can make references to 1- the terrorist attacks against the American interests and the killings of the PGCC citizens in the 1980s and 1990s; 2- the failed coup d'état in Saudi Arabia in the 1960s; and 3- the coup in Bahrain in 1981 as well as the political unrests in Bahrain during 1994-1996 which led to the killings and arrests of many citizens.

However, these traditional ruling families are still in power. In the 1950s and 1960s, political analysts did not expect that these six PGCC states could be immune to the Arab nationalist movements that led to the ouster of monarchical regimes in Egypt, Libya and Iraq, and consequently led to the formation of new governments and political systems in Syria and Algeria. To protect their existence, the traditional regimes in the Persian Gulf adopted a combination of six strategies: divide and rule; ideological flexibility; setting up robust intelligence services; sharing interests with their potential political opposition; providing limited political participation; and using diplomacy. Nonetheless, one of the main grievances of the citizens has been these governments' lack of accountability, which frequently leads to the abuse of power and widespread corruption in the political system. Major decisions are made by a few people who rule on the basis of a hereditary principle instead of their personal merit. As a result, all key positions such as controlling national financial affairs, internal security and military forces are usually handled by the members of the royal family or their close relatives and cronies. Many people assume that their national political system is undemocratic given the

fact that the ruling family has a huge influence and say in the affairs of the state.

The political groups which are against the Al Khalifah family in Bahrain view their ruling system as a tribal autocracy. In Saudi Arabia and Bahrain people criticize the members of the royal family for their lavish way of life. In Saudi Arabia alone, the central government gives millions of dollars in allowance to over 20,000 princes. The royal family members in Bahrain are also known for their extravagancy. They are known to interfere in the state's trade and commercial affairs for personal gains. In these two countries, there are huge discriminations against the Shiite citizens as well. The Saudi Shiites are not allowed to hold key political or economic positions. These governments are well designed to exert economic influence and control to preserve their rule. The huge oil revenues allow them to easily hold their grip on the economic structure of the country. In Kuwait and Saudi Arabia, 90 percent of citizens work for the central government. Many citizens in Bahrain, Oman, Qatar and the UAE also are working in public and government sectors. Reportedly, the Al Sabah family in Kuwait has established close connections with the wealthy Shiite families and enjoy their support by giving them lucrative financial benefits. Of course, the Shiites in Saudi Arabia have not been repressed and entirely marginalized from the political arena. After the unrests in 1979, the Saudi family offered the Shiites financial incentives in an attempt to placate them. (Lyman & Green, 1999)

Many Persian Gulf states still have unresolved territorial disputes with their neighbours, such as the disputes between Qatar and Bahrain, Qatar and Saudi Arabia, Iran and the UAE, Iran and Iraq, Kuwait and Iraq, and Oman and Saudi Arabia. (Fuller & Lesser, 1997) Despite all these differences and disputes, the Persian Gulf littoral states share common defensive interests and should try to bring about regional security and stability. Maritime trade constitutes a great portion of the region's exports of crude oil to the Europe and Japan. Indeed, the economic and commercial value of the Persian Gulf waterway for oil producers is undeniable. Around 30 percent of the oil produced in the world in 2004 was exported from the Persian Gulf.<sup>4</sup> Despite the strategic importance of this economically vital

waterway, the nine littoral states of the Persian Gulf region have not initiated or developed their maritime capabilities to gain access to the adjacent international waters. For instance, when Iran purchased two kilo class submarines from Russia, a great deal of suspicious views was expressed by some regional and extra-regional actors over Iran's intentions. They alleged that Iran wants to expand its national power and influence in the region, especially in and around the strategic Strait of Hormuz. Although a quick comparison of figures and estimates may indicate that Iran is more powerful than the other littoral states when it comes to naval power and logistics, it is evident that the navy of this most powerful regional state is still not a match to those operated by the US, the UK and Russia. Consequently, the Iranian naval forces are not able to gain access to the remote waters and/or compete with the great naval powers outside the Persian Gulf and the Sea of Oman.

### **The American Policy in the Persian Gulf**

In the first seven decades of the 19<sup>th</sup> century, the United Kingdom as the great foreign power in the Persian Gulf established a security arrangement which was based on the installation of puppet regimes, British naval forces deployed in their regional headquarters, and keeping sensitive and key positions in the hands of the British officers in their client states. Such a security system could maintain the stability and grip on the region to the benefit of foreign powers and helped them to keep their appointed status quo.

After the British withdrawal from the region in 1971, the United States took the responsibility of supporting the pro-western Persian Gulf regimes. Therefore, Washington invested in a large military presence and brought the micro-states of the region under its security umbrella. (Rathmell et al, 2003) Since 1983, the Persian Gulf has come under the control of the US Central Command or CENTCOM.<sup>5</sup> The US forces have been involved militarily in the Persian Gulf since escorting the Kuwaiti oil during the tanker war against Iran (1987-88), the Iraqi invasion of Kuwait in 1991, and the 2003 military campaign against Saddam Hussein Regime. They have

kept Iraq under occupation and are still in clash with Iraqi insurgent forces.

The Bush administration entangled US troops in a costly war in the region under the pretext of destroying non-existent WMDs. There have been speculations about scenarios in Washington and Tel Aviv on probable 'pre-emptive' attacks against Iran and its civilian nuclear program.

The American strategy in the Persian Gulf has been based on the three principles of energy security, Israeli security and establishing stability through supporting the pro-American regimes. During the 1960s and 1970s, the United States acquired Iran's alliance for containment of Iraq and other anti-Western states in the region and in turn supported Iraq in its 1980s imposed war against Iran. In 1990s, it adopted the strategy of dual containment strategy vis-à-vis both Iran and Iraq. The end of the Cold War had paved the way for adopting such a strategy against the two US regional foes. In the words of Anthony Lake (Clinton national security advisor), one of the architects of this US policy, "The US no longer needs to worry about the influence of Soviet Union in the Persian Gulf. The strategic importance of Iraq and Iran has been declined to a great extent and they no longer have the edge to put the two super powers against each other." (Alterman, 2000) However, the Persian Gulf was never a serious battleground of US-Soviet during the Cold War era rivalries, since it was mainly US sphere of influence. Although Soviet Union managed to establish close relations with Iraq<sup>6</sup>, it never could managed to infiltrate into the region. Even now, Russia is not directly involved in the Persian Gulf region - perhaps because the officials in Moscow (since the 1980s) have come to believe that by abandonment of intense and active geostrategic rivalry with US could secure ample economic interests. However, in light of growing Washington influence in the former Soviet bloc, especially in the Central Asian and Caucasus regions, Baltic and Ukraine, Moscow's ties with Syria and Iran have apparently become more important at least as a bargaining chip versus Washington. During the Cold War, the US was the ally of Iran and Saudi Arabia. The US and the UK also had broad presence in the six littoral states, since they needed US for protection against the

threats of domestic unrest and the intervention of the former Soviet Union. Nevertheless, they had the notion that such an explicit dependence on foreign powers brings about domestic resentment by their people and their anti-Western neighbours. The Soviet Union while not playing a key political role in the region, its puppet regimes and allies such as Iraq, Syria, Egypt and South Yemen were seen as a security threat to the monarchic regimes of the Persian Gulf. Subsequent to the first US war with Iraq, all Persian Gulf Arab states agreed to take part in the 1991 Madrid Summit and for the first time talk face to face with Israel. Though Saudi Arabia and Kuwait showed little interest to resume ties with Tel Aviv, the four other states took measures to normalize relations with Israel. Of course, they also supported apparently the idea of having an independent Palestinian authority in the West Bank and the Gaza Strip as well as the establishment of a Palestinian state later through negotiation with Jewish state. However the Arafat's support for Saddam during the Kuwait invasion in 1990, made the littoral states to stop their financial aid to Palestine. (Rubin, 1999)

In 2007, the Bush administration and US Neoconservatives, instead of considering future challenges, devised the American strategy based upon the past equations. Considering the supposed purpose of US as real in playing the dominant power role to support the security of the Persian Gulf and secure the free and stable flow of oil from the region to the world market, , then the United States would have had only two options: (Rubin, 1999)

- First, US should strive to ensure the Persian Gulf security in collaboration with Japan and the European Union so that it warrant the interest of oil importing countries; or
- It could try to reduce its dependency on the region's oil and gas and invest in other energy-rich regions such as the Caspian Sea. (Clawson, 2000)

In his State of the Union address in 2006, President George Bush referred to the second option when he outlined his now famous "Advanced Energy Initiative". The chief aim of the initiative was to replace 75 percent of the oil imported from the Middle East by the end

of 2025. To this end, a 22 percent raise in a special budget was allocated for the US Department of Energy to increase its advanced research.<sup>7</sup> The assumption was that by diversifying energy resources, the percentage of the Persian Gulf oil flow to the European continent and the US would drop dramatically. This could also automatically help the US draw down its military presence in the Persian Gulf, restricting to its 'Over-the-Horizon' marine forces to the international waters only. This way, the US would no longer have to set up military bases in the Persian Gulf host countries. (Pollack, 2003) To implement the initiative, Washington should have put an end to its unilateralism and seek help from the EU. This way, it could effectively ensure security in the Persian Gulf region for the sake of oil flow, of course. At the same time, the littoral states have taken new steps to establish closer ties with the EU member states in order to minimize the adverse impacts of their extreme dependence on the United States. On January 14, 2007, the PGCC and the EU attended a conference on setting up a free trade area. Kuwait in December 2006 inked a security treaty with the NATO on the exchange of security intelligence.<sup>8</sup> The ministers of Saudi Arabia and Italy inked a security pact in September 2006 as well. Also in 1995, these two countries had already signed a MOU on defense cooperation. The new security agreement included important issues such as fight against terrorism, subversive activities, organized crimes, drug trafficking and money laundering. (Saudi Arabia, 2006) The extensive presence of the US forces in the region goes back to 16 years ago when Iraq invaded Kuwait. Hundreds of thousands of US forces were dispatched to Saudi Arabia and the Persian Gulf. But in the aftermath of the 9/11 terrorist attacks on the US soil, Washington gradually withdrew its troops and dispatched them to other key areas such as Kuwait, Qatar and Bahrain. In course of invasion to Afghanistan and Iraq, US forces was using of it 36 bases, and currently they also have access to 14 more bases including four in Iraq. Washington has long-term plans for its armed forces presence in the region, which requires continuous access to Bahrain, Kuwait, Qatar and Oman territories. The Persian Gulf air corridors offer proper link for the US forces to gain access to the region by using airbases in Turkey, Southern Europe, as well as Central and Southern

Asia. The strategic access to airports such as the airbase of Al-Adid in Qatar to provide logistics for the American and allied forces in war against the Taliban in Afghanistan is equally crucial. (Korb, 2004:5) According to a report by the US defense department, some 147,796 US military personnel were deployed until November 2006 of which 124,266 were on duty forces, and other 23,530 in reserve and/or at the National Guard Service. (Bryant & Waterhouse, 2006)

The littoral micro states in the Persian Gulf are not against the American military presence in the region. During a 2003 interview, the Qatari foreign minister said, "The US aims to stay in Qatar not only to protect its own interests but also our interests. This is because we have common strategic interests." On whether the US military officials' visits to Doha and the presence of US bases meant Qatar might possibly accompany them in the war against Iraq, he said, "We don't allow US forces to use our soil to attack other regional states. However, this has nothing to do with Iraq and for the same reason we have allowed the US to build military bases on our soil." The other question asked was if being small was the reason for Qatar to allow the US to build bases on its soil, especially given the fact that Lebanon is also small country but still managed to defend itself against the Israeli invasion. The Qatari official answered, "Let's compare this to the EU in order to justify the US presence over here. Luxemburg is a tiny state and cannot be seen easily on the map. However, it doesn't face an imminent destruction or a security threat. The hope is that the experience in the EU would also be used as a good example for us all."<sup>9</sup> The US has used the deterrence strategy against two possible threats in order to justify the presence of its armed forces in the region:

- 1 - To prevent non-governmental groups and factions such as al-Qaida from organizing suicide attacks against ships; secure energy flow through the Strait of Hormuz; and stop terrorists from using weapons of mass destruction to terrorize people and oust the pro-American regimes.

- 2 - To prevent a regional state (such as Iran) from using traditional or non-traditional military means to strategically or politically challenge the presence of a super power (such as the US) in

the region. A quick look at the costs of war and occupation of Iraq will demonstrate that the American taxpayers have been paying a heavy cost for the so-called deterrence measures. In 2003, before US invasion of Iraq, nothing was discussed about the likely costs of the Iraq war in political circle.<sup>10</sup> Even the White House lambasted a report written by Larry Lindsey, the Bush's economic advisor in which he estimated the war costs around \$200 billion. The White House dismissed the report as unrealistic, and a number of US Neoconservatives of the Bush administration (including Paul Wolfowitz) also claimed that Iraq could secure its reconstruction costs by selling crude oil to the West. Under the circumstances, Lindsey was forced to amend his estimates by the White House, and finally claimed that the success in Iraq war could also prove effective for the prosperity of the US economy. However, the Iraqi war proved otherwise the presumed scenarios by Washington Neoconservatives. For instance, no WMDs found in Iraq; There was no connection between the Al-Qaida terrorist group and Saddam's Ba'athist regime; Iraqi People didn't (and don't) get secured; and generally speaking, there existed no imminent threat (to the US security) to justify a pre-emptive war and occupation of Iraq thereafter.

It has now become clear that Lindsey was also wrong in underestimating the war costs. By the end of November 2005, the US congress allocated well over \$357 billion on its military operations, building its embassy in Baghdad, securing its military bases in Iraq, and providing financial aid to the foreign aid programs vis-à-vis Iraq and Afghanistan. The figure comprised of \$251 billion for military operations in Iraq and \$82 billion for providing security to the US bases and its embassy. The average monthly costs had gone up from \$4.4 billion to \$7.1 billion since the start of the conflict in 2003. Military costs during 2004-2005 also saw a 20 percent increase. The committee on budget in US Congress also put the war costs at well over \$500 billion - although it fell short of including the economic costs related to the rising oil prices and the reconstruction of Iraq that came after. (Stiglitz & Bilmes, 2006)

### **The Significance of Iran's Policy on the Persian Gulf Security**

Iran with a population of over 70 million is among the largest countries in the Middle East. It possesses vast lands and extended sea borders in the Persian Gulf and the Caspian Sea region. This energy-rich nation produces 4.2 million barrels of oil per day, of which 2.7 million barrels are exported to China, Japan and Europe. Iran's proven oil reserves stand at around 132.5 billion barrels, equal to well over 11 percent of the world's reserves. In addition, the country is home to around 27.50 billion cubic meters of natural gas that is equal to 15.3 percent of the world's proven natural gas reserves. (Table 3) However, the imposed military spending for Iran is far lower than those in other littoral states. Table 4 demonstrates that Iran's military spending constituted to just about 3.8% of its GDP in 2003 which has been the lowest- after the UAE's 3.1% - in the region for years. The military spending figures for other regional states are 5.1% Bahrain, 7.1% the UAE, 8.7% Saudi Arabia, 9.0% Kuwait and 12.2% Oman. There are no official military spending figures for Iraq and Qatar. It should be noted that Iran's military spending has been at around \$5.98 billion. However, it is still less than one-third of those spent by Saudi Arabia. Also Iran had 540,000 military personnel in 2005 which constituted to over 62 percent of the region's total number of armed forces. (Table 4)

The Arab neighbours assume that Iran's insistence on its ownership right over the three islands of the Greater and Lesser Tunbs and Abu Musa (The Islands Are Iranian, 2004) serves as further proof that it has the ambition to dominate the region and become a regional power. The Iranian officials have on several occasions dismissed the UAE claims over the islands. They have also made it clear that the "country would fight over its territories. These territories are an inseparable part of the heartland and they are not different from other Iranian cities and towns. For the same reason, the country will not give up even one iota of the three islands to any other country." (Persian Gulf Islands, 2004)

After a joint statement released by the EU and the PGCC over the UAE claims, certain political analysts in Iran criticized the government's inability to resolve the issue diplomatically. The UAE

has been trying to win the support of great powers and its regional allies in the bid to internationalize the non-existent territorial dispute over Iranian islands. Iran has made it clear that it is against changing the region's map, arguing that the issue should only be discussed and resolved bilaterally by the two parties. Indeed, all regional states favour security for their oil and gas industries and trade. To this end, joint policies on providing security of navigation in this waterway could contribute to the sustainable economic development across the region. The Iranian officials are facing two general questions in this respect:

1- How to ensure regional security of this waterway through collaboration with other littoral states?

2- How to minimize the adverse impacts of oil and marine lines on the fragile environment of the Persian Gulf?

The best way to understand the official position of the Iranian leaders and their answers to these questions can be found by reviewing the strategic and short-term objectives of the country's foreign policy about the Persian Gulf. Content analysis of Iran's official statements on the Persian Gulf indicates of the main objectives of Iran in this regard which is appeared in graph No.1 and the most important of which have been discussed below:

1 - Free and secure access to the international waters to help boost and facilitate trade relations;

2 - The importance of fighting terrorism as the country is still under threat - for instance, the terrorist attacks of 2005 in Ahvaz against a bank and a state-owned building; (Foreigners Behind Ahvaz Bombings, 2004)

3 - The fight against human trafficking and contraband.

One of the main security challenges for the littoral states is the problem of small arms, human and drug trafficking. There are no official figures on drug or human trafficking activities in the Persian Gulf, though. However, the government and the media outlets have continuously warned against the dire consequences of these criminal operations. The human trafficking networks only think about their own interests and are not avoiding of sacrifice the lives of women and young girls who are searching for a better life. (The Secret Story, 2004)

Based on the latest report by the United Nations, Iran is among nations that have to tackle with the problem of drug trafficking and addiction on a daily basis. It also needs to face other issues like illegal immigration, the rising rate of unemployment, and anti-social behaviours and activities. According to a report released by the Sistan-Baluchestan Provincial Police in 2004 some 40,000 illegal immigrants trying to enter the country were arrested in that region. (*Iran News*, December 3, 2005) Every year, thousands of children are being smuggled into the Persian Gulf littoral states from places such as Bangladesh, Pakistan and Sudan. Most of these young children are subjected to sexual and psychological abuse and they are not even fed enough and do not have access to basic hygiene.

The Trafficking Victims Protection Act of 2000 in the United States as well as the United Nations Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery, as well as ILO Convention No. 182 on Worst Forms of Child Labour Convention, 1999 Convention provide efficient legal policies and plans to tackle these growing malaises. The nations which use children as camel jockeys during national camel racing events are signatory to the Children Rights Protection Act of the UN. But for political reasons, there is no pressure on them by the Washington to protect these young immigrants.<sup>11</sup> Quite the opposite, the US State department Annual Report on Human Rights has always criticized Iran for allowing small children be smuggled from Afghanistan, Pakistan and Bangladesh into the Persian Gulf littoral states for forced labor, as camel jockeys, begging or working for free in small shops and factories.<sup>12</sup> Although the regional states are willing to tackle these issues but with the growing numbers of illegal wharfs and the over-stretched sea borders, it is becoming very difficult, if not impossible, to put an end to human trafficking and illegal immigration.

To tackle the negative impacts of foreign forces' presence in the region, the Iranian official of succeeding administrations have always urged foreign powers, especially the United States, to withdraw their troops from the Persian Gulf. Iran has always urged foreign powers to withhold the meddling in internal affairs and

disputes of the region. Analysts believe that the Bush administration is likely taking advantage of Iran's peaceful nuclear program as a pretext to extend US long term military presence in the region and in Iraq in particular. To this end, Iran rejected a plan proposed and devised by the Western powers named as 6+2. Under the plan, the six PGCC member states plus Egypt and Syria - both backed the US during the liberation of Kuwait in 1991 - would have become the main parties of a new regional security system, while the plan sought to exclude two major nations of northern Persian Gulf coast, i.e., Iran and Iraq. (Lotfian, 2001) From another hand, Tehran has supported the idea to have a formula of 6+2 regional security arrangement that would include PGCC plus Iran and Iraq. In this respect, the Iranian Foreign Ministry spokesman Mohammad Ali Hosseini affirmed that "the regional states are capable enough to ensure their security and they should reach an understanding to this end in order to remove any excuse for the presence of foreign forces." (Iran Proposes 6+2 Treaty, 2006) Bearing this in mind, Tehran has stressed its willingness to expand collaboration with other regional states. In April 2001, for instance, Iran and Saudi Arabia inked a security agreement to fight terrorism, drug smuggling and organized crimes which was reached after two years of negotiations. Under the agreement, both sides also agreed to extend collaboration among their law enforcement forces in order to secure their borders. However, the agreement fell short of including bilateral military cooperation. (Landmark Iran-Saudi Security Deal, 2001) Iran, likewise, announced that it is prepared to sign similar agreements with other littoral states.

Since the administration of President Mahmoud Ahmadinejad took office, the Saudi Arabia along other littoral states, has been accusing Tehran of interfering in Iraq's internal affairs. However, the officials of the two countries still continue to meet and in November 2005, Ahmadinejad took part in the emergency session of the Organization of Islamic Conference (OIC) in Saudi Arabia. Foreign Minister Manouchehr Mottaki also travelled to Kuwait, Bahrain, Oman and the UAE.

It seems that holding in check the regional states of gaining enough capability of controlling the free flow of oil and gas to the

West has been and still continues to be top priority of US policy in the region. (Kemp, 1988) After the 1979 victory of Islamic Revolution in Iran, the US adopted dual containment strategy through economic sanctions against Iran and Iraq. The aim was to weaken their influence in the region as they were both against Washington's policy of domination. The Iranian officials have continued to minimize the adverse impacts of the US-led revengeful sanctions ever since. After the Iraq-Iran war, Tehran announced its preparedness for formation of a comprehensive regional security system treaty in partnership with other regional players in order to replace the existing system which depends largely on the presence of foreign forces.

To encourage regional economic and political integration has been another strategy of Iranian foreign policy. Interestingly, Iran and the UAE despite the latter's territorial claims over the three Iranian islands, still have strong and deep-seated economic and trade ties. The Iranian investors have invested heavily in Dubai, so much so that they became its fourth major trading partner in 2004. (Iran-UAE , 2005) There are now well over 4,000 Iranian firms registered in Dubai. Iran-Dubai trade balance in 2004 saw an unprecedented growth of 2,500 percent compared to 2003. This made the Dubai as Iran's third major trade partner. Iran is also expected to import drinking water to Kuwait in the near future. (Sager, 2007) Iran has also signed contracts with Qatar and Oman to develop the joint oil and gas fields in the the Persian Gulf. Iran and Oman share the Hengam gas field in the Strait of Hormuz 20 km off the south Qeshm Island. The field has a significant amount of untapped natural gas reserves. (Drilling in Iran Hengam Gas Field, 2005) The world's biggest gas field known as South Pars is shared by Iran and Qatar. It has been estimated that over 14.2 trillion cubic meters of natural gas, or around 8 percent of the world's total gas reserves, about 55 percent of Qatar's gas reserves and 51 percent of Iran's gas reserves are located in this particular area. Iran is also home to the world's second biggest natural gas reserves after Russia. (South Pars, 2005)

### **Prevention of Direct Foreign Intervention in Establishing Regional Security**

The main pillar of Iranian policy on the the Persian Gulf is based, on the regional states' responsibility for ensuring security of this region without the outside help. One barrier in the way of improving the security environment of the region is the current tension between Iran and the United States. This has also overshadowed Iran's ties with other regional states. Iran's Foreign Minister Manouchehr Mottaki accused Washington of meddling in the region's affairs under the pretext of the so-called global fight on terrorism. (Iran's FM Criticizes, 2005) Brigadier General Rahim Safavi, then commander of the IRGC, also mentioned that the Bush administration has taken advantage of the 9/11 attacks in order to change the region's balance of power against Iran. During his speech in Khuzestan province, he criticized the US policies, arguing that Washington is trying to create ethnic rift to undermine Iran's national security. He also accused Washington of supporting the disbanded Kurdistan Democratic Party as well as the terrorist group of Mojahedeen Khalq Organization in Iraq, while supporting criminal groups and bandits along Iran's eastern borders with Pakistan and Afghanistan in order to undermine the stability and security of Sistan-Baluchestan province. According to Safavi, "The US wants to change the balance of power in the region and the world in its own favour." (Washington Has Transgressed, 2005)

### **Protection of the Persian Gulf Environment and Resources**

Environmental concerns in the region include water pollution by oil tanker and platform leaks, oil barges that are involved in sea accidents, military cargo ships and even warships armed with nuclear weapons. The pollution level of the Persian Gulf waters is 47 times higher than free waters around the globe. Iran blames the continuous passing of the American warships through the Persian Gulf waters as the main reason behind the hazardous contamination. (*Salaam*, 28 July 1997; and *Ettelaat*, 29 September 1997). It is true that many

coastal areas around the world have become polluted to some extent, yet save for plastic bags and floating bitumen, the oceans are still clear from hazardous contamination. Oil leaks from ships, platforms and tankers as well as the sewage systems which dump pesticide materials have contaminated the water in the Persian Gulf – although they still don't pose a serious threat to the environment or the public health. The littoral states are yet to reconsider their regional policies in the bid to protect their environment. Iran has several times voiced its concern over such negligence in protecting the environment and preventing the increase in level of water pollution. The fact is that sea accidents always create concerns about environmental pollution and human disasters. (Nincic, 2002) In light of the growing number of heavy cargo ships and warships passing through the Strait, it is crucial to conduct a thorough research studies on their environmental hazards and costs. There are still reports about sea accidents in which military forces have been directly involved. In 1988, the US Vincennes warship attacked and fired two missiles, bringing down an Iranian airliner in the Persian Gulf killing all passengers on board. In July 2004, another US warship known as John F. Kennedy sent to the region under the supervision of CENTCOM and the US 5<sup>th</sup> Fleet collided with a cargo ship during a night-time operation it in which the ship sank instantly. (Persian Gulf Maritime, 2004)

In September 2005, the US nuclear submarine Philadelphia collided with a Turkish cargo ship as well. In January 2007, the US nuclear submarine New Port with 127 crewmen on board collided with a Japanese oil tanker which was sailing towards Singapore. (Krane, 2007) The incident which took place near the Strait of Hormuz could have easily turned into an unprecedented environmental disaster. Such hazardous incidents in which human errors and negligence are directly involved, could easily happen again. Indeed, the more the numbers of warships pass through the region,<sup>13</sup> the higher would be the chance of similar incidents. (MacDonald, 1980) Iran has voiced its concerns over the growing presence of foreign forces in the region as well as the possibility of warship accidents which run on nuclear fuel. It is not clear whether these ships also carry nuclear weapons on board or not. In September 1995, Richard

Ormsby, commander of a US warship, in response to a question about existence of nuclear weapons on board of US vessels in the Persian Gulf stated that, "The US policy doesn't allow us to give any information on such issues. I can neither confirm nor deny the existence of nuclear weapons on my ship." (US Naval Ships, 2005)

### **Demilitarization and Call for a WMD Free Zone in The Persian Gulf**

Small littoral states such as Kuwait and the UAE have supported the idea of having a free nuclear weapon zone in the region. They also assumed it as the first step towards demilitarizing the volatile region. To this end, there is a need for a security treaty such as the one already endorsed by the Latin American continent and the Caribbean, known as the "Tlatelolco Treaty". Based on any treaty with such a nature on the Persian Gulf, not only the regional states but also the five permanent members of the UN Security Council along with Pakistan, India and Israel should agree not to use nuclear weapons in any operations within the Persian Gulf. At a conference in which the role of the NATO was discussed on the establishment of security in the Persian Gulf (November 2005, Doha), the secretary general of PGCC referred to Iran's nuclear program as a direct threat to the security of littoral states and the NATO. He claimed that the possibility of a nuclear accident in the Bushehr nuclear power plant similar to the one in the Chernobyl was looming. The Chief of Staff of Kuwait's Army also urged the NATO to provide support in case such a disaster happened at the Bushehr power plant. In response, the Iranian Foreign Ministry maintained that "The safeguard of the power plant follows strict international safety rules and standards that have been approved by the International Atomic Energy Agency."<sup>14</sup> Although the political, scientific and academic circles in these nations continue to support the idea of having a WMD free zone in the Persian Gulf, the final statement issued at the PGCC meeting fell short of officially supporting the idea. Amr Moussa, the Secretary-General of the Arab League, also sent a letter to the regional Council, expressing his concern over Israel's nuclear arsenal - instead of Iran's nuclear peaceful energy program. (Landau, 2006) Under the current

circumstances, it is still too early even to talk about a WMD free zone in the Persian Gulf prior to that of the Middle East.

Sadly enough, the region has become a battleground for arms race and the presence of foreign forces. In recent years, many joint military exercises have been organized and carried out throughout the region by the regional and international forces. In February 2001, Israel and the US - three days after the US and British aerial attacks on Baghdad - implemented military exercises in the region against Baghdad. The US Patriot missiles which had been used against Iraq in the 1991 Kuwait War were once again launched in these military manoeuvres. (Israel and US, 2001) Though Israel is not located in the Persian Gulf region but still is playing a key role in US policies about this region. To boost the power of Jewish state against Iran and Iraq, the US sent arms to Tel Aviv worth of \$10.19 billion during 1996-2005. This included \$8.58 billion worth of arms under Foreign Military Sales (FTS) and \$1.61 billion worth in form of direct trade. Between 2001 and 2005 the Bush administration likewise granted \$10.5 billion in military aid to Tel Aviv - the biggest of its kind in the Pentagon's history. In addition, the value of military equipment shipped to Israel reached \$6.3 billion in the same period. (Berrigan & Hartung, 2005) Arms sales or grants and military technology transfers to the other regional countries are being done within the framework of a balance of power strategy between Israel and the Arabs. The powerful Israeli lobby in Washington has always prevented the US from sales of modern warfare to the Arab Persian Gulf states. Of course, the US is not the only Power sending troops or conducting military exercises with its allies in the region. In February 2000, Kuwait and France conducted a joint military exercise under a defense treaty inked in 1992 after the war against Iraq and the liberation of Kuwait. (Kuwait and France, 2000) In September 2001, Britain also conducted one of the biggest military manoeuvres in the Persian Gulf. Well over 6,000 British troops, 24 warships and 2 submarines, with over 30 fighter jets were sent to Oman during the drill. (The UK's Military Options, 2001)

The PGCC states set up a military taskforce under the name of "Aljazeera or peninsula defense shield" in Saudi Arabia. The aim was to boost military cooperation through conducting joint military

manoeuvres, exercises, trainings and setting up joint military command centres. (GCC Members, 2006) However, all these efforts have not alleviated their security dependence on foreign powers. In February 2007, the PGCC military forces organized military exercises in Oman known as "Jazeera Shield-8". (Armed Forces of GCC, 2007) Iran is the only state in the region that still conducts military exercises on its own without any assistance from foreign forces. It conducts these operations in an attempt to showcase its military prowess and readiness to defend itself against foreign intrusion. These are partly in reaction to the gunboat diplomacy of foreign forces and their military manoeuvres in the region. The most important military exercises conducted by Iran during the past decade or so are as following:

In April 1998, Iran conducted military manoeuvres in the Persian Gulf in which three purchased submarines from Russia were shown for the first time. The exercises involved warships, fighter jets and 15,000 troops. By conducting the exercises known as "Unity", Iran showed its readiness to collaborate with other PG states as well. (Iran Includes All its Submarines, 1998) In late September 1998, Iran conducted the second and the biggest military manoeuvres known as "Zolfaghar-2" along its borders with Afghanistan involving 200,000 troops - right after Taliban forces took control of north Afghanistan. (Iranian Military, 1998) Iran also conducted a military exercises in the Persian Gulf in December 1998 after tensions rose between the US and Iraq and the former sent more troops to the region. Well over 140 warships, submarines, helicopters and 50,000 troops were involved in the drill. (Iran to State Huge Naval, 1998) In February 1999, Iran conducted yet another military manoeuvre in the region. The nine-day military manoeuvres were conducted around the Strait of Hormuz and the Persian Gulf gateway near the island of Abu Musa. Some 11 warships, two submarines and many helicopters and Special Forces were involved in these exercises. (Iranian Exercises, 1999)

However, in September 1999, the UAE foreign minister at a PGCC conference expressed his concern over Iranian exercises near the three Iranian islands. A bit earlier in June 1999, the UAE had threatened to leave the PGCC in an attempt to force other members to

support its baseless claims over the three Iranian islands. (UAE Slams Iran, 1999)

In fact, the UAE had become alarmed because of the improving relations between Iran and Qatar, Saudi Arabia and Oman. In May 1999, former president Mohammad Khatami went to Saudi Arabia and Qatar and referred to his trip as a historic event. (Khatami Concludes, 1999) He said the visit was a step in the right direction towards confidence building and reducing tensions in Iran's foreign relations. In their joint statement, two sides (King Fahd, Khatami) referred to issues such as Iraq, Afghanistan, Middle East peace process, Kosovo, occupation of the Golan Heights and Palestinian territories by Tel Aviv regime, arms race, and proliferation of weapons of mass destruction, terrorism, oil and trade. The joint statement never referred to the baseless territorial claims of the UAE over the three Iranian islands. (Saudi, Iranian Leaders, 1999)

### **Effective Regional Security Pact to Minimize Extra-Regional Influence**

Iran has a special geo-strategic position and can become a bridge between the energy-rich regions of the Persian Gulf and the Caspian Sea regions. In fact, the Iranian leaders have always backed the idea of regional cooperation on issues such as transport and transit, banking, the fight against drug trafficking et al within the framework of the Economic Cooperation Organization (ECO). ECO's establishment dates back to 1985 when Iran, Turkey and Pakistan were trade partners. Now the members of the treaty include Afghanistan, Uzbekistan, Azerbaijan, Kazakhstan, Tajikistan, Turkmenistan and Kyrgyzstan. In 1999, the Drug Control Coordination Unit (DCCU) was set up by the ECO members to control drugs in the Middle East region. (ECO Secretary General, 2005) Foreign Minister, Manouchehr Mottaki during his visit to Azerbaijan highlighted the strategic importance of Iran as a link between the Persian Gulf and its northern neighbours around the Caspian Sea region.<sup>15</sup>

As mentioned earlier, the Iranian officials are of the opinion that the US and its major allies are taking advantage of the so-called Iranian threat rhetoric as an excuse to protect their interests and justify their domination in the Persian Gulf. Despite domestic and international contentions, the Bush administration continues to send even more troops to the region and particularly Iraq (under the troop Surge policy). When referring to Iran's arms purchase from Russia, Americans allege that Tehran supports opposing groups which are against the Arabs-Israeli peace. They also allege that Tehran violates human rights on its soil.

For instance, in March 2006, the US Under Secretary for Political Affairs, Nicholas Burns, claimed in a statement before the US Congress that "the Iranian leaders pose a serious threat to the American vital interests in four different ways:

- 1- Quest for nuclear capability;
  - 2- Playing the role of a banker for terrorist groups;
  - 3- To dominate the Middle East as the most powerful state in the Persian Gulf;
  - 4- Repression the democratic aspiration of Iranian people;
- (Burns,2006)

He also claimed that effective response to Iran's foreign threats was the most important challenge facing the US government. He argued that containing Iran and counter its policies in the greater Middle East are top on the agenda of the Bush administration. He also mentioned that Condoleezza Rice had held talks with the Arab leaders in Egypt, Saudi Arabia, Lebanon, the UAE as well as the PGCC officials with regard to the negative impacts of Iran's unfriendly policies including its alleged support for terrorism and its ambition to acquire nuclear weapon capability. (Burns, 2006)

The chief aim of Burns' statement was to persuade the US Congress to endorse Rice's call for allocating \$75 million budget to the State Department for the sole purpose of putting further pressure on Tehran through political dissidents. In 2006, the Congress allocated \$10 million for this purpose and then a complementary budget was

asked. According to Burns, a great part of the money (some \$55 million) was to be used for establishing ties with Iranians via promotion of Voice of America and Radio Farda broadcasting programs. Some \$15 million plus the allocated \$10 were used to promote and organize the so-called colorful revolution in Iran. Some \$5 million was also allocated for organizing joint academic, cultural and sports programs and events with Iranian youth. (Burns, 2006)

John D. Negroponte, then Director of National Intelligence Agency in his report entitled "Threats, Challenges and Opportunities for the US," Annual Threat Assessment to the Senate Armed Services Committee, in February 2006, referred to Iran as the most serious threat to the US and its allies. He also referred to Iran's nuclear and missile programs in the Middle East as unique in nature. (Negroponte, 2006) In recent years, the US has been trying hard to sell its Patriot missiles to the PGCC states. Now Saudi Arabia and Kuwait have equipped their air forces with the missiles and the Bush administration is trying to sell them to other littoral states as well. (US Works to Contain Iran, 2006) In 2007, Robert Gates, the US defense secretary travelled to Saudi Arabia to win the Kingdom's support for Washington's strategy against Iraq. After his trip, he announced that "our Arab friends view Iraq within the framework of Iran's new challenges". He underscored that US would send its aircraft carriers and Patriot missiles along with well over 20,000 troops to Iraq." (Gates Assures Saudi, 2007) After his trip to Saudi Arabia, US vice president, Dick Cheney claimed in an interview that "the Iranian threat is on the rise. It is multilateral in nature and of course everyone is worried about it in the region." (Scarborough, 2006)

While it is true that Iran is the only country in the region that has a program for building a nuclear power plant and uranium enrichment, it is also true that most of the Arab states are providing aid to the Palestinian groups which are usually referred to as "terrorists" by Washington. They have invested more than Tehran in military and defensive sectors. Their autocratic regimes violate human rights on a daily basis. Still, they can purchase arms from the world powers and ink security and military contracts as well, especially with the five permanent members of the UN Security Council. By the end

of war of 1991 to liberate its lands from Iraqi envision, Kuwait signed defense and military accords with the UN Security Council members. The most important ones were:

- 1 - Defense treaty with the US on September 19, 1991 that included military supply and setting up US military bases on its soil;
- 2 - Four defense treaties for ten years with its old patron, Britain on February 11, 1992 that included arms sales and joint military manoeuvres;
- 3 - Two military agreements with France on August 18, 1992 and October 13, 1993;
- 4 - Security and technical agreements with Russia including two treaties for selling arms, exchanging intelligence and holding joint manoeuvres;
- 5 - Military cooperation treaty with China including technical support for rebuilding Kuwait's military forces on March 24, 2005. (de Lestapis, 1995 & Banks et al. 1992)

The Kuwait's ten-year security treaty with the US in 1991 was the first to allow piling up its weapons, harboring the warships in their ports, and conducting joint military exercises with the PGCC states. It also paved the way for the long-term presence of US forces in the region. (Schmitt, 1991)

Even after the ouster of Saddam's regime, despite the intensification of foreign forces in the region, the increasing trend of arms sales have become more than ever evident. In 2004, the UAE held talks to purchase US F-16 fighter jets, as well as missiles and radar systems. Kuwait, Oman, Bahrain and Qatar also started to modernize their air forces and armies. Saudi Arabia on August 18, 2006, inked contracts with England to purchase 72 fighter jets worth \$18.8 billion. (Saudi Arabia, 2006) Saudi Arabia also aims to increase its military budget and the number of its troops by 25 percent. All these military fortifications are being done under the pretext of containing Iran's alleged threat and fear of the so-call "Shiite Crescent". (Iran's Growing, 2006)

The US defense department has also announced to the congress that it wants to sell 70 F-51 fighter jets worth \$1.5 billion to Saudi Arabia under an already signed agreement. To overcome the concerns of the Israeli lobby, Washington has made it clear that the deal will not change the balance of power in the region and will only increase the US air force penetration in Saudi Arabia. (US, Saudi Arabia, 2006) After the potential terrorist threats reported against the oil facilities in the Persian Gulf and Saudi Arabia's refineries, Washington announced that it was willing to provide support for Riyadh against the threats. (US Prepared to Protect, 2006)

The \$50 billion military contract of "Al Yamama" in 1980s for purchase of jet aircrafts and building of an airbase has been the greatest in kind throughout the history of England. Just recently and after three years of investigations, it became clear that London had used corrupt officials in Saudi Arabia to secure lucrative energy and arm deals. For instance, it was alleged that British Company of BAE Systems had paid 60 million pounds to the royal family to secure these deals. In reaction, the Saudi government vowed to not only would end its security/ intelligence cooperation with London but also cancels the 10 billion pound deal with BAE Systems for purchase of 72 jets. It also threatens to lower down its bilateral diplomatic relations with Britain. The scandal soured relations between London and Riyadh for some time. (Saudis Threaten, 2006) On January 15, 2007, an agreement was signed with Britain for building three ships for the Omani naval forces. The contract aims to modernize and improve the quality of military forces in that country. (Minister Responsible, 2007)

It is hard to say whether the current arms race in the region could exacerbate the disputes or result in political crises among these countries. It is also impossible to claim that it has minimized the likelihood of yet another destructive war in the volatile region. Still, arms race in the region is in full swing and many of the littoral states are spending a great part of their oil revenues not to stay behind the race. Under the circumstances, it is difficult to predict the long-term consequences of these huge spending on the region's fragile security. Therefore there is an eminent need for a multi-disciplinary research to define the consequences of arm race in this strategic region whether it

has culminated to deterrence or to the furtherance of the arms race. The Iraq-Iran war demonstrated that arms race between two neighbours cannot stop the occurrence of a costly and bloody regional conflict. The baseless territorial claims by the UAE over the three Iranian islands haven't led to an all-out war between the two states yet - especially given the fact that Iran is far more superior to the tiny Sheikdom when it comes to military prowess.

### **PGCC Policies vis-à-vis Iran**

The littoral states of the Persian Gulf have adopted two different policies in order to deal with future conflicts:

- 1- Adopting a neutral position and establishing economic/political relations with other nations;
- 2- Boosting security and military capabilities through purchase of modern warfare and signing defence/security treaties with the Western powers. (US Pushes [Persian] Gulf States, 1995)

The leaders of these nations have come to assume that by establishing strong trade relations with the Western and Eastern powers they can become immune to regional disputes and instabilities. To this end, they also tend to reduce their dependency on oil export revenues by shifting towards the non-oil sector. For instance, Dubai has managed to realize this goal to some extent. At the moment, the tiny Sheikdom's oil revenues only constitute to just about 12 percent of its GDP. (Kahwaji, 2005) There are, however, fluctuations in the policies of the PGCC member states towards Iran. During the 1990-1995, Saudi Arabia while being a follower to Washington, spent millions of dollars on purchasing modern warfare, supported the Madrid Conference and the Oslo accord and even lifted sanctions against Israel to some extent. But in September 1997, a high ranking Saudi delegation to Tehran headed by Prince Abdullah was seen as a sign of shift in Riyadh's policy towards Tehran. More talks came after and visit of an Iranian battleship to Jeddah port served as further proof that the two sides were keen on reconsidering their

positions. Qatar also never followed the containment strategy of the United States against Iran. Following Saudi Arabia, Bahrain also invited Akbar Hashemi Rafsanjani, then Iranian president to Manama and extended a warm welcome to him in March 1998.

However, because of its claims over the Persian Gulf islands, the UAE maintained its anti-Iran position and supported Iraq in Saddam era. To undermine Iran's growing influence in the region, it went against the US policy to topple Saddam's regime at the time. (Teitelbaum, 1998) During numerous summits and meetings, its allies supported UAE's baseless claims over the three Iranian islands. But most of the supports have been symbolic and no beyond adoption a formal position. A statement released after the 26<sup>th</sup> PGCC Summit in Abu Dhabi (December 19, 2005), claimed, "Given the continued occupation of the three islands by the Islamic Republic of Iran as well as their surrounding waters and trade zones, the Council maintains its firm and known position that these islands are an inseparable part of the UAE."<sup>16</sup> Also in a statement released after the 19<sup>th</sup> session of the Council in Abu Dhabi (December 9, 1998) there was a reference to the issue, in which the participants urged Iran to stop building settlements on the islands and change their demographic status.<sup>17</sup> Kuwait is more than any other PGCC states dependent on the US. For the same reason, it was under constant pressure from Baghdad. Kuwait backed the US policy vis-à-vis Iraq - although it had reserved a different position with regard to Iran. This is because Tehran could put a significant weight on the balance between Kuwait and Iraq. Although the Kuwaiti rulers depend on Washington for their existence, nonetheless they are not in the mood to be accused of being hostile towards Iran. Iran and Oman have had cordial relations, though. For the same reason, the Omani officials are against the US policy of isolating Tehran. Iran's superiority, shared interests in establishing security in the region and dependence on foreign forces will stop the PGCC from adopting hostile policies against the Islamic Republic of Iran.

### The Way Ahead

It is necessary to answer three questions in sketching out a future picture for the Persian Gulf:

1) Will the US devise its future national security strategy based on intervention by means of political/security treaties with the littoral states in order to justify its military presence in the Persian Gulf?

In 1821, the 6<sup>th</sup> president John Quincy Adams warned: "the Americans should refrain from the temptation of going overseas in search of a monster to destroy." (Alsace, 2003:1) Even after the collapse of the former Soviet Union and the removal of Saddam's regime and the Taliban, the US Neoconservatives still view global instability as a threat to their national security. Therefore, those backing the American empire will never leave the Persian Gulf alone. They will continue to sell arms to the oil rich littoral states and will also offer military support to their allies. In May 2006, the US adopted a new strategy to contain Iran in the region - in collaboration with the littoral states. The goal was to help these nations to form a military defence shield and boost their capabilities to stop and search passing ships that could possibly carry nuclear cargos. A recent interview with George Bush proved that the Neocons are still pursuing such an ill-advised policy. The Bush administration is hell-bent on changing the political and strategic equations of the region in their favor, and they want to do so by prolonging their military occupation of Iraq while confronting Iran and its regional policies.

2) Are the littoral states prepared to adopt a policy independent of great powers and initiate a serious regional cooperation with Iran?

It is indeed hard to put too much hope for a shift in their policies and positions any time soon. The Pan Arabist and leftist-nationalist leaders of Arab regimes of the Middle East even long before the establishment of Islamic Republic of Iran in 1979 have for some time been misusing a bogus name instead of the legal and historical term of "The Persian Gulf". Some people like Gamal Abdel Nasser of Egypt, Moamar Gadhafi of Libya, and Saddam Hussein did so in an attempt to undermine Iran's influence in the region. At the

moment, the Saudi officials are apparently concerned about the growing influence and power of Shiites as well as Iran's raising influence in Iraq and the Middle East. However, they have differences among themselves on how best to deal with the issue. Some in Saudi Family believe that Iran's rising influence in Iraq and the region will undermine the influence of Saudi Arabia. Others argue that only through cooperation with Iran will it be possible to resolve the region's security once and for all. Still, there are others who are urging Washington not to hold talks with Tehran and Damascus over ensuring security in Iraq. Quite the opposite, there are also some who encourage the White House to hold direct and unconditional talks with Tehran. For instance, Turki al-Faisal, former head of Saudi Intelligence Agency, said in an interview in October 2006 that, "Saudi Arabia always talks to Iran. Washington is making a big mistake by not talking to Tehran. We had a similar experience in the past. We faced numerous problems when we cut our ties with Tehran in the 1990s. However, things returned to normalcy when we resumed our relations. This serves our interests. Therefore, we are of the opinion that talks with others is much better than shutting the doors to their faces". (Former Saudi Ambassador, 2006) Such a huge contradiction among the high ranking Saudi officials was seen as a reason for Turki al-Faisal's resignation from his ambassadorial post and his return back home from Washington. The US Vice President Dick Cheney, during a visit to Riyadh, did seek help from the Saudis to end violence in Iraq and resolve other regional issues in which the US was directly involved, such as the problem of Lebanon, the Israeli-Palestinian conflict and Iran's nuclear case. This clearly serves as evidence that Saudi Arabia is now following the US policies vis-à-vis Iraq and Iran. Therefore, if Washington decides to change its policies with regard to the region, Riyadh would most probably follow suit.

### 3) Will Iran reconsider its policies on the Persian Gulf?

Iran has been against the US interests in the region because it wants to protect its own interests and has the independent military capabilities to do so. It is the only regional power that continues to successfully challenge Washington's policies throughout the Middle

East. Western pundits are of the opinion that although Iran's military warfare is far less modern than others, it has made huge investments in sectors to secure enough strategic deterrence and defensive capability to a great extent. In other words, If Iran is stopped from using the Persian Gulf waters to export oil due to the probable blockade or military attack by its enemies, it can similarly stop others from doing so. Iran's rivals see its purchase of submarines, mines and anti-air missiles as evidence that it might use them to block the Strait of Hormuz at the times of crisis and war. On the other hand, Iran's military doctrine has been and still is defensive. The country aims to prevent enemies from attacking its territories from the sea by putting obstacles in their way.

As one of most important actors in Persian Gulf, Iran's foreign policy objectives have had effective impact on the security of the entire region. Despite pessimism towards the establishment of a security treaty in which all the Persian Gulf littoral states could be involved, there are many signs which indicate that these Muslim nations are more than ever willing to strengthen ties and shun confrontation. Since the end of the Iraq-Iran war in 1988, the Iranian administrations have been trying to boost ties with the six PGCC states. Yet it is early to establish a regional collective security system in which all the littoral states can be involved. As long as the regional and non-regional states are not willing to abandon their anti-Iranian policies and recognize Iran's true position as a key to the region's much needed security arrangement, Tehran will have no other option but to pursue its independent policies about the Persian Gulf. In circumstances as such, the possibility of yet another regional conflict cannot be ruled out either. Indeed, the absence of an effective security arrangement can pave the way for the longer presence of foreign powers in the region, offering them the much needed justification to augment their influence, conduct changes in the nature of political regimes and security environment of the region so as to serve their interests.

**Table 1. Geographical Characteristics of the Persian Gulf States and the Status of their Membership in the PGCC and the International Maritime Organization (IMO)**

Country	PGCC*	IMO**	Area km	Sea Area	Shore km	Seawater Mile
UAE	1981	1980	82880	0	1318	24/12
Iran	-	1958	1648000	12000	2440	24/12
Bahrain	1981	1976	665	0	161	24/12
Iraq	-	1973	437072	4910	86	Unclear/12
Saudi Arabia	1981	1969	1960582	0	2640	18/12
Oman	1981	1974	122460	0	2092	24/12
Qatar	1981	1977	11437	0	563	24/12
Kuwait	1981	1960	17820	0	499	24/12
Yemen	-	1979	527970	0	1906	24/12

Source: CIA World Factbook

**Graph 1. Iran's Foreign Policy Objectives in the Persian Gulf**

- 1- Free and Secure access to international waters,
- 2- Gauranteeing the security of its southern borders and vital Maritime waterways including the Strait of Hormuz,
- 3- Constant Monitoring of the movement of foreign military forces close to its territorial waters,
- 4- Protecting the Persian Gulf environment and prevention of water pollution,
- 5- Combating maritime terrorism,
- 6- Prevention of arms, illegal drug and human trafficking,
- 7- Demilitarization of the Persian Gulf, especially the withdrawal of foreign troops,
- 8- Encouraging economic and political integration in the Persian Gulf,
- 9- Establishing a viable regional security system to minimize the influence of extra-regional powers.

**Table 2. Demographic Characteristics and Development Indicators in the Persian Gulf States**

Country	Total Population (Non-Native Pop) (2005)	% Female Literacy Rate (2005)	% Male Literacy Rate (2003)	Life Expectancy at Birth (2003)	Human Development Index (HDI) (2003)	HDI Rank (among 177 Countries) (2003)	GDP PPP\$ (2003)
UAE	2563212 (1606079)	80.7	77.3	78.0	0.849	41	22420
Iran	68017860	70.4	77.0	70.4	0.736	99	6995
Bahrain	688345 (235108)	83.0	87.7	74.3	0.846	43	17479
Iraq	26074906	-	39.7	58.9	-	-	-
Saudi Arabia	26417599 (5576076)	69.3	79.4	71.8	0.772	77	13226
Oman	3001583	65.4	74.4	74.1	0.781	71	13584

	(577293)						
Qatar	863051	-	89.2	72.8	0.849	40	19844
Kuwait	2335648 (1291354)	81.0	82.9	76.9	0.844	44	18047
Yemen	20727063	28.5	49.0	60.6	0.489	151	889

Notes: The estimated figures are for July 2005, and are taken from the entry for each country as updated on 10 January 2006. The numbers in paranthesis indicate the size of non- native population which often constitute a significant % of the total population of the smaller PGCC states. Refer to: <http://cia.gov.gov/cia/publications/factbook/index.html>

\* The figures for HDI are taken from the 2005 UNDP's Human Development Report. See, <http://hdr.undp.org/statistics/data>.

**Table 3. The Persian Gulf Energy Resources at the End of 2004**

Country	Natural Gas Production (% Share)	Proven Natural Gas Reserves (% Share)	Proven Natural Gas Reserves (TCM)	Oil Production (% Share)	Proven Oil Reserves (% Share)	Proven Oil Reserves (1000 MB)
UAE	1.7	3.4	6.06	3.3	8.2	97.8
Iran	3.2	15.3	27.50	5.2	11.1	132.5
Bahrain	0.4	0.1	0.09	-	-	-
Iraq	-	1.8	3.17	2.6	9.7	115.0
Saudi Arabia	2.4	3.8	6.75	13.1	22.1	262.7
Oman	0.7	0.6	1.00	1.0	0.5	5.6
Qatar	1.5	14.4	25.78	1.2	1.3	15.2
Kuwait	0.4	0.9	1.57	3.1	8.3	99.0
Yemen	-	03.3	0.48	0.5	0.2	2.9
PG Total	10.1	40.33	72.41TCM	29.90	61.47	730.8TMB
World Total	100.00	100.00	179.53TCM	100.00	100.00	1188.6TMB

**Table 4. Major Indicators of the Militarization of the Persian Gulf, 2003-05**

Country	Military Spending M\$ (2003)	%Imposed Military Spending (2003)	Military Personnel (1000s) 2005)	Naval Personnel (1000s) 2005)	Mining Barges (2005)	Submarines (2005)	Fighter Jets (2005)	Tanks (2005)
UAE	2515	3.1	50.5	2.5	0	0	106	330
Iran	5098	3.8	540	38	7	3	306	1300
Bahrain	468	5.1	11.2	1.2	0	0	33	120
Iraq	-	-	424	2	3	0	316	1900
Saudi	18772	8.7	124.5	15.5	7	0	291	710
Oman	2622	12.2	41.7	4.2	0	0	40	100
Qatar	3777	9.0	15.5	2	0	0	80	293
Kuwait	-	-	12.4	1.8	0	0	18	25
Yemen	807	7.1	66.7	1.7	6	0	72	650
PG Total	34059	-	862.5	68.9	2.3	3	1262	5428
World Total	927000	-	-	-	-	-	-	-

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## Notes

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<sup>6</sup> In April 1972, the former Soviet Union concluded a 15-year friendship Treaty with Iraq. It also signed a 20-year friendship Treaty with Syria in December 1980.

<sup>7</sup> State of the Union Address by the President, Washington DC: United States Capitol, January 31, 2006, available at [www.whitehouse.gov](http://www.whitehouse.gov).

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<sup>14</sup> Refer to: [www.mfa.gov.ir/output/INDEX\\_FARSI.HTM](http://www.mfa.gov.ir/output/INDEX_FARSI.HTM).

<sup>15</sup> Refer to: [www.ecosecretariat.org](http://www.ecosecretariat.org).

<sup>16</sup> Unofficial Translation of the Closing Statement of the 26<sup>th</sup> Session of the Supreme Council of the Cooperation Council for the Arab States of the [Persian] Gulf (GCC), Abu Dhabi, United Arab Emirates (UAE), December 18-19, 2005, at: [www.gcc-sg-org](http://www.gcc-sg-org).

<sup>17</sup> Unofficial Translation of the Closing Statement of the 26<sup>th</sup> Session of the Supreme Council of the Cooperation Council for the Arab States of the [Persian] Gulf (GCC), Abu Dhabi, United Arab Emirates (UAE), December 7-9 , 1998, at: [www.gcc-sg-org](http://www.gcc-sg-org).