

NOREF Policy Brief

Overview of the smaller GCC states (Kuwait, Bahrain, Oman, Qatar, UAE) and the effect of the Arab Spring uprisings

Executive summary

In light of the Arab Spring, a consensus has formed among the five smaller countries of the Gulf Co-operation Council to reject domestic political reform, reinforce authoritarian practices, ignore human rights, adopt forward policies against Iran and the Assad regime in Syria, and unequivocally support the minority Sunni dynasty in Bahrain. Hydrocarbon rents have been used to co-opt native populations and stifle dissent. All these countries have reinforced their military

and intelligence ties to the U.S. The opacity of political decision-making and practices, including on matters of succession and the rampant corruption of the ruling families, renders these regimes vulnerable to potential opposition forces, especially if ruling Islamists in Egypt and (possibly) Syria are eventually perceived to have “succeeded” in bringing about more accountable forms of government.

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Overview of the smaller GCC states (Kuwait, Bahrain, Oman, Qatar, UAE) and the effect of the Arab Spring uprisings

The governments of the five smaller states of the Gulf Co-operation Council (GCC) – Kuwait, Bahrain, Qatar, the United Arab Emirates (UAE) and Oman – have adopted a broadly united stand in response to the recent events of the Arab Spring. They have closed ranks on the questions of domestic political reform, the importance of U.S. military protection, the threat from Iran and potentially from Iraq, and the uprisings in Bahrain and Syria. Saudi Arabia, the dominant member of the GCC, has played an important role in forming the consensus against domestic political reform of any kind in all of the GCC countries, despite the support of all of them for a political transition in Syria and earlier in Libya. Qatar and Saudi Arabia have played the most active role in supporting – financially, militarily and ideologically – the uprising in Syria. Kuwait, Bahrain and Oman have been less active on this front.

Democracy and domestic reform

The Arab Spring was a shock to the GCC states and each has refused to allow a greater say for its own nationals in matters of governance. The regimes of the Gulf states regard themselves as benevolent parents of a native population that is not taxed and is kept deliberately in a politically infantilised state. The state draws its resources from hydrocarbon rents (or other external subsidies such as subventions from Saudi Arabia in the case of Bahrain and Oman) and provides its population with various services at little or no cost (public infrastructure, health, housing, schooling). In return for these entitlements, the state, which is controlled by a different ruling family in each country, demands obedience from its subjects and effectively refuses to share power.

Corruption and controlling opposition forces

Corruption is rampant across these states and takes various forms, but the members of the Gulf royal families regard the state's wealth as their own and have devised various schemes to appropriate large sums for themselves. The abuse of power and corruption has generated

some opposition in each country, but this has not been sustained or public (except in Bahrain and among the Shia of Saudi Arabia). Opposition by Sunnis has manifested itself mainly on social media forums such as Twitter and Facebook, as well as on dedicated websites, but there are few if any public, on-the-ground demonstrations against these regimes. This is in part because there are few public spaces where people are allowed to congregate, and organised civil forums and political parties are banned or severely restricted. Furthermore, all the Gulf governments have engaged in tactics and adopted measures that deny GCC nationals political and many civil rights. These measures involve either coercion or co-optation, and sometimes both. All opponents have either been silenced through the threat or the actual use of force, on the one hand, or by an attempt to buy off dissent through financial payouts, on the other.

The Shia question

Shia Muslims are not equally distributed in the Gulf. They represent a minority in Kuwait and Saudi Arabia, are a majority in Bahrain (60% of the population), and are hardly present in Qatar, the UAE or Oman. In Bahrain, the Shia suffer from systematic and institutionalised discrimination, and they have organised themselves into an opposition that has regularly demonstrated publicly and largely, although not always peacefully. In return, their protests have been violently suppressed by the minority Sunni regime with the full support (military, political and financial) of the other GCC states. The government of Bahrain has claimed that the demonstrating Shia are being instigated and organised by Iran with the aim of toppling the regime and establishing a Shia government answerable to Tehran.

The Iranian plot and conspiracy claim is widely invoked and sincerely believed in the various capitals of the GCC states. It is a convenient argument because it serves two distinct purposes: (1) it rallies the Sunni base of the population to the respective governments; and (2) it denies that the actual source of dissent lies in internal problems (bad governance and authoritarianism, lack of accountability, corruption) and thereby forestalls any urgency for engaging in reform.

Because of this, the regime in Bahrain has not enacted any of the reforms that were called for by the Bahrain Independent Commission of Inquiry, which the government in Manama had itself instigated. Furthermore, Bahrain is financially and politically dependent on Saudi Arabia, and Riyadh has not allowed any engagement with the Shia opposition or the adoption of any reforms. Using the Iranian conspiracy argument, Riyadh has also been unwilling to cede any ground in the form of political reforms inside Saudi Arabia itself. In so doing, the Saudi and Bahraini governments run the risk of further radicalising their own Shia populations, who might choose armed struggle as a means of political expression and turn to Iran for support. While a variety of links and connections exist between Iran and the Shia of Bahrain, Saudi Arabia and Kuwait, thus far no proof of overt or covert Iranian support to the Shia has emerged other than propaganda in favour of these communities in Iran's media outlets (e.g. Press TV, Al-Alam TV).

One GCC country, Oman, and several emirates of the UAE, such as Dubai, have strong economic ties to Iran and benefit considerably from trade and smuggling activities. It is not clear whether they will be willing to sever all ties with Iran, given the expectations and requirements of the newly imposed sanctions regime on that country, which are related to its nuclear programme.

The Muslim Brotherhood

The big winners of the Arab Spring have been the various branches of the Muslim Brotherhood, whether in Tunisia, Egypt or at present in Syria. The major backer of the Brotherhood has been Qatar, which for decades has provided a refuge and financial support for members of this movement (more on this in the Qatar paper). However, the political consensus among the GCC countries has broken down on the question of supporting the Muslim Brotherhood. Saudi Arabia and especially Abu Dhabi, the leading member of the UAE, are strongly opposed to and fearful of the Brotherhood. Both governments see it as a movement that organises surreptitiously with the aim of seizing power, and they have had domestic problems due to such activities. Because of this, the government of the UAE has arrested over 50

of its own citizens, whom it suspects belong to the local branch of the Brotherhood known as the Reform Movement (al-Islah). Members of this movement are mostly from the poorer northern emirates of the UAE, which underscores that there are internal cleavages within the GCC countries that are not only sectarian, but also political, social and tribal.

Kuwait and Oman

Kuwait, like Oman, has a mixed population whose origins are diverse in tribal, social, racial and sectarian terms. Kuwait has had the longest experience with institutionalised politics, having established the first parliament among the Gulf states, the National Assembly, with 66 members and with a degree of oversight over the executive branch. Constitutionally, parliament in Kuwait has some power to constrain the ruling family and because of this the emir has repeatedly dissolved parliament (five times in the last six years). As a result, Kuwait can be described as a paralysed political system and a mismanaged country, one that would be in great difficulty were it not for the massive oil revenues keeping it afloat. The Kuwaiti experience and dysfunctional model are not lost on the other ruling families of the GCC, who as a consequence resist all attempts to devolve power to the people.

Oman has a mixed population and has witnessed some public demonstrations in emulation of the Arab Spring events, but these have centred largely on acquiring greater economic benefits. The sultan, who effectively rules as an absolute monarch, has pursued the co-optation method of increasing salaries and offering more public sector jobs. He has been helped in this regard by an offer from Saudi Arabia to give him a grant of several billion dollars. The sultan's political reforms, which have increased the powers of the lower house of parliament, appear thus far to be largely cosmetic, and the system of succession in Oman, like elsewhere in the GCC states, remains a secret.

The U.S. military presence

None of the GCC states can defend itself against an external attack, whether from Iran or potentially from Iraq, should the latter build up its armed forces as Saddam Hussein did. Because of this, all the GCC countries remain beholden to U.S. military protection and to a lesser extent to the British and French armed forces, which are also present in the region. The U.S. has a major naval base in Bahrain and an air force base in Qatar. It also has a permanent military presence in Kuwait. U.S. arms sales to the countries of the region are important, as are military and intelligence links to high-ranking members of the various royal families, many of whom have been trained in U.S. military academies. The region's large hydrocarbon reserves and therefore its importance to the global economy guarantee a continued and dominant U.S. military presence here for decades to come.

The curse of hydrocarbon economies

All the GCC countries are heavily dependent on rents from hydrocarbon sales. They all suffer from the rentier phenomenon of excessively high domestic labour costs, which make them uncompetitive. These countries have all proved to be incapable of diversifying their economies away from a dependence on oil and gas and related industries (e.g. petrochemicals, aluminium smelting). The recent events of the Arab Spring have prompted all these governments to buy off their populations with large financial handouts, further aggravating the phenomenon of their dependence on hydrocarbons. Government payments made to citizens have a perverse effect in terms of incentives, and undermine the private sector. The breakeven price of oil for balancing these governments' respective budgetary commitments has risen considerably in the last two years, and should oil prices fall precipitously, as they did for much of the 1990s, they would all face considerable financial constraints.

Youth

The GCC countries, like many others in the Middle East and North Africa (MENA) region, have an astonishingly large youth bulge. Unlike

other MENA youths, these young people are highly connected to the outside world through the Internet and have oversized expectations of the kind of lifestyle they are entitled to. All the GCC countries will have to produce the jobs, housing and infrastructure needs for this population or face the consequence of pent-up anger and frustration mounting among their young subjects. A related problem is that this population is in fact not well educated or trained for jobs in the modern economy. Spending money building universities will not solve these problems, and it is crucial that the educational system, from the elementary through to the secondary level, be reformed in order to begin addressing this matter effectively. It is not clear that the political will to do this is present in any of these countries. Their rulers think of Singapore as a model to emulate and wish to build the human capital for a "knowledge economy", but they are far from achieving this because the economic incentive structures are skewed against such a development and the political will to engage in the necessary reforms is absent.

Rivalries among GCC members

There are tensions and rivalries between the smaller GCC countries, on the one hand, and Saudi Arabia, on the other. Saudi Arabia is regarded as the big brother or bully, and its role has been resented by Qatar, the UAE and Oman at various times. For now, these tensions have subsided, in part because of the commonly perceived threat posed by the Arab Spring uprisings and Iran. It is nonetheless possible that tensions may re-emerge over a number of issues, such as the relationship with the Muslim Brotherhood or the independent role that Qatar in particular might choose to pursue in, for example, Egypt.

The Syrian uprising

Qatar and Saudi Arabia have been the most heavily engaged in supporting the opposition to the Assad regime in Syria. They are providing financial support, including funds to buy weapons for the rebels. These weapons are being smuggled into Syria via Turkey and north Lebanon. The policy objective is to topple the Syrian regime, because it is seen as a key ally of Iran and a conduit for the

latter's influence into the Arab world. Managing to peel away Hamas from the regime in Damascus has already proven to be a major victory for Qatar, which is now spending funds on Gaza's infrastructure by way of reward. The U.S. is heavily implicated in this effort to change the regime in Damascus and is working through Qatar, which is also a conduit for the U.S. to several other newly formed governments in the Arab world: those of Tunisia, Libya and Egypt. If the Assad regime is toppled and a stable outcome emerges quickly in Syria, the GCC states will have dealt a major blow to Iran. One potential consequence of this, however, might be a reinvigorated Iranian-Iraqi alliance against the Sunni states of the Gulf and Levant (Jordan and Syria).

Governance and succession

As noted already, the GCC states are all authoritarian and the Arab Spring has exacerbated this tendency. Human rights have suffered as a consequence. Furthermore, politics has effectively been removed from the public arena and now takes place among the members of the respective royal families, who treat this as a private affair. Gulf politics is therefore not transparent, but opaque, and is invariably relegated to the domain of hearsay and court gossip. Furthermore, the thorny issues of who governs and how the succession is handled are never clear, raising the risk that the succession in particular might be mishandled, thereby leading to instability. This situation is particularly critical in countries where the rulers are old (Kuwait, Bahrain, Oman).