IRAQ-IRAN AND THE GULF:
THE REGIONAL DYNAMIC

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IRAQ—IRAN AND THE GULF: THE REGIONAL DYNAMIC

by

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The views of the author do not purport to reflect the positions of the Department of the Army or the Department of Defense.

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FOREWORD

This memorandum evolved from the Military Policy Symposium on "US Strategic Interests in Southwest Asia: A Long Term Commitment?" which was sponsored by the Strategic Studies Institute in October 1981. During the Symposium, academic and government experts discussed a number of issues concerning this area which will have a continuing impact on US strategy. This memorandum considers one of these issues.

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SUMMARY

The elements that interact to create the dynamic of the subregion fall within three broad categories: interstate relations, transnational interactions, and subregional interactions. Developments within the states have affected interstate relationships. The Ba'thists' ability to gain and retain power have shaped the domestic situation and foreign relations of Iraq. The stability and strength of the Shah's Iran led to a Pax Irania in the Gulf area. With the coming of the Islamic revolution, not only has the preeminent power of Iran disappeared but new factors have been added to the subregional equation.

The long-standing issues affecting the Iran-Iraq and the Gulf are: border demarcations, territorial sovereignty, access to off-shore oil resources, securing the shipping lanes of the Gulf, the "separatist" demands of various ethnic groups, and securing the area from external threats.

The alignments of the states within the area are influenced by economic disparities and by sectarian differences, the latter being the newest addition to problems that require a solution. Realignments of the states and redefinition of goals and priorities have occurred due to the change in the options available and a new perception of what constitutes the most potent threat to the stability of the area.

Since 1979, the domestic position of the Hussein government and the weakened position of Iran have allowed Iraq to play an increasingly active role in the affairs of the area. The Gulf states are accepting this Iraqi initiative because of their concern with Iran as the source for instability in the region. Concomitantly, Hussein has modified his rhetoric so as to appear less radical, thereby becoming more acceptable to the conservative regimes. The greater degree of compatibility is also due to increasingly similar priorities based on a commonality of economic concerns as oil producing states. Consequently, slogans such as pan-Arabism are undergoing substantial redefinition, allowing for a broader appeal among the states.

Based on the evaluation of their vulnerability, the Arab states of the Gulf are developing the instruments of self-protection, unified around the belief that all foreign powers should be excluded from control of the area.
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The justification for a subregional analysis is not whether the defined subregion has been correctly delineated but whether it leads to understanding. The elements that interact with this chosen subregion fall within three major categories: interstate relations, transnational interactions and intersubregional interactions. The dynamic of this subregion is a product of all three interactions, variable in their contribution to the creation of a specific event or policy, but invariable in their appearance as factors comprising the dynamic. Recent events have indicated that the subregion has been delineated correctly; hopefully the ensuing discussion will promote understanding.

INTRASTATE DEVELOPMENTS

The history of subregional interstate interactions and the specific issues that form the nucleus of these interactions are determined, at least in part, by developments within the states. In Iraq, the success of the Ba'athists in 1968 in obtaining power and their ability to retain this position until the present has changed the complexion of Iraq, due in part to the policies of the Ba'hist and the political stability emanating from the relative longevity of the regime. There is no doubt that the success of the Shah in creating an *l'état c'est moi* reality and the subsequent Islamic revolution with its failure to
create stable governance mechanisms profoundly have influenced Iran’s subregional position.

Iraq. The formation of a Ba’thist government in Baghdad in 1968 marked the beginning of Iraqi commitment to becoming a modern Arab state using the instruments of pan-Arabism, socialism and nationalism to achieve the goal. From the outset, the regime has faced the general problem of legitimacy specifically manifested in the felt need to use fear and intimidation as instruments of control, the problem of forging a national identity from a mosaic of subnational and sectarian identities, the development of a stable internal political order and the isolation of Iraq in the regional and subregional systems.1

Although problems and deficiencies remain, the Ba’thists have been successful in resolving many of these problems. The nationalization of the British owned Iraq Petroleum Company in 1972 lent credibility to the Ba’thist regime’s socialist and nationalist pronouncements. The ensuing Iraqi control of its oil revenues, much increased by subsequent OPEC decisions, have given to the regime the capability of financing development projects and creating the economic and noneconomic infrastructure necessary for development. This access to funds has also allowed the regime to build a military sector capable of maintaining the regime, and of protecting the nation from external and internal threats. The increasing amount of financial revenues available to the regime also have given Iraq the potential of increasing participation in the political and economic activities of the region and subregion.

The negotiated end of the Kurdish rebellion of 1975 gave the Kurds a modicum of self-rule within the framework of the Republic. The resolution of this conflict helped to diminish the potential for destabilization of Iraq and the regime emanating from religious sectarian conflict. As long as the Kurdish struggle continued with the aid of the Shah, the potential existed that the loyalties of Shi’a non-Kurdish Iraqis would be divided between their religion and the government.2 The precedent of a negotiated settlement enhances the prospects for similar successful relations between the regime and the other subnational groups, including the Assyrians, Turkomans, Iranians, Lurs and Armenians. The Ba’thist regime also has achieved modest success in the area of domestic economic development. However, neither the policies nor the results have been revolutionary. For instance between 1960 and
1978, per capita GNP achieved an average annual growth rate of 
4.1 percent, a per capita GNP in 1978 of the equivalent of $1,869,' 
and approximately 15 percent of the land was redistributed.' The 
economic inequality between rural agricultural workers and urban 
industrial workers has increased, a not uncommon phenomena in 
the oil producing countries as they concentrate on the development 
of an industrial sector. In 1965 agricultural workers comprised 42 
percent of the economically active population and received 19 
percent of the Gross Domestic Product. By 1976 they comprised 43 
percent of the economically active but received only 8 percent of 
the Gross Domestic Product. The per capita national income has 
increased from 92.3 Iraqi dinars in 1969 to 763.8 Iraqi dinars in 
1979, with an average population growth rate of 3.3 percent 
between 1970 and 1978.' The industrial workers average cash 
income rose from 250 dinars in 1968 to approximately 830 in 
1979—a 230 + percent increase. The emerging patterns are not 
atypical, and if the assumption is correct that the incomes of the 
poor do increase as the average per capita income increases, then 
there has been an increase in the per capita incomes of the poorest 
segment of Iraqi society.

The Ba'hist government of Iraq has faced serious challenges to 
its authority: a coup attempt in 1973 led by Nazim Kazzar, street 
riots in 1977 and 1979 and an alleged attempt by the Iraqi 
Communist Party to organize cells within the army. Not only did 
the regime withstand these direct and indirect attacks on it and its 
authority, but it managed to survive the violent changes of the 
summer of 1979. Many of the political elites were affected by the 
changes, positions were lost and others, labeled as "conspirators," 
were removed by incarceration or execution. Neither the source of 
support for these "conspirators" nor the precise basis for their 
opposition are known. By announcing economic policies favorable 
to civil servants and the military and by declaring an amnesty for 
political prisoners, many of whom were Kurds and Shi'as who 
demonstrated against the government, Suddam Hussein was able to 
successfully manage the crisis, to emerge with his power enhanced 
and a party more firmly in control of the internal political system. 

The Iraqi Ba'hist commitment to pan-Arabism and its particular 
and changing interpretation of that identity has enabled Iraq to 
decrease its isolation from the conservative Arab states of the 
subregion without isolating itself from the "progressive" front line
states. Iraq has maintained economic ties with Syria, has remained constant in its support for the Palestinian cause, has become increasingly active in OPEC, and has given significant monetary aid to the Arab confrontation states.

Iraqi relations with the Gulf states improved with the settlement of a territorial dispute with Kuwait in 1975, by its criticism of both US and Soviet policy when perceived as a threat to the security of the Gulf subregion, and by its emphasis on the “Arab” character of the Gulf and its willingness to defend and enhance this characteristic on the basis of the ethnic identity, not the ideological proclivity, of the Gulf states.

As the domestic, regional and subregional position of the Ba'hist regime has steadily improved, it has demonstrated its ability to defuse volatile internal situations and has displayed a notable ability to swim through the cross currents of inter-Arab policies and to balance US and Soviet influence. The growth of Iraq's role in the subregion is also due to the changes occurring within Iran—its neighbor, historical adversary and until recently its nemesis.

*Iran.* The existence of a strong Iran, committed to and capable of an active dominant subregional role created a condition of *Pax Irania* in the Gulf. Iranian policy and actions were legitimized by the Shah’s interpretation of the myth and history of the Persians, by pronouncements that Iran's actions were aimed at securing the Gulf against “outside” forces and a potential interruption of the flow of oil and by the reputed, if untested, supremacy of the Iranian military. The British departure from the Gulf in 1971, the reluctance of the United States to fill the vacuum, and the USSR’s main interest in the Indian Ocean left the Persian Gulf to the Iranians. Iran’s apparent strength, the comparative weakness of the Gulf states, and the lack of viable options in the choice of a protector created an environment within which *de facto* and *de jure* arrangements were concluded that only superficially resolved the issues.¹ The imposition of Iran’s will on the Gulf states, achieved by implicit or explicit use of force, was paralleled by the evolving situation within Iran. Beginning in 1972, the Shah increasingly used coercion, fear and intimidation to impose his will on the Iranians, and only the facade of stability was achieved.²

The establishment of the Islamic Republic of Iran has resulted in more rather than less domestic instability. The disparate groups
that coalesced in their opposition to the Shah have been unable to forge an effective government. The consequent resurgence of separatist movements, ideological cleavages and internecine political violence plus a weakened economy have created a much emasculated Iran. Iran's interest in and capability of maintaining its preeminent position in the Gulf is diminished. Subsequently, the lid of Pandora's Box has been reopened and the previous tension-creating issues of the Gulf have reappeared along with some new ones. The intraregional issues embody at least one of the following elements: sectarian affiliation; Arab identity; subnational group demands; the conservative or “progressive” nature of the governments; boundaries and territory; control of resources; and, the level of wealth and national development.

INTRAREGIONAL ISSUES

The genesis of the off-shore conflict between Iraq and Iran, or rather the Irano-Arab conflict, is reputed to date from the 4th century. Even the sharing of Islamic traditions has done little to ameliorate these traditional antagonisms. The growth of modern nationalism in the area, the removal of the Turkish or European colonial powers and the continuing existence of unanswered questions regarding borders, territory and sovereignty have provided opportunities for conflict.

International law unequivocally grants to coastal states sovereignty over their continental shelves. However, international law does not supply a clear methodology for establishing off-shore boundaries. This obscurity, plus the British hesitancy to confront and to solve these questions, guaranteed the existence of issues that would be one basic source of political problems in the Gulf. The assumed existence of extensive off-shore oil resources has been a catalyst in the conflicts.

The 12-mile rule of law does not aid in the resolution of Iraq's and Kuwait's conflicting claims over the islands of Bubiyan and Warba as Bubiyan is situated one mile from Kuwait and five miles from Iraq. This intra-Arab conflict reflects the desire to exploit the oil reserves and Iraq's desire to control the islands that command the straits leading to the Iraqi port of Umm Qasr. The Iraqi concern for control of the access route is based, in part, on a distrust of the “conservative” Arab governments of the Gulf.
Iran, with its 635-mile coastline can, on the basis of international law, claim the superior right over the Gulf. This superior *de jure* claim was, in *de facto* terms, supported by the British by virtue of the Anglo-Iranian negotiations conducted in 1971. Iranian control of Abu Musa, apparently with consent of Sharqa and its wresting of the two Tumbs from Ras el Khaimah, have provided a *cause célèbre* for the Arabs.

With the creation of the United Arab Emirates (UAE) in December 1971, Arab opposition to the Iranian occupation of the islands escalated; especially vociferous was the denunciation from Baghdad. Arab opposition centered on the necessity of preserving the Arab character of the islands, a necessity that has been expanded to include the Gulf itself. In defense of Iran's actions the Shah emphasized the need to secure the Gulf against the intrusion of foreign power. This was dismissed by the Arabs as a facade for Iranian ambitions, pointing to the facts that the power of Iran was insufficient to successfully dissuade either US or Soviet involvement in the Gulf and that Iran already had given facilities to the Soviets at Bandar Abbas.

Although much has changed within Iran since the collapse of the Shah's regime, Iranian claims to the Gulf have remained "imperial." Ghotbzadeh, when visiting Kuwait as the Iranian Foreign Minister in the spring of 1980, claimed that all the Gulf states had originally been Iranian and that the Arabs had no historical claims to the three islands at the entrance to the Strait of Hormuz. The particular Islamic character of the current Iranian government adds a religious dimension to the sovereignty dispute. The Khomeini regime has called on the Shi’ite minorities to revolt against the Gulf Shaikhs.

**INTERSTATE RELATIONS:**
**CONFLICT AND COOPERATION**

With Iran no longer in an unquestioned preeminent position in the Gulf, the Gulf and other Arab states have begun to formulate alternatives for the security and stability of the area. The structure of the instrument for achieving the goals has not been agreed upon; however, there is somewhat of an Arab strategic consensus which asserts that the security of the subregion is best done by the Arab states of the Gulf. Although Bahrain has signed an agreement
providing American naval vessels with facilities, the Kuwaiti Deputy Prime Minister and Foreign Minister, Shaikh Sabah al Ahmad el Jaber, stated that “Bahrain is aware of its responsibilities in the Gulf as well as its Arab responsibilities in its dealings with the countries of the world.”

The Iraqi plan and the Saudi plan for collective cooperation for the security of the Gulf are couched in terms of Arab cooperation for collective Arab security. The Iraqi perception of the requirements for Gulf security is tilted toward the need for developing a military capability sufficiently strong to act as a deterrent and as a defensive instrument. The original proposal, the formation of an Arab Gulf Security Force as a supplement to the Arab League Joint Defense Pact, has been supplanted by the Saudi Plan which emphasizes the need to secure the internal stability and security of each state rather than the use of military alliances and defense power.

Iraq’s reaction to the Saudi plan was an adjustment to its own proposal. Foreign Minister Saadoun Hammadi stated that there was no need for a Gulf Security Plan as the Arab states of the Gulf already were committed to the Arab League Joint Defense Pact. The Gulf Cooperation Council excludes Iraq, as earlier schemes had excluded Iran and Iraq based on fears of Iranian and Iraqi ambitions to dominate the region. Increasingly, however, Iraq is seen as a state equally threatened by the destabilizing elements emanating from Iran since 1978. The Iraqis lose no opportunity to reinforce this perception among the Arab states of the subregion.

Iraqi-Iranian Conflict. The Iraq-Iran war has provided limitless opportunities for the Iraqis to present themselves as defenders of Arabism, as a bulwark against the “Persian chauvinist” enemy. This conflict embodies many of the active ingredients in the Gulf: ethnic identity, territorial control, oil and its revenues, ideology and legitimization of political elites. The war can be described as a necessary act to liberate territory seized from Iraq during the reign of the Shah, and as an effort to liberate the Arabs of Khuzistan from Persian control. Other motivations can be ascribed to the Iraqis; although difficult to validate in terms of official pronouncement, they are but logical extensions of known factors.

The personal animosity existing between Khomeini and Saddam Hussein has led to speculation that each has as a goal the downfall of the opposing regime. The Iraqis hope that the pressure of the war effort will increase the divisiveness already existing in Iran.
The Ba’thist’s long-standing concern with the existence of a Shi’a majority, concentrated in the southeastern sector, has been exacerbated by Khomeini’s repeated statements exhorting this community to topple the Sunni regime of Saddam Hussein. A victory over Khomeini and the acquisition of territory inhabited by Sunni Arabs would create a needed buffer zone, making Iraqi Shi’as somewhat less accessible to their co-sectarianists in Iran.

The negative consequences of the war for Iran and for subnational groups within Iran have been greater than the positive achievements of Iraq. The economic impact has been significant, as 80 percent of Iranian oil production is concentrated in the war zone. The need for war materials has forced the regime to buy arms from Taiwan and through the Israelis, thereby increasing the distance between the stated policies of the regime and its actions. The Kurdish separatists have been put in an invidious dilemma, whether to fight against Iraq and be run over, or to side with a regime despised for years thereby isolating themselves from Iranians who might be sympathetic to their cause. After the initial Iraqi blitzkrieg which elicited a nationalistic response by even those Iranians opposed to the Khomeini regime, the stalemate has freed them from the patriotism born of crisis. Additionally, it has highlighted the ineffectiveness of the government and has been used by opposition groups to further discredit the regime. Assuming that the war does not endanger the existence of Iran, the opposition is free to pursue their anti-Khomeini and separatist activities.

The success of Saddam Hussein in gathering broadly based Arab support for his war against Iran was a victory not replicated on the battlefront. The unexpected resilience of the Iranian political and military structures changed Iraqi war strategy from “swift and sure” to “long and tenuous.” The achievements include limited territorial gains; the Shatt al Arab and a slice of western Iran now under Iraqi control which places Iraq in a favorable position to demand the renegotiation of the Algiers Pact.

By initiating a war against an even less loved nation, Iraq has been able to elicit support from Arab states from which it had been isolated previously. From the Egyptians came Soviet arms, transmitted through the Jordanians, paid for by the Saudis all with US acceptance. The Saudis sold oil crediting the revenues to the Iraqi account so that the war did not demolish the Iraqi economy."
Reportedly, the Saudis have allowed numbers of Iraqi aircraft to be stored within Saudi Arabia for safe keeping during the conflict.

This increasing support enjoyed by the Iraqis is in part due to the perception of Iran as a common enemy or at least a source of ideas that create a common threat. Khomeini has condemned Saddam Hussein and the conservative regimes of the Gulf and Saudi Arabia. Hussein's old radical colleagues, the Palestine Liberation Organization and Syria," have supported the new Iranian regime, causing a cooling of relations based on the formula that the "friend of my enemy is my enemy." This new and developing rapprochment between Iraq and the conservative states of the subregion has led to a Kuwaiti-Iraqi detente with both parties increasingly interested in achieving solutions to the manifold territorial questions within a framework of political accommodation.

The Iran-Iraq war also has acted as a fillip to efforts of the Gulf states to develop the appropriate mechanism for cooperation within the region. The development of the stalemate substantially improved the prospects for increasing cooperative efforts between Iraq and the Gulf states. The Gulf states are unwilling to rely on any single state, Arab or non-Arab, as the guarantor of their security. The Arab states of the Gulf are as wary of a Sala'uddin as they were of the Shahenshah. Iran's inability to establish itself as the power in the area has allowed Saddam Hussein to define his relationships to his Gulf neighbors as "first among equals"—as leader rather than dictator. With a noticeable improvement in the relations between Iraq and its Gulf neighbors, the atmosphere is increasingly conducive to peaceful resolution of issues related to territory, borders and resource access, whether oil or transit rights.15

SUBNATIONAL FACTORS

Subnational issues are far more complex; their solution often requires multistate negotiations, involving a multiplicity of factions, in an attempt to resolve questions that, by definition, impinge on the already tenuous legitimacy of most governments in the subregion. For instance, in order to solve the "Kurdish Problem," Iran, Iraq, Syria, Turkey and the multiheaded Kurdish leadership must reach an agreement. The improbabilities of success
of bilateral negotiations between any two of the above named groups does not augur well for success of a more complex format. Additionally, governments genuinely are concerned that negotiations with or the granting of the demands of one subnational group will be an impetus to other groups to press for resolution of these demands—a subnational domino effect.

The gradual strengthening of the political position of the Ba’thist Party allowed the government to negotiate an Iraqi-Kurdish settlement. The strengthening of the Iraqi economy has made available to the government an effective instrument for diminishing separatist demands by the expenditure of substantial amounts for development projects located in areas of subnational concentrations. This technique has made “separation” from the central government more costly and has directly confronted one of the issues raised by separatist groups; i.e., they are not receiving their “fair share” from the central government.

At present, the Iranian government does not have the capability of using economic inducements to weaken separatist movements; the post-Shah economy has been deteriorating and even the existence of an adequate administrative infrastructure to implement major development programs is questioned. The most obvious obstacle to resolution of the subnational problems in Iran is the absence of political stability.

As desires to create a Kurdistan, a Turkistan, or a Baluchistan have affected and will affect Iran, Iraq and the Gulf, the demand for a Palestinian homeland is also part of the dynamic of this subregion. Geographically removed but politically present, the Palestine question has been an important focal point of Arab aspirations and a factor in the political considerations of all the Arab states. This does not imply that there has been a shared degree of commitment.

Historically, the conservative Arab states have been more passive than active in their support, a source of abrasion between Iraq and the Gulf states. The agreement to expel Egypt from the Arab League because of the perception that Sadat had concluded a “separate peace” with Israel and had therefore damaged the Arab (Palestinian) cause was indicative of the more “activist” involvement of the conservatives. In part, this shift is due to the presence of large numbers of Palestinians in the decisionmaking echelons of the Gulf states, most notably in Kuwait. The existence
of influential Palestinians, individuals who have gained credibility and status since the 1960's in academic and communications institutions, is responsible in part for a shift in governmental policy, thus making it increasingly less distinct from the long held policies of Iraq. In the specific case of Palestinian policy, the Arab states are coming to Baghdad both literally and figuratively. 17

THE ISLAMIC FACTOR

Religion, an issue in the Middle East of the 20th century, usually had been confined to the ranks of the Mullahs and Shaikhs not the political-governmental elites. With the appearance of the Mullahs as the political elites in Iran, coupled with a more generalized "Islamic revival," religion has become not only an instrument of policy, but its determinant and in some instances the policy itself. The increasing emphasis on religion has manifested and reactivated sectarian alignments, specifically the Shi'a/Sunni division within Islam. The Islamic revival is, in part, a response to ineffective leadership; a failure of political and intellectual elites to substitute secular ideologies of legitimization and social cohesion for traditional Islamic legitimacy. In Iran, the secularist notions of the Shah became the state ideology with the commencement of the White Revolution. Subsequent economic development was accompanied by expansion of corruption of the political order while gross social inequities remained unaltered. Ba'thist secularism and socialism have been unable to fulfill the promises made. The emphasis on socialism has not eliminated or diminished the economic differential between rural and urban workers; the emphasis on pan-Arabism based on the glories of the Arab past has brought neither unity nor glory.

The Islamic alternative creates a possibility for the formulation of a new synthesis—one that will strike a responsive cord among the governed and will provide a solid basis for the legitimization of the governors. The doctrines of Islam offer a socialist option, i.e., the creation of social and economic balance within society, rendering as unnecessary the rhetoric of Marx, Lenin or Nasser, all of which are anathemic to the conservative regimes and to the conservative elements which exist within even the most progressive of middle eastern societies. By using Islam as the underpinning for programs of economic and social equity, a regime may solidify its
position, for in Islam this notion of justice is a primary instrument for measuring governmental legitimacy. The Ba'thist can then achieve both continuity and change by redefining the meaning of "unity," freedom and socialism."

Islam as a political instrument can create and transform territorial and geopolitical disputes into a morality play. Increasingly, in Iran, political opponents are portrayed as "Satanic" elements, personifications of evil thereby prohibiting conflict resolution through the processes of negotiation, compromise or accommodation. This simplistic approach to complex and fluid situations has already created conditions of terminal intransigence among the factions operating within the Iranian political milieu.

Even discussions of mutual defense of the area have been given an Islamic flavor. The desire by Iraq and the Gulf states to develop a mutual defense pact, thereby limiting the influence of and dependence on both the United States and the Soviet Union, was 'Islamized' by King Khaled at the Islamic Summit in Taif. Paraphrasing the second Sura of the Qur'an he said "loyalty... neither to an Eastern bloc nor a Western bloc, but to God."

OIL, ATOMS AND TECHNOCRATS

Economic disparities within the states of the subregion have resulted in intrastate divisiveness, a situation replicated on an interstate level. This economic differential has made the ideas of pan-Arabism and pan-Islam only workable in terms of defining aspirations, not as basis for the creation of the structures of cooperation. Despite the ideological proclivities of the regimes, the oil-producing states have all become economically aligned with the industrialized world. Iraq continues to reject the reestablishment of full diplomatic relations with the United States. However, economic ties are increasing and the US charge d'affaires in Baghdad is received as though he carries full ambassadorial rank. As the Gulf states are increasingly aware of their value to the industrial economies, they are likewise increasingly aware of their own vulnerability. Thus, their common concerns as oil producers may be the most realistic basis for developing the structures needed for cooperation; more effective then either their concern with the Khomeini regime or the issue of Palestine.
The nuclear issue is relevant to discussions of this subregion only in political terms. Prior to the destruction of the Tamuz reactor near Baghdad, it was estimated that between 4 and 10 years were needed for the development of an Iraqi nuclear devise. The principal nuclear activities of Iran and Iraq have been the establishment of commissions and the administrative structures to oversee nuclear development, the creation of nuclear research institutes and the building of research and power reactors. Activities related to the creation of a nuclear bomb were minimal. Seemingly, the present government of Iran has even less potential in the area of nuclear development due, in part, to the hesitancy of the providers of such technology to transfer it to the Khomeini government.

Although heralded in some reports, no evidence exists that the Arab states of the area were relieved when the Israelis destroyed the Tamuz reactor. Neither does the Saudi offer to finance its rebuilding indicate Saudi interest in buying into a future nuclear military capacity. The offer does indicate a lessening of tensions between Iraq and Saudia Arabia, an affirmation of Arab-Islamic brotherhood, and Riyadh's displeasure with American failure to control its client, Israel. To paraphrase a Bedouin story, it is not only the camel that is important, it is the mouse attached to its tail.

Far more immediate and potentially more explosive is the emergence of a new class of technocrats, both indigenous and imported. The small patrician ruling class of the Gulf states must learn how to accommodate a large, foreign, plebian working class, and the governments of Iran and Iraq must learn how to control those forces unleashed by education and exposure to new elements. Saddam Hussein's distribution of economic largesse is only a short-term solution. The Shah's response to this problem was inadequate as he failed to create the political structures that would have integrated this class into the governing mechanism. In Iraq, the events of the summer of 1979 indicate that this class is becoming restive due to their isolation from the center of power.

This new class of managers prefers facts and figures to slogans. As economic considerations become a basis for political decision-making, it can be anticipated that the structures developed for national and subregional development and cooperation will reflect the new pragmatism. The rhetoric may develop inversely using a combination of pan-Arabism and Islam; the use of familiar idioms to achieve acceptance of the new and unfamiliar.
Events whose epicenters were not within the subregion have profoundly affected the area. The most recent of these is the removal of Egypt from the political core of the Arab world with the signing of the Camp David Accords in September 1978. By comparison, the death of Gamal Abdel Nasser had been but a passing blow to Arab unity. Nasser helped create the concept and Egyptian policy exemplified the pan-Arab position with regard to the proper path to be taken for achieving modernity and the issue of Palestine. It was Nasser’s Egypt which experimented with and demonstrated the feasibility of introducing nationalism and socialism into a traditional Islamic society. Egypt’s military capacity was the only potentially viable instrument for changing Arab aspirations into reality. The relatively moderate nature of the Nasserite policies also placed Egypt to the left of center but never allowed Egypt to slip into the abyss of radicalism.

Sadat’s Egypt, between 1970 and 1977, was also creating a unique position for itself; increasingly acceptable to the conservative states, maintaining its good will account with the progressive states and with the Shah’s Iran, actively and successfully anti-Israel and yet managing to negotiate with the Americans. The Egyptian role in the region, and consequently in the subregion, was that of a moderating force—of an ‘ombudsman’ who has some channels open to all parties, on some issues at some time.

The expulsion of Egypt from the Arab League created a vacuum of leadership, and the disappearance of the one Arab state that could mediate intra-Arab disputes. The western Middle East and the Arab world lost its adhesive at the same time that the eastern Middle East was released from the pressures applied by a preeminent Iran. The consequences were immense; the desire of Saddam Hussein to be the leader of the Arab world were transported from the realm of wishful thinking to that of highly probable. Kuwait and Saudia Arabia have increased noticeably their visible political activity and Assad of Syria continues to fashion himself as the protector of Greater Syria. The loss of Egypt, in 1978, as interlocutor has necessitated realignments in the area and direct interstate discussions of common concern. This new imperative has acted as a pumice stone, softening the extreme positions of the Gulf states, thereby creating a potential for genuine dialogue and agreement.
Although the long-term impact of Sadat's assassination cannot yet be known, Egypt's position vis à vis the Arab world may change: the removal of the person of Sadat, who was totally identified with the Camp David process, will allow Egypt and the other Arab states to begin a process leading to reconciliation. It is yet unclear whether Hosni Mubarak will signal continuity but, in fact, turn away from the foreign policy position of the Sadat regime. Thus far there is some evidence that President Mubarak is eager to create a climate within which such a reconciliation could take place. Directives to newspaper editors prohibiting them, and the papers, from printing negative comments regarding other Arab leaders or countries is but one indication of change in Egypt since October 6, 1981.

The resurgence of interest in the Saudi peace plan since Sadat's death seems to indicate that the Camp David process died with Sadat. The Omani decision to greatly dilute its involvement in Bright Star II may also indicate a change in Egyptian policy as the Omanis' policies have been closely attuned to those of Egypt since 1978. Statements by Hosni Mubarak, coupled with the actions of Oman, indicate that Egypt is seeking to politically disengage itself from the United States in order to reevaluate its position and its options, and is possibly seeking to develop a nonaligned posture more compatible with the position of the states of the Arab League.

THE EMERGENCE OF KUWAIT

The dynamics of the region since 1978 have elicited responses from Kuwait which are significant and exemplify the priorities of the subregion. The desire of the Gulf states to balance, and to inhibit, superpower involvement in Gulf affairs has led Kuwait to increase its contacts with the USSR. In addition to seeking to commit both the United States and the Soviet Union to its defense, Kuwait is seeking to diversify its sources for military purchases and obtain Soviet support for nonmilitary solutions to problems that are a source of instability in the area. At the April 1981 Kuwait-Soviet conference, demilitarization of the Gulf and Indian Ocean was discussed and a specific Kuwaiti request was made for Soviet assistance in achieving a negotiated settlement of the Dhofar 'rebellion.'
The new pan-Arabism is pragmatic; it is becoming an instrument for creating effective Arab control over Arab concerns; it is no longer merely a slogan symbolizing Arab aspirations. The success of this new pragmatism will depend on the ability of these Arab states to develop formulas for the integration of the Islamic imperative, a new synthesis that will inhibit the growth of extremism, and the balancing of, and neutralizing, US/Soviet power in the Gulf. Within the Arab Middle East there is a new strategic consensus taking shape, reflected in, if not initiated by, the Arab states of the Gulf. The exclusion of Iran from this Gulf consensus, the change from commonality to confrontation, is a post-Shah phenomenon. Although there were tensions existing between the Arab states and Iran, there was agreement in 1978 at the Kuwait Regional Conference that the states bordering the Gulf had common and special concerns regarding use of the Gulf including pollution, overfishing and regional security. The continued exclusion of Iran is dependent more on the events occurring within Iran than within the Arab states of this subregion.

FACTORS AFFECTING US POLICY OPTIONS

The Arab states of the Gulf and the United States share a number of important priorities: the limitation of destabilizing forces emanating from Iran, the protection of the oil supply, the maintenance of regional political stability, and the limitation of Soviet influence in the region. One important area of difference is, of course, the desire by the Gulf states to also limit US influence in the region. The areas of convergence do create, however, an environment within which the United States can build effective relationships founded on broadly-based, mutually-held objectives.

The acceptance by the United States and the Gulf states of UNCLOS III agreements will create an effective instrument for regularizing intraregional relations and relations between the United States and the Gulf states. A positive involvement of the United States in the implementation of the UNCLOS III provisions will allay persistent fears held by many LL/GDC’s, including Bahrain, Iraq, Kuwait, Qatar and the UAE, that their interests will be ignored by the United States and other industrialized, technologically-advanced countries.
Effective US political relations with the Gulf states necessitates developing adequate responses to the political realities existing within each of the Gulf states. The ongoing processes of goal redefinition, the development of instruments for achieving governmental legitimization and domestic stability may result in hyperbolic rhetoric and excessive posturing. Therefore, US perception of and support for any given regime should be based on whether or not it enjoys broadly based domestic support, with less attention paid to the personality characteristics of the leader.

Successful relations between the United States and the Gulf states will depend upon US ability to anticipate and to understand the elements which comprise the regional dynamic and to create a new synthesis of US and Gulf priorities.
ENDNOTES

2. Iraq is the only Arab country with a Shi'a majority. The Iraqi ruling elites are Sunni.
5. Ibid.
6. The data on industrial wages were unverified statistics of the Government of Iraq.
7. In mid-August 1979, it was announced that the regime of Saddam Hussein planned to hold general elections.
8. A 1937 agreement, concluded under the auspices of Britain and the Soviet Union, laid down the eastern borders between Iran and Iraq. This demarcation was observed until April 19, 1969 when the Shah of Iran unilaterally renounced the agreement, and seized control of territory and declared partial sovereignty over the Shatt al Arab. To enforce Iran's claims, using the principle of 'thalweg,' the Shah sent an escorted naval vessel from Khorrarmshahr to the Gulf. There was no Iraqi reaction: the Ba'thist regime was only 9 months old, the air force had been depleted in the 1967 war, there was a Kurdish rebellion in the northern provinces and the Iraqi economy was not yet enjoying the benefits of large oil revenues. The Algiers agreement legally gave Iran navigation rights in and partial sovereignty over the Shatt al Arab. This agreement was part of a larger settlement including a conclusion to the Kurdish rebellion.
13. Although there is conflict between Syria and Iraq on many issues including use of Euphrates water and transit fees, Iraq has been a constant supporter of the Palestinian/Syrian position vis a vis Israel. Iraq has rejected UN Resolution 242, has been a leader of the "Rejectionist Front" and has given $520 million in aid to the confrontaion states. PLO and Syrian support for the Khomeini regime is translated by Saddam Hussein as a negative attitude toward Iraq. The Middle East, February 1980, pp. 14-20.
14. The specific problem of Baluchistan directly affects Iran, Afghanistan and Pakistan. However, there is ethnic/linguistic linkage between the Kurds and the Baluch. Depending on whether or not or to what degree this relationship is used as
basis for political demands, the Kurdish problem could take on ‘Rubik’s cube’ characteristics. For instance, the development of a Kurdish-Baluchi entity would involve six countries, Arab and non-Arab, and two ethnic groups in the negotiating process.

17. The decision to expel Egypt from the League was taken at a meeting in Baghdad.

18. There is no adequate definition of the phrase ‘Islamic revival’; however there is a resurgence of religiousity in the Middle East, and an increasing use of religion as a basis for or as an excuse for policies.


20. *The Holy Qur’an*, Sura IV, 58, 59. Islam expects that authority will be exercised in righteousness and on that condition enjoins obedience to such authority.

21. This slogan has been used as the statement of the priorities of the Iraqi and Syrian Ba’thists.


23. If there is to be a new Egyptian foreign policy it will not be clearly enunciated until Hosni Mubarak’s regime has achieved a modicum of legitimacy by negotiating the total withdrawal of Israel from the Sinai.

24. Oman was the only Gulf state to support Sadat and the Camp David process. The disengagement of Oman from military exercises that were a direct outgrowth of the special US/Sadat relationship indicates a desire by Oman to keep its options open, or not to close the door on the involvement of the USSR in negotiating an agreement between Oman and the People’s Democratic Republic of Yemen on the Dhofar issue.

25. Iraq, meanwhile, has sought and achieved a diminution of its previously strong association with the Soviets.


27. The pre-Khomeini solution has been the stationing of Iranian troops in the area.


29. The Arab Middle East states did not participate in UNCLOS I or II and it is perceived that their active involvement in UNCLOS III demonstrates their preference for dispute resolution within a prescribed and equitable framework. Previous experiences with the oil companies is the basis for their desire to see the establishment of an international authority which is an operating rather than merely a licensing authority. This will disallow control of the authority to fall into the hands of monopolies. Ali A. El-Hakim, *The Middle East States and the Law of the Sea*, Syracuse: Syracuse University Press, 1979, pp. 70, 78.

### IRAQ--IRAN AND THE GULF: THE REGIONAL DYNAMIC

The elements that interact to create the dynamic of the subregion fall within three broad categories: interstate relations, transnational interactions, and subregional interactions. Developments within the states have affected interstate relationships. The Shiite ability to gain and retain power have shaped the domestic situation and foreign relations of Iraq. The stability and strength of the Shah's Iran led to a Pax Iranica in the Gulf area. With the coming of the Islamic revolution, not only has the preeminent power of Iran disappeared but new factors have been added to the subregional equation.
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