

# Impact of Success in Iraq on Gulf States

by [Simon Henderson \(/experts/simon-henderson\)](/experts/simon-henderson)

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## ABOUT THE AUTHORS



[Simon Henderson \(/experts/simon-henderson\)](/experts/simon-henderson)

Simon Henderson is the Baker fellow and director of the Bernstein Program on Gulf and Energy Policy at The Washington Institute, specializing in energy matters and the conservative Arab states of the Persian Gulf.



Brief Analysis

The end of Saddam Husayn's regime offers several key benefits with regard to U.S. interests. World oil supplies will increase as Iraq -- which has not been a major oil exporter since the beginning of the 1980-1988 war with Iran -- raises its oil production capacity to its full potential, which may amount to 5-6 million barrels per day. Cheap oil will boost the global economy, reduce Arab control of the oil market, and allow the United States to become less dependent on Saudi Arabia and better positioned to demand reforms from Middle Eastern regimes. In addition, postwar Iraq will no longer pose a weapons-of-mass-destruction threat to the region. The end of Saddam's regime will also reduce Russian and French influence in the region.

## Impact of the War on the Gulf Monarchies

The military activity of the past few weeks would not have been possible without the aid of Bahrain, Kuwait, Qatar, and Oman, each of which made important contributions to the military effort. Although the Saudis were instrumental to the Iraq war in that they agreed to increase oil production -- demonstrating that they are a reliable state willing to cooperate with Washington -- the Saudis were not as helpful as they could have been. The strengthening of the U.S. relationship with the smaller Gulf Cooperation Council (GCC) states, combined with the weakening of the relationship with the Saudis, is likely to alter the balance of power in the Persian Gulf. The smaller GCC states have increased in power and may begin to resist Saudi dominance in the Gulf. This will challenge the unity and strength of the GCC itself.

Because the United States is still heavily dependent on Saudi Arabia for oil, Riyadh may be able to maintain the upper hand in the region. This makes decreasing dependence on Middle Eastern oil an important goal for Washington. Even if the United States purchases its oil from Russia, South America, and central Asia, however, other countries will continue to buy oil from the Middle East, which will therefore retain its central role as a region in determining world oil supply and price.

## Concerns of the GCC States

The United States has a clearer idea of its goals in the region than do the GCC states. Given this fact, the latter are waiting to evaluate the implications of the Iraq war. The United States is committed to political reform in the region and will demand that these governments devote more attention to the concerns of their people.

The GCC states will remain concerned about the U.S. military presence in their territory, and they will expect American forces to leave the region soon. The United States does not need a large, permanent presence in the Gulf in order to respond quickly and effectively to crises; the U.S. military has shown that it can be effective when operating under time pressure and in small numbers. Therefore, it would be wise to sharply reduce the presence of U.S. forces before the GCC states publicly suggest a reduction or full withdrawal.

Another concern for GCC states is the effect that the Iraq war will have on their populations. Currently, people in the region are being inundated with confusing images of Iraqi liberation and freedom. The governments have lost control over the kinds of images that reach their populations, and may therefore be faced with increased public pressure to enact reform.

#### Barriers to U.S. Goals

The biggest short-term challenge facing the United States is that of making sure the chaos in Iraq subsides. Soon, however, Washington will face at least two other major challenges in the Gulf.

First, GCC states may be unenthusiastic about U.S. attempts to broker a Middle East peace deal that addresses Israel's security concerns. Public opinion in GCC countries -- as in much of the rest of the world -- is mostly hostile to U.S. policy on this issue. They blame the Bush administration for the lack of progress rather than the Israelis, the Palestinians, or terrorist groups.

Second, Iran and other countries with weapons-of-mass-destruction programs may take the wrong lesson from U.S. success in Iraq, especially in comparison with U.S. policy toward North Korea. Specifically, such states may decide that they should develop a nuclear arsenal as quickly as possible -- before the United States can come after them -- so as to deter U.S. intervention. To prevent the development of this scenario, the United States will need to take strong, quick, and deliberate measures against states tempted to pursue such a course of action.

Meanwhile, Washington should realize that its relationship with the United Kingdom is far more fragile than it seems. Much of the recent bilateral cooperation has been dependent on the personality of Prime Minister Tony Blair. Blair has successfully maintained the relationship thus far, but he will continue to need help from the United States. Specifically, he will need Washington's support with regard to the peace process, British commercial gains from Iraq, and recommitment to creating a global community. Although Blair does not face national elections for another three years, the local elections scheduled to occur this summer will be a test of British reaction to his policies. In order to shore up its current relationship with the United Kingdom, the United States will need to do more than pay lip service to Blair's political needs.

This Special Policy Forum Report was prepared by Shoshana Haberman.

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