

PolicyWatch 1315

## Unwanted Guest: The Gulf Summit and Iran

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On December 3-4, Arab leaders representing Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates (UAE), and Oman met in the Qatari capital, Doha, for their annual Gulf Cooperative Council (GCC) summit, which for the first time was attended by an Iranian president. In November, the UAE set a precedent by impounding an Iranian-bound shipment of undisclosed material banned by UN Security Council Resolutions 1737 and 1747 because of its potential use for nuclear weapons or missile programs. All of this came against the background of the new U.S. National Intelligence Estimate, which assessed that Iran halted its nuclear weapons program in 2003.

### Why Invite Ahmadinezhad?

The usual consensus of the summit was challenged when Qatar invited Iranian president Mahmoud Ahmadinezhad as a special guest. The announcement of Ahmadinezhad's participation was made only a day before the conference opened, to the apparent consternation of the other participants. The invitation fits with the often puzzling political behavior of the Qataris, who host both the controversial al-Jazeera satellite television station -- a media outlet that is often highly critical of U.S. policy -- and a major U.S. Air Force installation from where all air operations in Iraq and Afghanistan are controlled. Qatar also seems to enjoy annoying Saudi Arabia, with which it has a lingering border dispute.

Qatar has reason to both accommodate and worry about Iran. The sheikhdom, a member of the Organization of the Petroleum Exporting Countries (OPEC) with a tiny population of around 200,000 citizens, has the world's third largest reserves of natural gas, including part of a major offshore field that stretches into Iranian waters. Iran's portion of the field is known as South Pars, a site of enormous Iranian investment and development.

Despite the surprise Iranian guest, the other participants made no public fuss. A memorable photograph of the summit shows Saudi king Abdullah walking hand-in-hand with Ahmadinezhad into the conference hall. Given a platform to speak, the Iranian leader urged security, economic, and commercial cooperation but failed to mitigate fears of his country's ambitions. He stated, "We want peace and security . . . based on justice and without foreign intervention," which is diplomatic code for the demand that the U.S. military leave the area. He also annoyed the other participants by pointedly using the term "Persian Gulf" rather than "Arab Gulf."

### Post-Summit Statements on Iran

In the GCC statement released after the summit, the first substantive paragraph was directed at Iran. In addition to emphasizing the importance of a peaceful solution to the "nuclear" issue, the paragraph called for Tehran's "constant" cooperation with the International Atomic Energy Agency (IAEA) -- a word that the UN agency itself has not used to describe its continuing efforts to find the truth about Iran's nuclear activities. At the same time, the GCC's cautious approach and need to preserve Arab consensus meant that criticism of Iran was balanced by a paragraph referring to Israel, which was urged to join the Nuclear Nonproliferation Treaty and allow the IAEA to inspect its nuclear sites.

Similarly unrealistic rhetoric was exhibited in the next paragraph, which called for a region free of weapons of mass destruction. If enacted, this could prompt a crisis with Washington, as it would severely limit the ability of the United States -- effectively the security guarantor of each GCC state -- to provide a deterrent threat. The U.S. military currently operates on the basis that ambiguity about the location and use of its nuclear weapons is a crucial part of their deterrent value.

The Gulf Arab states, and particularly the UAE, find themselves at the forefront of an effort to stop the proliferation of weapons of mass destruction. To the delight of U.S. officials, the UAE has recently introduced an export control law, and its November action against Iranian-bound cargo contrasts sharply with the more relaxed behavior shown in the past, when Dubai was the unofficial hub for Pakistan's efforts to acquire nuclear-related material. Dubai is also closing down suspect trading companies and making it more difficult for Iranians to set up businesses there.

The most pointed criticism of Iran was in the paragraph relating to the dispute over three islands: Abu Musa and Greater and Lesser Tunb. The usual reference calling on the Iranians to resolve the dispute by direct negotiations or through the International Court of Justice was also accompanied by a stark statement of "disappointment that

the contacts with Iran did not achieve any positive results that could solve the issue." Iran refuses to give up the islands, which lie close to the Gulf's main shipping lanes, and has also resisted taking the case to any form of arbitration.

#### Other Regional Issues

Iran was also the implied target of an early paragraph stressing the importance of respecting the unity and sovereignty of Iraq and "not interfering in its internal affairs." Several of the Gulf states have major Shiite communities, co-religionists of Iran, and worry about the Shiite-dominated government that has emerged in Baghdad. The statement urged the Iraqi government toward "national reconciliation among different communities" and "amending the constitution" -- references to a greater Sunni role.

Regarding economic issues, the statement repeated earlier commitments to a 2010 target date for monetary union -- widely considered to be near impossible -- but dodged the increasingly problematic issue of foreign exchange policy. The currencies of most Gulf states are linked to the dollar, and its declining value has provoked concern. The cost of imports has soared, and the relative declining value of wages has upset the huge expatriate labor forces working in GCC states.

To the surprise of outsiders, the word "oil" was absent from the entire statement. This is a result of each GCC member's jealously guarded energy policy. Although all enjoy the fruits of record oil prices, there are huge disparities in their hydrocarbon reserves. Also, some fields lie in areas where ownership is subject to dispute.

#### Challenges to U.S. Policy

The invitation of Ahmadinezhad should serve as a reminder to Washington that Gulf Arabs instinctively seem to prefer compromise with Tehran rather than confrontation. Qatari prime minister Sheikh Hamed bin Jassem al-Thani stated this succinctly at the end of the conference: "We cannot afford to follow certain international strategies that could harm our interests." Discussions on the regional balance could be enlivened by the new U.S. intelligence assessment that Iran suspended its nuclear weapons program in 2003. That estimate is also likely to be an annoyance and embarrassment to some GCC governments; for example, in an interview last month, Bahrain's crown prince for the first time openly accused Iran of seeking nuclear weapons.

The Gulf Arab states are crucial to U.S. regional policy. Kuwait serves as the main access route for supplies into Iraq; Bahrain hosts the headquarters of the U.S. Fifth Fleet; Qatar, Abu Dhabi, and Oman provide major air bases; and the Dubai port of Jebel Ali is visited more often by American naval ships than any other place outside the United States. All form a crucial network from which oil can be exported and safeguarded through the strategic Strait of Hormuz. These states are also crucial for the propagation of the war on terror. The subtext of the postsummit statement is that they are testing the resolve of the United States, as they are uncertain whether the Bush administration's present commitments will be continued by whoever forms the next administration.

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