

IRAN IN GCC DYNAMICS

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There is a pressing need for a study that would address, from the perspective of both sides, the relationship between Iran and the countries of the Gulf Cooperation Council (GCC).¹ The lack of such a study is due in large measure to the paucity of scholars who could produce it. Although I have lived and worked in Iran and at one time immersed myself in Iranian studies, I certainly make no pretense at being able to present current Iranian viewpoints with the degree of comfort I feel in outlining the viewpoints of a range of GCC Arabs. The same may be true for Iran scholars whose empirical experience within the GCC and its six member countries has been similarly limited.

This opening caveat is necessary in order to underscore what this paper is and what it is not. It is not an attempt to portray an Iranian point of view on its relationships with the GCC. Rather, it is intended to present perspectives on Iran's effect on GCC thinking expressed by numerous GCC representatives, on one hand, and strategists, planners and policy makers in the member states of the GCC on the other.

A word about sources is also in order. The GCC sources for the views expressed in this paper fall into four different categories: 1) individuals who address GCC and member countries' strategic and overall interests visà-vis Iran and who are either themselves, or happen to work closely with, the member countries' decision makers; 2) researchers, analysts and policy formulators engaged either in monitoring GCC-Iran affairs or in implementing GCC and member states' policies toward Iran; 3) individuals who view Iran in the broader context of other countries; and 4) private citizens who are merchants with long-standing and significant trading ties with Iran.

Given the diversity of sources, it should not be surprising that the policies, positions, actions and attitudes of leaders within the GCC and its member countries are not monolithic. Indeed, there is a substantial divergence of opinion within the GCC community -- a divergence which Iran has encouraged -- concerning the GCC's and the member states' bilateral relations with Iran. Imbedded in this divergence is the fact that GCC concerns related to Iran extend beyond its regional presence and the fact that it is neighbor to all six of the GCC states. The GCC's additional, more existential concerns about Iran include Iran's behavior toward issues of importance to the GCC members and its different system of government, different international objectives, and different culture, language and history.

¹ Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

For these reasons, Iran functions more as a constant than a variable in GCC foreignpolicy deliberations and implementation. Of course, the major constant in their relationship, geographic proximity, leaves the two no choice but to take each other into account on an ongoing basis. Indeed, all four of the groups mentioned above agree that the large size of Iran's population, armed forces and natural resources, as well as the hundreds of thousands of Iranians living and working in, and regularly traveling back and forth to the GCC make it imperative for the GCC to seek continuously to engage the positive and constructive forces at work in Iran. There are naturally a great many more variables than constants that determine the overall dynamics of the GCC-Iran relationship at any given time. The ones with which this paper is concerned, however, are those of a strategic, economic and political nature.

POSITIVE ATTRIBUTES OF IRAN ACKNOWLEDGED BY THE GCC

Most of the GCC officials and citizens in the four source groups agree that, in the post-Khomeini era, they have reason to view Iran differently and, on the whole, much more positively than they did during the Iran-Iraq War. They point to several constructive forces at work in Iran, such as the post-Khomeini leadership, which, in their view, has thus far acted fairly conservatively in its behavior toward the newly independent Islamic countries in Central Asia. Contrary to much irresponsible public commentary on the subject, they believe that Iran has focused more on state-to-state relations than on building a pro-Iranian "fifth column" in these countries.

With regard to Iran's military policies, many GCC Iran watchers note Iran's plans to develop nuclear capabilities and view the potential implications as very dangerous for the GCC's long-term security prospects. Not all GCC analysts are as upset as some with Tehran's decision to spend \$2 billion a year to rebuild its armed forces. Considering the fact that Iran's army was shattered in the Iran-Iraq War, numerous analysts, for example, point out that \$2 billion a year in itself is not an alarming amount for building the country's forces back up, especially if Iran is to have any hope of purchasing high-performance aircraft. As with the buildup of the GCC countries' own armed forces, and, notwithstanding the offensive nature of Iran's submarines, they reason that purchases alone do not necessarily indicate the intentions of Iran's overall military procurement program.

In addition, within the United Nations and the broader international sphere, GCC analysts acknowledge Tehran's positive support for the U.N. resolutions against Iraq. In this regard, they particularly appreciated Tehran's refusal to accept any of the economic and other incentives that Saddam Hussein offered Iran as a means of weakening the international embargo on Iraq both during and subsequent to his forces' occupation of Kuwait. However, it has become a matter of concern that Iraq, more recently, has managed to transport 20,000-30,000 barrels of oil a day into Iran by truck, and Iran continues to trade with Iraq.

Other GCC Iran watchers welcomed Tehran's assistance in freeing hostages held by pro-Iranian groups in Lebanon. Such assistance appeared to be an indication that at least some Iranians held less malice toward the GCC's Western partners, especially the United States, Great Britain and France, than many had imagined. In this GCC view, pragmatism -- a characteristic more easily dealt with than ideological extremism -- is seen as on a slow but steady ascendant in Iran. From this perspective, Iran no longer saw that it was in its interest for the hostages to be retained.

GCC Iran specialists point to the following as additional examples of Tehran's positive international behavior in the past few years: (1) its begrudging but de facto acquiescence in the perpetuation not only of the GCC countries' forms of government, but also of their continuing close ties with the West in general, and the United States, Great Britain and France in particular; (2) the lack, to date, of any sustained overt Iranian support for forces that seek to divide Iraq into Kurdish and Shia separatist states in the north and south; (3) Tehran's increasing emphasis on economic development rather than on exporting radicalism and revolution;² and (4) the Rafsanjani regime's perceived penchant for dialogue rather than for confrontation on disputed issues.

The foregoing indicates the GCC's appreciation of the desire by some Iranians to strengthen and expand these and other encouraging signs. Arrayed against such upbeat outlooks, however, are less charitable schools of thought. As one GCC analyst remarked to me, "Sure, there has been some change. Everyone can see elements of progress. The situation is clearly not as bad as it was three years ago. Yet this gives us little satisfaction because of what could be. Until this happens, we're going to work the issues between Iran and us diligently and tenaciously. What Iran is doing, and what it could do, are going to continue to figure prominently in our deliberations."

This viewpoint expresses a more guarded assessment of the regional position and role of Iran and is shared by many in the GCC. It refers implicitly to pan-GCC concerns about what many would argue are the numerous negative attributes of Iran's foreign relations. These attributes lie at the root of GCC suspicions about Iran's ultimate intentions toward the GCC states, toward the Gulf as a whole, and toward other Arab, Middle Eastern and Islamic countries.

NEGATIVE ATTRIBUTES OF IRAN OF CONCERN TO THE GCC

Strategic Factors

In the post-Khomeini era, the kind of world in which many GCC and Iranian policy makers would like to live seems, at one level, to be broadly similar, if not identical. Both, for example, seek to avoid a global or regional conflagration that could arise from an international scramble for their energy resources. GCC and Iranian leaders, moreover, have frequently alluded to a corollary interest in avoiding bilateral conflicts or any other pretext that could compel outside powers to intervene in their affairs.

Iran's fervent opposition and threats to sabotage the [Arab-Israeli peace] process, in contrast to broad support for it throughout the GCC, only serve to emphasize the nature and depth of the differences between Iranian and GCC thinking. . . .

GCC and GCC member-state representatives cannot forget, however, the record of Iran's regionally destabilizing behavior in the wake of the 1979 revolution in Iran. They point to Tehran's strident rhetorical support for the rebels who seized the Grand Mosque in Mecca in the fall of 1979, the subsequent burning of the U.S. embassy by pro-Iranian militants in Pakistan, Iranian complicity in the attempted coup d'état in Bahrain in 1981, and the steady stream of

² Other GCC Iran analysts take exception to this characterization and argue that the purpose behind Tehran's economic assistance to other countries continues to be the cause of exporting Iran's revolution.

invective and other threats that emanated from Tehran toward virtually all of the GCC governments throughout most of the 1980s. Nor have they forgotten Iran's sustained subversive activities aimed at Iraq over a period of nineteen consecutive months in 1979-1980, during which Tehran -- in what Iraq, the GCC states and many other countries felt was a direct and blatant violation of the March 1975 Algiers Iran-Iraq Accord -- provoked Baghdad to such an extent that Iraq invaded Iran.

A strategic commonality between the GCC and Iran on certain matters pertaining to oil has only partially offset the concerns stemming from Iran's relatively recent behavior toward the GCC and other countries. Both the GCC countries and Iran, for example, seek to ensure as great a return for their oil sales as possible. Both also seek to avoid actions that could drive customers away, spur development of alternative energy resources, or produce other results prejudicial to their interest in maintaining a lucrative market for their energy exports. On the more specific matter of oil-pricing and OPEC production quotas, however, the GCC oil-producing countries, as will be discussed later, advocate policies that are substantially at odds with Iran's. If the record of GCC and Iranian cooperation on oil issues is mixed, the differences of viewpoint between them on other issues are numerous and multifaceted. Indeed, the mere listing and categorization of the GCC's additional concerns vis-à-vis Iran illustrate the important role that strategic issues play within the intricate web of GCC-Iran relations.

First, many in the GCC view Iran as the single most pervasive threat to the members' interest in a peaceful and stable Gulf. The record, GCC spokesmen insist, speaks for itself. Iran's sponsorship of political violence outside its borders; its support for destabilizing groups in Algeria, Tunisia, Egypt, Jordan, Lebanon, Gaza and the Sudan; the training it continues to provide to militants seeking to upset the regional political status quo; its continued occupation of three islands claimed by the UAE; the continuing claims to Bahrain by many high-ranking Iranian personalities; its military domination of the Gulf's entrance and exit points, with Silkworm missile batteries targeting the Hormuz Strait from the Iranian mainland; and its recent acquisition of high-tech submarines, a weapon previously absent from most other Gulf arsenals,³ have all been sufficiently documented. The cumulative record is deeply disturbing not only to GCC foreign-policy and defense officials, but also to leaders tasked with ensuring domestic security as well.

Saudi Arabia, the headquarters and linchpin of the GCC, remains acutely resentful of the repeated pronouncements by prominent Iranian clerics that the Kingdom is not a fit guardian of Mecca and Medina, Islam's two holiest cities. The harangues of these and other Iranian leaders against the Kingdom's "brand" of Islam and, by implication, against the regime in Riyadh, not only preclude normalization of ties between the two countries. More fundamentally, they challenge a core component of the Kingdom's *raison d'être* and its international legitimacy -- its role as the epicenter of prayer and pilgrimage and of faith and spiritual devotion for nearly a quarter of humanity.

In addition, virtually all GCC leaders take exception to the support that Iranian leaders give to "populist" Islam. They are quick to emphasize that, historically, Islam has been a strong, ameliorating force for cooperation and communication between the two peoples, thereby

³ Saudi Arabia has French submarines.

preventing ArabIranian tension from breaking into violent conflict or racial pogroms. They point out further that, as a system of spiritual belief as well as a way of life, Islam transcends ethnic and national differences, and its strong universal appeal has acted as an important coalescing agent. In their view, therefore, "populist" Islam, at least as espoused by many Iranians, exists as a force for revolutionary change, thus posing a fundamental threat to the current governmental structures and political systems.

Second, GCC leaders underscore the obvious when they point out that the worldview of many Iranian leaders is diametrically opposed to that of the GCC and its member countries. Recent signs of pragmatism notwithstanding, the prevalence of interventionist views among numerous Iranian officials is a continuing source of friction in their relations. A concern throughout the GCC is that a significant segment of Iranian society, including many among the national and clerical leadership, continues to seek to spread the radical and revolutionary experience of recent Iranian history to other countries, including the six GCC member states. The mere involvement of large numbers of Iranians in such activities abroad, unchecked by the authorities in Tehran, constitutes, in GCC eyes, a serious and far-reaching threat to the national sovereignty, political independence and territorial integrity not only of the GCC countries, but also of their regional friends, allies and strategic partners.

To be sure, many observers of Gulf affairs are quick to point out that GCCIranian diplomatic and commercial relations are generally conducted along normal and orthodox lines. However, from a GCC perspective, this does not obscure or compensate for the numerous instances in which Iran has sought to destabilize other countries. Perhaps the most memorable example is the following: as a condition of peace with Baghdad during the Iran-Iraq War, Tehran repeatedly demanded that Iraq change its president, that the entire Iraqi Baath party step down, and that Iraq pay Iran \$150 billion in reparations.

A more current example, which GCC analysts cite, is Iran's condemnation and rejection of the Israeli-Palestinian peace process. Iran's fervent opposition and threats to sabotage the process, in contrast to broad support for it throughout the GCC, only serve to emphasize the nature and depth of the differences between Iranian and GCC thinking on regional peace and stability. North Africa, the Nile Valley, the Eastern Mediterranean -- each of these regions abounds with additional examples of where Iranian ideological imperatives, combined with unrealistic political and economic demands, have taken precedence over other considerations.

There are also major differences in GCC and Iranian strategic thinking on how best to devise a system that would deter future threats to regional security, and to provide for the region's defense if deterrence were to fail. On this issue, the GCC recoils from Iran's efforts to divide GCC opinion on the role of Western forces in enhancing the GCC's and its member states' deterrence and defense capabilities. It resents Tehran's continuing opposition to the decisions of the region's weaker and more vulnerable countries to rely upon whomever they choose for assistance in their right to selfdefense in one of the world's most strategically vital neighborhoods.

During the Iran-Iraq War, when the GCC lined up support in the U.N. Security Council, in Europe and in the broader international community to pressure Tehran, it was clear that Iran would neither forgive nor forget the accumulation of global and regional powers thus arrayed

against it. Conversely, neither has the GCC forgotten Iran's harsh denunciations of its reliance on the West to bring the Iran-Iraq War to an end and, later, to reverse Iraq's aggression against Kuwait.

The GCC countries acknowledge that their decision to maintain close strategic, economic and defense relations with Western countries, and the United States in particular, does not come cost-free. The cost is official Iranian condemnation. They have to live with the fact that Iran considers several GCC countries to be client states of the West. They have to continually hear that their relations with Washington are but a mirror image of the former Pahlavi-American connection. They have to contend with Tehran's propaganda linking America and, by extension, the GCC and other Arab states that cooperate with the United States, with Zionism and imperialism.

The tactic is to persuade as many of Iran's American friends as possible to join it in doing whatever is possible to make Arabs continuously disappointed with Americans, Americans continuously disappointed with Arabs, and Arabs disappointed with Arabs.

The GCC recognizes the additional cost of having to endure a long-standing Iranian tactical game played out at the expense of the U.S. -GCC and the broader U.S. -Arab relationship. The tactic is to persuade as many of Iran's American friends as possible to join it in doing whatever is possible to make Arabs continuously disappointed with Americans, Americans continuously disappointed with Arabs, and Arabs disappointed with Arabs.

The tactic has many faces and many forms and, over the years, has been implemented in a wide variety of forums. When effective, it has served a higher Iranian strategic goal -- to preclude influential Americans and Arabs, and, no less important, Arabs themselves, from becoming or remaining close for any extended period of time. An example well known in GCC circles is the offer of the Khomeini regime to the Bahrain government to replace any economic losses if it would sever its security assistance relationship with the United States and shut down its international tourist industry.

A quite different example, one that has often made allies of Iranians and Israelis, has been the opposition to strengthening and expanding U.S. -GCC relations in the area of defense cooperation. Indeed, for most of the years of Israel's existence since 1948, an Israeli factor has intervened in what would otherwise have been a far smoother set of relationships not only between the GCC countries and Iran, but between the GCC members and various Western countries, especially the United States.

The extent to which Israel's and Iran's strategic interests have resulted in their collaboration in military, intelligence and economic affairs over the years is far better and more widely known in the Gulf than outside the region. After the June 1967 War, for example, military equipment bearing Soviet markings found in the Kurdish areas of Iraq bordering Iran was discovered to have been provided the Kurds not by the USSR but by Iran via the Sinai Peninsula, where Israel had recovered considerable

Iranian-Israeli relations in petroleum affairs were especially close during the time of the shah. For that reason, it was all the more heavy a blow to Israel when its supply was terminated in early 1979. Israel received substantial quantities of oil from Iran during and after the oil

embargoes resulting from the Israeli-Arab wars of 1956, 1967 and 1973. Indeed, the Iranian navy provided protection for Israel-bound tankers going to and from Iran to purchase and deliver the oil. Following the Sinai II Agreement of September 1975, the importance of Iranian oil to Israel increased dramatically. Whereas previously Israel had relied on Iran for nearly two-thirds of its energy requirements, after Israel's return of the Sinai oil fields to Egypt in that year, the degree of the Jewish state's dependence on Iranian oil grew steadily until, at one point in the late 1970s, Iran accounted for nearly 90 percent of Israel's oil imports.

The Israeli-Iranian factor exerted negative and damaging influence on U.S. -Arab and Arab-Iranian relations throughout the Pahlavi period. The fact that both Iran and the United States maintained important and supportive ties with Israel, and that America and Iran were in turn close allies, helped create and deepen an enduring irritant in U.S. -Arab relations. However, even years after the overthrow of the shah of Iran and the establishment of a radical regime in Tehran, common strategic and military interests between Iran and Israel figured heavily in the prolongation of the Iran-Iraq War and, at the time of "Irangate," in increasing tensions between the United States and the GCC at the most delicate and dangerous time in the history of their relationship.

Since the fall of the shah, promotion of the Iranian revolution and the continuing quest for the removal of all Western forces from the Gulf have been major ingredients of Tehran's approach to attaining regional superpower status. This approach, however, has run counter to that of the GCC, which favors continued close cooperation with its major strategic, economic and political partners, whether they be Western, Asian, or other Arab and Islamic countries. Unlike Iran, the GCC and its member states, along with most of the members of the United Nations, have always favored the regional status quo with regard to such issues as national sovereignty, political independence and territorial integrity. A hallmark of their political style, moreover, has been and continues to be their slow consensus-building approach to domestic and foreign policy. Indeed, the GCC was brought into being to consolidate and promote these and other goals, most particularly the objective of enhancing their prospects for survival and prosperity in a neighborhood that, following the Iranian revolution and the subsequent onset of the Iran-Iraq War, had grown much more uncertain than ever before.

Economic Factors

At the root of the tension between Iran and the GCC in the economic sphere, in the eyes of many GCC representatives, is Iran's belief that the GCC countries are disproportionately, and therefore unjustly, in control of far too much of the Gulf region's oil resources. Sixty million Iranians possess 12 percent of the world's proven oil resources, whereas approximately 15 million GCC citizens possess 50 percent of these resources.

At this level, Iran has fashioned a "rich GCC versus poor Iran " dynamic that concerns the GCC. There is nothing, of course, that either can realistically do to change their population differential. Neither is there much that either can do in the foreseeable future about the stark differences between their per capita incomes: an average of \$500 in Iran and \$10,000 in the GCC. The situation, in GCC eyes, is thus tailor-made for scapegoating the GCC as the root cause of Iran's economic woes.

The GCC response to the policy implications of Iran's analysis has been more indirect than confrontational. For example, in the March 6, 1991, Damascus Declaration signed by the six GCC foreign ministers and their Egyptian and Syrian counterparts, the signatories proclaimed that the region's natural resources belong exclusively to the countries in which they are located. Although GCC leaders point out that this is hardly a surprising concept, they acknowledge that Iran and a number of poorer Arab and other Muslim countries with which Iran maintains close relations are uncomfortable with the principle's implications: that the GCC countries, and Egypt and Syria, will brook no moral, economic or other claim that these resources belong to anyone other than the people in whose territories they are situated.

In support of their position, GCC representatives note that the principle in question is one that has been promoted since the early 1950s, when the region-wide quest of Iran and numerous Arab and other oilproducing countries for sovereign control over their natural resources began to gather momentum. Indeed, back then, it was a core principle of Arab, Iranian, Venezuelan, Indonesian and other developing countries' nationalists alike as they sought to wrest control of their peoples' destinies from excessive foreign control.

GCC analysts argue that they have little choice but to cope as best they can with Tehran's unhappiness over the fact that their countries, collectively, hold sway over more than four times as much oil as Iran. Likewise, they argue that they have no alternative but to try as best they can to alleviate the tension that exists between them within OPEC on matters pertaining to the pricing and production of oil. The source of this latter tension, they stress, is the Iranian view that the GCC countries favor, and are responsible for, a lower oil price than the international energy market could sustain.

GCC analysts and oil-industry officials do not agree with the Iranian perspective on this issue. They reject the premise as well as the policy implications of this viewpoint, which imply that Iran's economic needs and goals require its oil exports to be priced as high as the market will tolerate. The GCC is aware that many Iranians believe that the GCC countries, by supporting Iraq during the Iran-Iraq War, contributed substantially to Iran's military defeat and economic devastation. Its leaders are equally aware that many Iranians believe, accordingly, that the GCC therefore "owes" an enormous debt to Iran. The GCC, however, refuses to acknowledge any such debt.

. . . the GCC countries are the most important source of the [West's] imported energy. . . . The . . . Western countries are the largest and most important importers of GCC oil. No similarly natural and compelling interdependence binds Iran to these countries, or vice versa.

As noted earlier, GCC analysts argue that Iran can hardly claim not to have provoked Iraq 's invasion in 1980. When U.N. Security Council Resolution 598 of July 1987 included an article calling for a court of inquiry to determine responsibility for the origins of the war, GCC analysts, Iraqis and virtually all five of the Permanent Members of the U.N. Security Council welcomed the prospects for convening such a tribunal. They recall that Iraq immediately accepted the resolution in its totality, but that Iran, for more than a year afterwards, did not. They believed then, and do so to this day, that an impartial tribunal would show that, notwithstanding numerous wrongdoings by Iraq, Iran reaped what it had sown. Accordingly, Iran, in this view, is entitled to

little sympathy. Even less is it entitled to compensatory behavior from either the GCC or, excluding Iraq, anyone else for the consequences of its actions.

Leaders in the GCC countries are fully aware of Tehran's resentment that they account for more than a third of all OPEC production. They also understand the reasoning behind Iranian arguments, spurred by the disparity in population and per capita incomes between the two countries, that the oil production quotas of OPEC members should be realigned to be more reflective of members' populations. In this regard, GCC analysts, far from being persuaded by this line of reasoning, report that a favorite Iranian scenario is for GCC quotas to be pushed down far enough to cause sufficient increase in the price of oil to make Iran's production more economic. This in turn, Tehran argues, would encourage greater foreign investment in Iran's oil industry. GCC analysts find this to be a warmed over version of the "rich versus poor" argument, albeit in a different guise. Moreover, it disregards market forces and, particularly, consumer preference, i.e., the needs, interests and concerns of the customers who buy the GCC's product.

In pressing their viewpoint against Tehran's, GCC oil strategists highlight what drives their petroleum policies. One factor, they emphasize, is simple market economics: supply and demand. On the supply side, the GCC countries are the most important source of the imported energy that drives the economy of the West in general and the United States in particular. On the demand side, the United States and other Western countries are the largest and most important importers of GCC oil. No similarly natural and compelling interdependence binds Iran to these countries, or vice versa.

GCC representatives are quick to point out a number of other economic factors that favor them over Iran. These include: (1) the lower production costs of GCC oil; (2) the GCC's more modern array of tanker terminals, refineries and ship repair yards; (3) the vastly greater Western investment in the GCC's economies; (4) the substantially greater degree of governmental, political and fiscal as well as monetary stability among all six GCC member countries; and (5) the GCC countries' significantly greater clout in international energy, economic, financial, industrial and commercial circles.

A prominent GCC citizen who is critical of Iranian sensitivities on these and related issues has been prone to assess these factors that favor the GCC thus: "Facts are facts; they're stubborn things." Other GCC spokesmen point to additional "stubborn" economic facts that for nearly two decades have been a constant in the GCC-Iranian relationship: namely, those that flow from the GCC countries' continuing role as major contributors to international finance, investment and development assistance for many of the world's less fortunate countries.

Together, the GCC countries, with Saudi Arabia and Kuwait at the forefront, function as a force to be reckoned with in the World Bank and IMF, in OPEC and OAPEC, and in such organizations as the Arab Monetary Fund, the Arab Fund for Social and Economic Development, and the GCC's own investment body, the Gulf Investment Fund. They're also influential in several national developmental agencies, such as those that exist in Saudi Arabia, Kuwait, Qatar and Abu Dhabi. All of these organizations assist a great many countries, but because of the range of GCC-Iranian differences noted herein, not Iran.

The GCC is acutely aware that Iran's economic problems contain the seeds for domestic upheaval which, unchecked, could spill over into regional instability. Unemployment in Iran, for more than a decade, has averaged 30 percent, as has inflation; schools and universities have long been overcrowded; and the Iranian rial has not only been devalued, but continues to have almost no appeal in markets outside Iran.

The GCC's Iran observers are consequently concerned that Tehran, as a result of its self-inflicted constraints on development, may be tempted to divert domestic attention away from the country's economic woes by portraying the GCC as "the enemy." Those concerned point to Iranian condemnation, if not demonization, of the GCC countries for their siding with Baghdad during the Iran-Iraq War, for their marshaling international support against Tehran during that conflict, for their continuing reliance on non-Gulf countries for security assistance, for their special relationship with the West, and for their "insufficient" and "incorrect" guardianship of Islam's two holiest cities. Numerous GCC citizens believe that many Iranians already view the GCC as a major scapegoat for their ills, with all the attendant risks that such a situation may hold for future regional stability.

These and other economic-based realities of the position and role of the GCC countries in regional and world affairs, realities that serve as a source of ongoing friction in GCC-Iranian ties, do not exist in a vacuum. They are linked to other phenomena, such as the politics of their relations with other countries, that strain the GCC-Iranian relationship even further.

Political Factors

GCC leaders regret that many Iranians deeply resent the GCC-wide decision to support Iraq throughout most of the IranIraq War. They also regret that, both during and after the 1990-1991Kuwait crisis, so many Iranians have lectured GCC citizens on this issue in the vein of "we told you so."

Numerous GCC spokesmen agree with their Iranian counterparts on the highly regrettable consequences of much of their and many others' support for Baghdad during the 1980-1988 Iran-Iraq War. They believe strongly, however, that what they did was the wisest decision at the time. In this regard, they note that the overwhelming majority of the world's countries were fully supportive of the GCC actions, especially of the efforts to end the conflict via mediation -- alternately spearheaded by the UAE's Sheikh Zayid, Saudi Arabia's King Fahd and Oman's Sultan Qaboos. Further, they note that the international effort to support Iraq was tempered by the GCC's and other countries' cautioning that the goal of intervention was not to make Iraq strong, but rather to ensure that Iran -- the party that insisted on prolonging the conflict -- did not win.

The GCC. . . saw its position as one of a weaker third party with no choice but to support the lesser of two threats. Iraq was a potential threat; Iran was clearly an actual threat.

The GCC, the West, the U.N. Security Council and most of the rest of the international community were suspicious of both Iran and Iraq. They wanted to prevent an outcome in which either of the combatants would emerge from the conflict in a position to dominate the region.

The GCC, moreover, saw its position as one of a weaker third party with no choice but to support the lesser of two threats. Iraq was a potential threat; Iran was clearly an actual threat.

GCC officials feel that GCC actions to counter the very real and compelling danger that Iran posed to its security warrant no apology. They also believe that their actions require no compensatory behavior geared to curry favor with Tehran. GCC spokesmen, therefore, disagree strongly with the claim of many Iranians that GCC policies toward the Iran-Iraq conflict were fundamentally wrong.

GCC leaders and citizens from all walks of life believe they did what they had to do at the right time, in the right way, for the right reasons and with the right partners. No amount of revisionist theorizing, they argue, is likely to alter their interpretation of this most wrenching of all episodes in recent GCC-Iranian relations. Neither will it change the fact that Tehran was bereft of international support in its quest to continue the conflict, as Iranians themselves admitted at the time.

GCC spokesmen also object to Iran's finding fault with their support for Egypt in regional councils. For example, they disagree with the reasoning behind Tehran's denunciation of Cairo's decision to provide strategic, political and military depth to Iraq, and by extension to the GCC countries, during the latter stages of the IranIraq War. They also take umbrage at Tehran's criticism of the successful GCC-wide effort to resuscitate Cairo's regional position and prestige while the Iran-Iraq War was still underway, and its carping, later, against the GCC's leading role in gaining Egypt's readmission to the Arab League within a year of the ceasefire.

To be sure, the fact that Egypt's Nasser and Sadat, and Iran's shah and Khomeini, are no longer the protagonists in the tense relationship between Cairo and Tehran is a source of some relief for many of the more seasoned Iran watchers within the GCC. However, these and others take little comfort in noting that Egypt's Mubarak and Iran's Rafsanjani seem as suspicious, mistrustful and disrespectful of one another as were their predecessors. In this regard, they were especially taken aback at the barrage of condemnation and rejection unleashed by Iranian officials when Egyptian government and some GCC spokesmen implied in 1991 that Egypt might henceforth be playing a major role in Gulf security.

Thus far, GCC spokesmen are somewhat relieved that the tensions between Iran and Egypt have taken the form of a war of words. For their part, however, GCC officials have no intention of downplaying their appreciation for the strategic, political and military role that Egypt played in the 1985-88 period in helping to end the IranIraq conflict and, in 1990-91, in helping to reverse Iraq's aggression, liberate Kuwait and defend the GCC countries.

For reasons due only in part to Iran's sensitivities, Egypt is not likely to be afforded the role it had previously sought to play in GCC regional-security planning. However, it will continue to be, along with Syria, one of the two most important Middle Eastern countries to which the GCC states will look for an intimate relationship in regional affairs.

The question of how best to resolve the Israeli-Palestinian and Arab-Israeli conflicts is also likely to continue as a contentious political dispute between the GCC and Iran for some time to come.

The reasons are several. Unlike Iran, the GCC, together with the PLO, remains wedded to the Madrid formula for the peace talks aimed at resolving the conflict. Representatives of the GCC Secretariat, moreover, have participated in each of the multilateral talks since the peace process began.

Privately, many GCC public- and private-sector leaders do not hide their sympathies on this issue. They agree with many Iranians and others that the Palestinian tragedy is synonymous with one of the twentieth century's greatest miscarriages of justice. Many GCC citizens also agree with those Iranians who argue that no self-respecting leader can afford to embrace any policy other than the total restoration of Palestinian rights in the occupied territories, especially Jerusalem.

Like many others, GCC spokesmen, moreover, make no secret of the fact that the September 1993 Israeli-Palestinian Declaration of Principles is seriously flawed. None among them denies that the declaration leaves unanswered many important questions bearing on the prospects for a just and durable settlement of the conflict. This said, large numbers of GCC citizens nonetheless view the declaration as a major breakthrough. They see it as an important first step among many other important steps that are yet to come. They argue, moreover, that the alternative -- no peace process at all, but continued violence with no end in sight and possible escalation on both sides -- is unacceptable.

Many GCC analysts, like large numbers of their Palestinian and Israeli counterparts, therefore, identify positively with the most recent developments in the Middle East peace process. In so doing, more than a few point to the GCC's and the member countries' historic roles in supporting a peaceful settlement of the conflict. They note, in particular, their successful efforts to forge a majority viewpoint among the Arab countries at pan-Arab summits in Fez in 1982, in Amman in 1987, in Algiers in 1988 and in Casablanca in 1989 that paved the way for the PLO's recognition of Israel, its renunciation of political violence and its acceptance of a two-state solution.

The correct course for the GCC and Iran to take vis-à-vis the Israeli-Palestinian conflict from this point forward -- most GCC analysts argue it is the only pragmatic course -- is for neither of them to lose sight of the strategic objective of the greater number of the Israelis and Palestinians themselves. That objective is to end the conflict as soon as possible through peaceful and political means rather than through armed struggle. That many Iranians continue to espouse the latter approach as a more appropriate means for ending the conflict is, in GCC eyes, not merely unrealistic; it is dangerously irresponsible.

Lastly, aside from the differences noted in GCC and Iranian policies toward Egypt and the Israeli-Palestinian conflict, the two also differ in their approach to Lebanon. For their part, many in the GCC and its member countries hold Iran responsible for many of the delays in implementing the Saudi-Arabia-mediated September 1989 Taif Accord on Lebanon. The accord sought, among other things, to amend the Lebanese Constitution so that Lebanon's legitimate government could consolidate its authority and end that country's civil war.

This objective cannot be achieved as long as Iranian Revolutionary Guard members refuse to leave the country and the Irandominated militias within Lebanon refuse to disarm and submit to the government's central authority. Syria's much older, quite different and more multifaceted

interests and involvement in Lebanon aside, GCC spokesmen regret that, for each day that Iran persists in its destabilizing policy towards Lebanon, another day passes in which a key component of regional peace and stability is further postponed.

THE SEARCH FOR COMMON GROUND

The purpose of this paper remains limited. It has been to introduce insight into how important actors within the GCC, its member countries and citizenry, perceive and relate to Iran and its citizens in three categories of analysis: international strategy, economics and politics. Space limitations and the fact that this is merely an introduction to a topic that deserves a far lengthier and more exacting study preclude a more detailed analysis of these three areas and numerous other dimensions of the GCC-Iranian relationship.

In Bosnia, GCC and Iranian advocacy on behalf of their beleaguered fellow Muslims stems from the same tortured spirit, woven into the same seamless cloak of mourning.

Certainly, there is a bountiful supply of difference and disagreement between GCC and Iranian approaches to issues other than the three discussed herein. For example, nothing was mentioned about divergences and convergences in their respective policies and positions toward such issues as trade, investment and technology transfer. Neither was there more than cursory comment on the implications of their markedly different approaches to regional defense for their overall foreign policies and their bilateral and other international relationships. Nor was there more than passing mention of the theological schism between Sunni and Shia and the mistrust which that has fostered for centuries.

There are other major lacunae in this all-too-brief analysis of the topic at hand. For example, a fuller treatment of the positive features which many in the GCC find in Iran's more recent international behavior would be seriously lacking if it did not mention their cooperation regarding Afghanistan. There, to be sure, the GCC and Iran were in solid agreement on the objective of forcing the former Soviet Union to withdraw its troops.

In Bosnia, too, GCC and Iranian advocacy on behalf of their beleaguered fellow Muslims stems from the same tortured spirit, woven into the same seamless cloak of mourning. It is surely in these and other realms of shared feelings that a way toward forging a more trusting and respectful relationship between the two peoples can be found.

The great majority of GCC citizens, for their part, want to look forward and positively, not backward and negatively, toward a better relationship with Iran. Most GCC and Iranian leaders, however, like their counterparts elsewhere, are not permitted to indulge their longings unless it can be shown that they are not the mere musings of wild-eyed visionaries, but are rooted in the possible. It is not the clarity of the vision as much as the heavy hand of recent history and ongoing reality that throws cold water in the face of optimists who envision a GCC-Iranian relationship that could one day be strong and mutually beneficial. The protracted differences in their respective perceptions, as well as in their, at times, widely opposing policies and positions on issues of importance to them both, as illustrated herein, are some of the reasons.

For many, however, there is a more fundamental reason. It is the failure of conventional wisdom thus far to produce even a complicated, let alone an easy, answer to a question that eludes the most astute among GCC Iran watchers. That question is seen by some as having two sides, but, in reality, they are the same. Are the recent positive changes in Iran's international behavior strategic? Are they reflective of a fundamental change of heart or merely tactical contrivances? Might they merely be cleverly conceived methods of expediency? Could they not simply be reflective of the kinds of pragmatic policies that anyone in Tehran would be compelled to devise in order to cope with the daunting constraints confronting contemporary Iran? On the answer to these and a range of related questions turns the larger issue of what kind of relationship the GCC, its member countries and Iran are likely to establish in the foreseeable future.

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