The opening speech of GRC's chairman at the 4th Annual Conference of the Gulf Research Center

**"Gulf Yearbook 2006-2007"**

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Park Hyatt Hotel, Dubai

In the Name of Allah, the Compassionate, the Merciful

Dear Guests,

It pleases me to welcome you and express my thanks and appreciation for your participation in the proceedings of the 4th Annual Conference of the Gulf Research Center, which will focus on presenting the Center's flagship publication: The Gulf Yearbook 2006-2007. The book will be published in Arabic and English. Perhaps it is worth mentioning that the Yearbook now is recognized internationally as an authoritative annual reference volume, which records, analyzes and assesses the most important developments witnessed by the states of the Gulf region, both at the internal level, and in their interactions at the regional and international levels. The Yearbook uses a scientific methodology that employs accuracy in monitoring realities, objectivity in analyzing them and avoids preconceived judgments in interpreting these realities. Also, the methodology takes into consideration the reality of the overlap between political, economic, and security issues in the Gulf region. It also pays attention to the reality of the interconnection between what is internal and what is external since the Gulf region and the Arab World in general represent a paradigmatic case. This case elucidates the impact of international variables on local and regional developments on the one hand, and the impact of some domestic and regional issues and crises on the international situation, on the other.

In addition to this, the contributions included in the book do not stop at recording, analyzing and interpreting only, but seek to envisage the future developments vis-à-vis issues pertaining to the Gulf.

Ladies and Gentlemen

The Gulf region, which has not enjoyed security and stability for decades, is currently passing through a danger-laden historical turning-point. Or rather, it sits on the edge of a volcano, especially in the light of the tragic situation in Iraq, which is more akin to a state of civil war. There is also the complication of the Iranian nuclear file in the light of the faltering diplomatic efforts and the sanctions imposed by the UN Security Council on Tehran. These and other issues are precursors of serious hazards to which the region might be exposed, especially in view of the total collapse in Iraq, or the possibility of a breakout of armed confrontation because of the Iranian nuclear file.

Perhaps you share my view that the obvious failure suffered by US policy towards the Gulf region, and the Arab World in general, is one of the major reasons in the light of which we can understand the continuity of the acute crises plaguing the region, and interpret them. Also, America's absolute support to Israel has represented, and continues to represent, one of the main causes preventing the realization of a comprehensive settlement of the Arab-Israeli conflict. In addition to this, the selective policy and double standards employed with respect to the issues of democracy and human rights in the region has robbed the US of its credibility in this respect.

Honorable Guests

The Gulf Yearbook 2006-2007 has accorded importance to recording the steps taken by the GCC States on the road to political reform and assessing them, especially with regard to the holding of municipal and legislative elections, modernizing some laws and legislations pertaining to political life, reducing restrictions on civil society organizations, and efforts to improve human rights records, and other similar measures.

Although the steps towards political reform vary in terms of nature and importance from one country to another, it is important to continue these efforts cumulatively and efficiently as they are the ideal means of establishing a new social contract between the state and society. This social contract has for a basis strengthening the foundations and principles of citizenship, the rule of law, respect of human rights, as well as enhancing national unity and reinforcing the political legitimacy of the ruling regimes in a way that could contribute to security, stability and development.

However, until political reform in the countries of the region realizes the desired goals, it is important to keep pushing forward with the efforts of establishing a democratic political culture. This entails developing the education, information and cultural policies, in addition to updating the apparatuses and institutions of the state, especially in the light of challenges imposed by globalization, and giving room to the organizations of civil society to perform their role with efficacy. This is so because active civil society represents a fundamental pillar of any real democratic evolution.

Undoubtedly, one of the major challenges facing the efforts of domestic reform in the GCC States is the instability in the regional environment and the lack of security because of what is taking place in Iraq, the tense developments pertaining to the Iranian nuclear program crisis and its attendant bleak horizons, in addition to the danger represented by some trans-border terrorist cells and organizations. Such situations can negatively reflect on the processes of domestic reform in the GCC States.

Ladies and Gentlemen

The economic developments witnessed by the GCC States during 2006 have been given significant space in the Gulf Yearbook, especially because of the relative improvement which has been witnessed by these states owing to the increase of their financial revenues resulting from the rise of oil prices on the one hand, and the continuity of the processes of economic reform in varying degrees on the other.

In this context, the Yearbook has accorded importance to recording the major indicators of performance of the Gulf economies during 2006 and analyzing them, assessing the performance of financial markets, as well as discussing and analyzing the efforts made towards diversifying the sources of income. This also involves assessing the role of the private sector, the new developments in economic coordination among the GCC States, especially with respect to the Customs Union, the GCC Common Market, the GCC Monetary Union and the issuing of a GCC Common Currency.

The yearbook also gives importance to recording the most significant developments relating to security and defense affairs in the region and analyzing them. In this context, Iraq represents an exceptional case in terms of the extent of deterioration of the security situation caused by the multiplicity of the forces, organizations and militias that have engaged in practicing violence and terrorism. Some states, such as Saudi Arabia and Yemen, have also witnessed terrorist activities, which have essentially targeted some oil installations and utilities. This represents a significant development in the way Al Qaeda and its cells think.

In spite of this, with the exception of Iraq, the recession of terrorist activities has been noteworthy in 2006. This indicates the efficiency of the security services in dealing with the activities of the terrorist organizations by dismantling their organizational structures and arresting many of their leaders and cadres and bringing them to justice.

Though the importance of the role of security services in combating terrorism is recognized, yet the security solution alone is not sufficient to treat the phenomena of extremism, violence and terrorism. These phenomena have roots in cultural, economic and social factors. Consequently, dealing with these phenomena requires measures that reach out beyond security. It also presupposes moving ahead efficiently and keeping on with universal reform efforts in conformity with national agendas that meet the aspirations of the Gulf nations.

In addition to the above, the yearbook comprises meticulous statistics and documented analyses relating to defence affairs in the GCC States, especially with respect to the policies of armament, training and the developments in military coordination and training between these states in the context of the plan of developing and restructuring the Peninsula Shield Force. The Yearbook also throws light on and analyzes environmental issues in the Gulf region. These are issues of utmost importance because of their existing and potential implications for sustainable development in the region.

Ladies and Gentlemen

In the light of the developments which have been witnessed by the GCC States, whether individually or collectively during 2006, the Gulf Yearbook has paid attention to recording, analyzing and assessing these developments with special reference to:

- the positions of the countries concerned and their policies towards the Iraqi question and its many complications,

- the Palestinian question and the developments it has undergone under the Hamas government,

- the Israeli war on Lebanon, and

- other important regional issues.

The Yearbook has also accorded importance to analyzing developments in the international relations of the GCC States, especially as regards their relations with the United States, the European Union and Asia. These relations have political, military, security and economic dimensions and facets. If the US represents the major international player in the Gulf region, the European Union has its economic and political importance. As for Asia, it has importance owing to several factors. The most significant of these is the future demand for oil. This factor represents one of the major variables in understanding the developments of the Gulf policies towards Asia.

Dear Guests

The Gulf region and the Arabian Peninsula include in geostrategic terms the GCC States, Iraq, Iran and Yemen. Hence what happens in each of the last three countries, whether internally or in the sphere of their foreign policies, is reflected in one form or another on the entire Gulf region. Therefore, the Gulf Yearbook has set itself the task of recording the developments in the situations in the three countries as well as analyzing and envisaging them whether internally or in the sphere of foreign policies.

In this context, the focus has been placed on the developments in Iraq in the light of the on-going deterioration in the security situation, the escalation of sectarian violence, mass killings on the basis of ethno-religious identity, the increase in the clout of armed militias, and the spread of death squads. All these indicate a failure on the part of the police and security forces; it has become almost certain that some segments of these forces have been infiltrated by militias and sectarian forces. These things apart, the deterioration of the socio-economic situation and the increasing acts of coercive displacement continue.

All these and other things occur in the context of the inability of the Iraqi government to control the situation, the faltering efforts of national reconciliation between the major Iraqi powers and groupings, and the failure of the US policy in Iraq. This failure has been admitted by the officials of the American administration after the Democrats won the majority in the two houses of the Congress in the mid-term elections, which were held in November 2006.

The situation in Iraq was one of the main reasons, if not the main reason, for the loss of the Republicans. This is so because the only superpower in the post-Cold War era is facing a real stalemate in Iraq. This stalemate has a high material and human cost; that is if we overlook the moral cost relating to the loss of prestige of the US on account of its inability to achieve a victory in Iraq consistent with its concept and vision of victory.

Despite the possibility that Washington could change its policies in Iraq in accordance with the recommendations and proposals of the "Baker-Hamilton" report, and irrespective of the nature of the potential change and the extent of its effect on the situation on the ground, a major part of Washington's predicament in Iraq is embodied in the fact that it is incapable of continuing the game there. At the same time, it is not able to withdraw. Each option is more bitter than the other; each has its cost and price.

Despite the fact that the execution of Saddam Hussein has put an end to a man whose name was part and parcel of the wars and conflicts witnessed by the region for decades, it is unlikely the execution will put an end to the dilemma of violence in Iraq. Rather, it is going to intensify the spirit of vengeance in a manner that might lead to a civil war. And this will turn Iraq into a fountainhead exporting extremism, violence and terror outside its borders.

In all, existing facts indicate that Iraq will suffer from more instability for years to come. There is no way of putting it on the route to stability and development except via:

- achieving a real national reconciliation,

- dissolving armed militias,

- reinforcing the Iraqi Army and Police in a manner that augments their ability to control security,

- restoring the prestige of the apparatuses and institutions of the state,

- reviewing the plans of reconstruction,

- giving room to regional and international actors to participate in finding solutions to the Iraqi question, and

- drawing up a reasonable timetable for the withdrawal of foreign troops from Iraq.

However, the real challenge facing the different actors involved in Iraqi affairs can be summed up in the following question: how can these conditions be provided and carried through to fruition in the light of the state of chaos currently rampant on the Iraqi stage?

Ladies and Gentlemen

If what is happening in Iraq is going to have an impact on the region for years to come, the crisis of the Iranian nuclear file will remain a focal point of tension and possibly explosion in the region. This is specially so because of Iran's intransigence and its defiance of the UN resolution to impose sanctions on it, which was passed unanimously. Judging by this, the crisis will remain open to the possibilities of taking other steps of escalation against Iran.

In this context, the worst possible scenario in this crisis is the breakout of an armed confrontation between Washington and Tehran, or an Israeli strike on the Iranian nuclear installations in coordination with the American administration. Concern emanates from the fact that any military confrontation will have serious security ramifications for the region, in addition to effects on the environment and health that might result from the destruction of the nuclear installations.

The danger of this situation is exacerbated by the fact that Ahmadinajad’s Iran is not the Iraq of Saddam Hussein in terms of the scale and nature of its military capabilities. Iran also has some cards to use in case it sustains military strikes. Hence the importance of the call of the GCC States to make the entire Middle East region, including the Gulf region, a WMD-free region, since a continuation of the current situation could open the door to an arms race in the region. This will negatively affect the chances of realizing security and stability in the region.

Dear Guests

If the new American Secretary of Defense, Robert Gates, has announced in his first visit to Iraq that the US will stay in the Gulf for a long period, and if this can be understood in the light of the position of Washington and its aspirations as the sole superpower, whose role in the Gulf is one of the major props of its role in the global sphere, then the real challenge is embodied in how to work out an appropriate formula that makes the American role in the Gulf an element of security and stability, not a source of tension and chaos.

This can only be achieved by settling the main problems in the entire region. Foremost among these is the Iraqi question, the crisis of the Iranian nuclear file and the Arab-Israeli conflict since what is occurring in the Gulf cannot be isolated from what is occurring in the sphere of this conflict. Also, the crystallization of a stable security system in the Gulf based on mutual arrangements and guarantees, with the participation of Washington and other international actors represents an important element in the efforts made to achieve energy security.

Likewise, the continued presence of the US in the region should focus on, among other things, developing a formula for a real partnership with the countries of the region and avoiding the policy of dictating things and blatant intervention in the internal affairs of these countries. It also requires correcting the negative image of the US among the nations of the region owing to the mistaken US choices and policies, especially in the light of the presence of neo-Conservatives in the decision-making circles in Washington.

And here I would like to refer to the fact that Arab nations do not oppose or reject the American people, American culture, American political values or education. Rather, they oppose American policies based on the arrogance of might, double standards, lack of credibility, and blind support of Israel.
Thus correcting the image basically requires correcting the formulation of US foreign policy, not merely focusing on empty propaganda work. Without this, the Gulf region will remain vulnerable to crises and incidents that harm not only the interest of its countries, but American and global interests, too.

Ladies and Gentlemen

Finally, I would like to express my thanks to, and great appreciation of, all the academics and scholars, Arab and non-Arab, who have splendidly contributed to our book The Gulf in 2006-2007. My thanks extend to those who have contributed to the editing, translating, proofreading and production of the book.
Once more I thank you and wish our guests from outside the United Arab Emirates a pleasant stay in the city of Dubai. I also wish the conference absolute success, and hope to see you all on future scholarly occasions.

 [May the peace, mercy and blessings of God be upon all of you.]