



المركز العربي للأبحاث ودراسة السياسات
Arab Center for Research & Policy Studies

The Sixth Gulf Studies Forum

7-8 December 2019

Background Paper

The Sixth Gulf Studies Forum, to be held between 7 and 8 December 2019, will consist of two tracks: “Public Policy-Making in the Gulf States”, concerning domestic issues and “Challenges of the Local and International Environment for the Gulf States” concerning international relations.

Track 1: Public Policymaking in the Gulf States

Public policy looks at the development of the state and its role in economy and society. However, in the Gulf States it has been subordinated – whether in interpretation or policymaking itself – to rentier state models rooted in the vast accumulation of oil wealth in those countries, and has been used to expand control over society.⁽¹⁾ Approaches emphasizing the concept of the rentier state to explain public policymaking in the Gulf are important, but have often elided the importance of social forces such as merchants, businessmen, and the private sector more generally to policy. They have likewise downplayed the importance of tribal and familial balances and the role of representative councils. Furthermore, they have sometimes obscured the role played by foreign consultancy firms (e.g. McKinsey) in institutional restructuring and “reform” in the Gulf public sector.⁽²⁾

Public institutions are inevitably important to policymaking, contrary to the contention that they play no active role in the Gulf. Public institutions have experienced rapid development in Gulf countries since the 1970s because of various factors, the most important of which was the oil boom following the 1973 Arab-Israeli War (when the average barrel price rose from \$2.30 in 1972 to approximately \$10.70 in 1974). Other factors included the development of education and the importation of skilled workers who contributed extensively to the construction of the modern Gulf states, particularly Arab workers (who made up 70%-75% of foreign workers in the Gulf at the time).⁽³⁾

The first period of state-building was characterized by development and institution-building of two major kinds: the apparatus of sovereign authority (the army, internal security forces, police, judiciary, etc.) and the integration of non-official groups within the state (merchants, men of industry, the wealthy, property-owners).⁽⁴⁾ From the beginning of the 1980s Gulf policymakers sought to create a model that would accelerate economic and social development domestically and integrate the Gulf with the global economy. Major increases in state revenues, particularly after the second oil boom following the 1979 Iranian Revolution – when the price of a barrel of oil rose from \$12.70 in 1978 to \$28.60 in 1980 – allowed states to orient themselves towards broad investment in public sector development in infrastructure, education, health and commercial and investment institutions, as well as liberating themselves from traditional social structures.

1 Hazem Beblawi & Giacomo Luciani (eds.) *The Rentier State* (London: Routledge, 2016).

2 Lu'lu'a Rashid al-Khatir, “Kayfa Tusna’ as-Siyasa al-’Amma fi Dawlat Qatar? Islah at-Ta’lim Ma Qabl al-Jami’i Unmudhajan” in Various Authors, *Buldan Majlis at-Ta’awun li-Duwal al-Khalij al-’Arabiyya: at-Tahaddiyat al-Ijtima’iyya wa’l-Iqtisadiyya* (Beirut: ACRPS, 2016), pp. 621 - 622.

3 Zahra Babar, “Working for the Neighbors: Arab Migrants in Qatar,” in: Arab Migrant Communities in the GCC, Summary Report no. 12, Georgetown University in Qatar, 2015, p. 1, accessed on 19/3/2019, at: <https://bit.ly/2Y8Q0aP>.

4 Mehran Kamrava, “The Political Economy of Rentierism in the Gulf,” in: The Political Economy of the Gulf, Summary Report no. 3, Georgetown University, 2011, accessed on 19/3/2019, at: <https://bit.ly/2Fjuhm>

With the 1990s and the rise of an international trend towards privatization further increased by the development of the so-called “Washington Consensus”, Gulf states worked to expand their reliance on the private sector and to diversify their sources of revenue. In Saudi Arabia, for example – where government interest in increasing the role of the private sector had begun in the 1970s – the government announced a plan to move towards privatization at a business conference in Jedda in 1989.⁽⁵⁾ There were attempts to reduce the negative effects of this reorientation: in the UAE, the union government attempted to limit the effect of privatization policies on the less wealthy Emirates,⁽⁶⁾ while in Qatar, the government showed a limited interest in expanding privatization, believing that such policies must be weighed up against the interests of those working in state institutions.⁽⁷⁾

From 2004-2014, the Gulf states accumulated a great deal of capital thanks to the third oil boom (in which the average price of a barrel rose from \$25 in 2002 to \$65 in 2006 and \$140 by mid-2008 before falling in 2014 to approximately \$27). Public policymakers now showed an interest in maximizing the returns on this capital. A series of long-term development plans were produced for this purpose, beginning with Oman’s 2020 Vision and followed by similar plans released by Qatar, Bahrain, Abu Dhabi and Saudi Arabia. This interest was accompanied by the founding of new sovereign wealth funds alongside the expansion of those that already existed: in 2000 there were only five such funds, while since that date nearly ten new funds have been founded. Alongside this, states showed a great interest in investment and expansion in other sectors, such as media, education, health and research.

While public policy in the Gulf has helped bring about economic development and cultural and social openness, it has also produced many challenges and problems. Unlike the financial, social, and economic sectors, public policymaking is largely opaque; how policies are made and change is unclear, and they often suffer from important defects because of lack of accountability, transparency, rule of law, separation of powers and professionalism in the administrative apparatus. It is rare for there to be general participation in policymaking or a precise and objective assessment of their economic and social costs and effects or their capacity to effect justice in distribution of wealth. Neither do they lend sufficient importance to accumulation of experience, as the result of the opacity of the policymaking process and the change in consultants and consultancy firms with the arrival of a new minister.

Results have thus been mixed. Some states have failed to achieve balanced and sustainable development and diversify their economies. The benefits of growth have not been felt by all parts of society equally. Short-term policies have been adopted to deal with problems, and there has been only superficial interest in the building of a knowledge economy.⁽⁸⁾ There have been calls for far-reaching reforms to confront

5 ‘Abdul’aziz ad-Dakhil, *at-Tanmiya al-Iqtisadiyya fi ‘l-Mamlaka al-‘Arabiyya as-Sa’udiyya: Qira’a Naqdiyya* (Beirut: Dar as-Saqi li’t-Tiba’a wa’n-Nashr, 2011).

6 Ahmed Mustafa Elhussein Mansour, “The Impact of Privatization on United Arab Emirates Federal Public Sector,” *International Public Management Review*, vol. 9, no. 2 (2008), p. 77.

7 Ahmed Mustafa Elhussein Mansour, “Public Policy and Privatization: The Case of the Qatar Experience,” *Public Administration and Development*, vol. 27, no. 4 (October 2007), p. 5.

8 ‘Abdullah al-Baridi, “al-‘Aqd al-Ijtima’i wa’l-Huwwiyya wa’l-Iqtisad al-Musayyas: Ta’thir Tadafuri Murbik li-Duwal al-Khalij al-‘Arabi”, in: Various authors, *Buldan Majlis at-Ta’awun li-Duwal al-Khalij al-‘Arabiyya: at-Tahaddiyat al-Ijtima’iyya wa’l-Iqtisadiyya* (Beirut: ACRPS, 2016), pp. 229 - 232.

these problems, recognizing that good policy cannot be made without political reform guaranteeing greater participation in its production and implementation. Finally, the blockade of Qatar raises the question of to what extent it is still possible to talk about coordination of Gulf policy or the creation of a regional system based on binding commitments and agreements which do not only help institutional governance economically and socially but in fighting corruption and increasing transparency and oversight by establishing Gulf-wide standards for implementation and assessment of policies.

Public policy is one of the tools by which a political system finds solutions to political, economic and social questions that fit with the desires and aspirations of society. In order to make and implement good public policy, a number of conditions – institutional qualification, technical capacities, and sustained effort – must be met. The ACRPS thus invites participants – whether from the Gulf, other Arab countries, or from outside the Arab World – to help cast light on an issue that concerns all citizens of the Gulf, concentrating on the following points:

- The challenges faced by public policymaking in the GCC countries.
- Public policymaking in the GCC (education, health, energy, infrastructure etc.)
- Official actors in public policymaking in the GCC.
- Legislation and public policymaking in the GCC.
- The private sector and interest groups and their role in public policymaking in the GCC.
- The role of foreign states and consultancy firms in decision-making in the GCC.
- Public opinion and media and public policymaking in the GCC.
- Female university graduates and the possibility of employing them in public policymaking.
- The role of social forces in public policymaking in the Gulf.
- Consultative councils and “legislative” bodies and public policymaking.
- The role of consultancy firms in public policymaking in the GCC.

Track 2: Threats to the Gulf States in the Regional and International Environment

The threats faced by the Gulf States are ever more numerous. Oil prices – which have witnessed major decline since 2014 – continue to influence public finances and rates of economic growth as non-oil sectors remain sluggish. Natural gas and shale oil have taken on greater global importance, representing a real challenge to the position of the GCC as the largest global producer of gas and oil. Meanwhile, the Gulf Crisis and the divisions it has produced have led to a contraction of investment between different GCC countries and a reorientation towards individual international trade policies on the part of each member state.

A growing sense of economic and financial pressure imposing instability on the region, decreasing trust in American policy and greater tension between Iran and the US after the latter's withdrawal from the nuclear deal are all additional burdens borne by the GCC countries, particularly in the security and defense sectors. The latest report from the Stockholm International Peace Research Institute on global arms sales indicates that between 2007 and 2016 weapons imports to the Middle East increased by 86%, while in 2017 alone, military spending on the Middle East increased by 6.2%.⁽⁹⁾

Despite fluctuations in oil prices over the last five years, the Gulf States' demand for arms has remained constant, particularly with the ongoing Gulf Crisis which has dealt a lethal blow to the idea of collective security and changed conceptions of the challenges that it faces. Saudi Arabia and the UAE are the leading importers of weapons in the Middle East: in 2017 Saudi military expenditure increased by 9.2% to a total of 69.4 billion dollars, making it the third largest military spender in the world,⁽¹⁰⁾ while the latest available estimate of the Emirati military budget places it at 24.4 billion dollars. Estimates released recently suggest that the UAE is the fourth largest importer of arms in the world: as much as 4.4% of all arms sales in 2017 were to the Emirati government.⁽¹¹⁾

Against the backdrop of a lack of confidence in unstable US policy under Donald Trump, the role played by Russia in the Arab region is expanding. Already strongly present in the Syrian crisis, Moscow is seeking to deepen its political, military and economic links with the Gulf States and to act as an intermediary between the two sides of the Palestinian divide as well as playing a role in the Israeli-Palestinian peace process. Likewise, non-Arab regional powers – Turkey, Iran, and Israel – are in the ascendant, with some Gulf States attempting to normalize relations with Israel on the pretext of confronting Iran and creating a counterweight to Turkey. The European Union, meanwhile, is playing a less prominent role, preoccupied as it is with the rise of the populist right and the risk of the Brexit bug spreading to other member states.

The ongoing unrest in the Middle East, including the Gulf, is one manifestation of the general instability from which the international system is currently suffering. New poles and powers are in the ascendant, casting their shadow over the Gulf region. All this is happening even as the Arab states themselves are becoming more fragile and non-state actors (militias and extremist organizations) are playing an ever more prominent role. Likewise, both inter- and intra-state polarization is increasing sharply, with the streets once again filled with protesters in more than one Arab country. All this requires the Gulf states to determine their vision, strategy and policy towards these developments.

The ACRPS thus invites participants – whether from the Gulf, other Arab countries, or from outside the Arab World – to help cast light on the challenges confronting the Arab Gulf and the reactions to them, focusing on the following points:

9 SIPRI Fact Sheet, Nan Tian et al. Trends in World Military Expenditure, 2017, May 2018, accessed on 6/3/2019, at: <http://bit.ly/2Ho49eH>

10 SIPRI, SIPRI Year Book 2018: Armaments, Disarmament and International Security, 2018, accessed on 6/3/2019, at: <http://bit.ly/2HkyDOR>

11 Ibid, p. 8.

- Challenges and threats confronting Gulf regional security (Iran, the Gulf Crisis, the arms race, etc.)
- Threats facing the Gulf states as a major energy producer (the declining role of OPEC, the rise of the USA as the largest energy producer, geopolitical threats to energy transfer plans, etc.)
- The policy of Gulf states towards regional crises and issues (naturalization with Israel, Syria, Yemen etc.)
- The policy of Gulf states towards regional powers (Iran, Turkey, Pakistan, India, China).
- Policy of the Gulf states towards the US's restructuring of its role in the region.
- Policy of the Gulf states towards the Russian ascendancy in the region.
- **Process**

The Gulf and Arabian Peninsula Studies Forum Academic Committee invites professors and academics working in the Gulf, elsewhere in the Arab World and beyond to submit papers on any of the topics given above in the two tracks of the conference. Abstracts should be submitted at the latest on 1 May 2019, and should clearly show the research question, its importance and the contribution to the field with a list of possible references and sources. Papers approved by the Academic Committee (between 5000 and 6000 words) should be submitted by 1 September 2019 in a form suitable for peer review and in conformity with the Center's publication guidelines. The Academic Committee will inform the author of its decision, its recommendations to improve the quality of the paper or its requested amendments in due course.

All communications should be submitted to: gulf.forum@dohainstitute.org

The ACRPS will cover the cost of travel and of accommodation in Doha for the length of the Conference.