

OMAN'S FOREIGN POLICY BETWEEN 1970-2008

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ABSTRACT

OMAN'S FOREIGN POLICY BETWEEN 1970-2008

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In this thesis, Oman's foreign policy between 1970 and 2008 is examined. The main question of this thesis is what the main characteristics of Oman's foreign policy are. In order to identify the main characteristics of Oman's foreign policy its determinants are analyzed by looking at its three interacting environments: domestic, regional and international. In other words, the impacts of these three environments on Oman's foreign policy conceptions, behaviors and decisions are discussed. While examining Oman's foreign policy, special attention is exerted to its foreign policy towards Iran which is the most influential regional power in the Gulf. It is observed that Oman's foreign policy towards Iran is the best telling example of how Oman balances the benefits and constraints of the three environments.

Keywords: Oman's Foreign Policy, Characteristics of Oman's Foreign Policy, Domestic, Regional and International Environments, Oman's Foreign Policy Towards Iran.

ÖZ

OMAN'IN 1970-2008 YILLARI ARASINDAKİ DIŞ POLİTİKASI

Akseki, Emin

Yüksek Lisans, Uluslararası İlişkiler Bölümü

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Bu tezde, Oman'ın 1970-2008 yılları arasındaki dış politikası incelenmektedir. Tezin ana sorusu Oman dış politikasının ana karakteristiklerinin neler olduğudur. Oman'ın dış politikasının ana karakteristiklerinin tanımlanabilmesi amacıyla Oman'ın iç, bölgesel ve uluslararası çevrelerini incelemek suretiyle Oman dış politikasını belirleyen unsurlar analiz edilmiştir. Bir diğer ifadeyle, sözkonusu üç çevrenin Oman'ın dış politika kavrayış, davranış ve kararları üzerindeki etkisi tartışılmıştır. Oman'ın dış politikası incelenirken, Körfez'in en etkili bölgesel gücü İran'a yönelik dış politikasına özel önem verilmiştir. Oman'ın İran'a yönelik dış politikasının, Oman'ın anılan üç çevrenin getirdiği fırsat ve sınırlamaları nasıl dengelediğine ilişkin en açıklayıcı örnek olduğu gözlemlenmiştir.

Anahtar Kelimeler: Oman'ın Dış Politikası, Oman Dış Politikasının Karakteristikleri, İç, Bölgesel ve Uluslararası Çevreler, Oman'ın İran'a Yönelik Dış Politikası

To My Family

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CHAPTER 1

INTRODUCTION

For three decades, the Gulf Region¹ has proved to be one of the most volatile regions of the world. Since 1979 the Gulf region has become the stage of many important developments such as the Soviet invasion of Afghanistan in 1979, the Iranian Revolution, Iran-Iraq War, Iraq's invasion of Kuwait, the USA's invasion of Iraq and Iran's nuclear program, which have affected and are still affecting the whole world. All these developments took place in a region which possesses 60.6% and 40.8% of the world's conventional oil and gas proved reserves.

Located in the entrance of the Gulf and controlling the Strait of Hormuz, the world's most important oil chokepoint due to its daily oil flow of 16.5-17 million barrels, which is roughly 40% of all seaborne traded oil (or 20% of oil traded worldwide)², and being an important part of the Middle East, Arab World and the Gulf Region, Oman and its foreign policy deserve a detailed academic attention. Due to its historical continuity, strategic location, Ibadhi religion and modest oil resources, Oman differentiates from other countries of the Arabian Peninsula.³ That differentiation can also be seen in the field of foreign policy.

In some of the regional and international problems Oman has pursued a different path from its Arab and Gulf brethren. For instance in 1979 Oman supported the peace talks and agreement between Egypt and Israel and refused to join the "rejectionist" camp against Egypt; after the USSR's invasion of Afghanistan and the Islamic Revolution in Iran it became the first Arab Gulf country signing an agreement with the USA in the field of security and opened its military facilities to the USA; during

¹In this study, the region which is called as "Persian Gulf" by Iranians and "Arabian Gulf" by the Arab nations will be called as "the Gulf Region".

²http://www.eia.doe.gov/cabs/World_Oil_Transit_Chokepoints/Hormuz.html

³Jeremy Jones, Negotiating the Change: The New Politics of the Middle East, London, I.B. Tauris & Co. Ltd., 2007, p. 157.

the Iran-Iraq war it refused to cut its diplomatic relations with Iran and gave only symbolic support to Iraq; following the Oslo Agreement the Sultanate tried to normalize its relations with Israel and became the first Gulf country which hosted an Israeli Minister and allowed Israel to open a Trade Office in its territory.

The literature on Oman focuses mainly on three areas: Oman's history, formation of the state and involvement of foreign powers in Oman politics. There is no doubt that studies especially on Oman's history and the involvement of foreign powers to Oman politics provide substantial information and insight for the researchers studying Oman's foreign policy. However the contribution of these studies can not substitute the studies which are devoted purely to the Oman's foreign policy. In other words the literature on the foreign policy of Oman is notably scarce.

Although some studies⁴ regarding Oman's political development, Gulf Region and Middle East Politics allocate chapters to foreign policy of Oman the number of the studies focusing solely on the Oman's foreign policy is limited. Studies of Joseph Kechichian⁵ and Majid Al-Khalili⁶ can be considered as the only sources which are devoted solely to the Oman's foreign policy. Despite their valuable contribution to the literature they tend to focus on Oman's foreign policy in general terms. However Oman's approach to the international and regional issues and its bilateral relations with major regional powers deserve more detailed analysis.

In this study, Oman's foreign policy between 1970 and 2008 will be examined. While examining its foreign policy, special attention will be

⁴ C.J. Riphenburg, Oman: Political Development in a Changing World, Westport, CT and London: Praeger, 1998. and C. H. Allen and W.L. Rigsbee, Oman under Qaboos: From Coup to Constitution 1970-1996, London, Frank Cass, 2000.

⁵ Joseph A. Kechichian, Oman and the World: The Emergence of an Independent Foreign Policy, Santa Monica, RAND, 1995.

⁶ Majid Al-Khalili, Oman's Foreign Policy: Foundations and Practice, Doctoral Dissertation, International Relations, Florida, Florida International University, 2005.

exerted to its foreign policy towards Iran which is the most influential regional power in the Gulf.

The main question of this thesis is what the main characteristics of Oman's foreign policy are. In order to identify the main characteristics of Oman's foreign policy its determinants should be analyzed.

In this thesis, instead of depending on a single theory, approach or level of analysis, the conceptual framework, proposed by Gerd Nonneman⁷ will be applied to understand the determinants of Oman's foreign policy. In his study, Nonneman argues that foreign policy of a country should be examined on three inter-linked and interacting levels namely, domestic level, regional level and international level. He argues that explanations must be multi-level and multi casual, as well as contextual.

In this study, Nonneman's conceptual framework will be applied to understand the determinants of Oman's foreign policy. In other words, while analyzing Oman's foreign policy conceptions, behaviors and decisions, three interacting levels namely; domestic environment, regional environment and international environment will be taken into consideration.

To understand the influence of domestic environment on Oman's foreign policy three key categories of determinants will be focused on.

- The nature of state (secure/insecure, extent of "national" identity consolidation, authoritarian/liberalizing, rentier/non-rentier)
- Capabilities (especially economic and technological)
- The decision-making system

Nonneman describes regional environment as the combination of state's immediate environment and the transnational ideological issues that affect and determine MENA State's foreign policies. This regional environment can be subdivided into sub-regions which have different

⁷ Gerd Nonneman (ed.), Analyzing Middle East Foreign Policy and the Relationship With Europe, New York, Routledge, 2005.

effects on a foreign policy of the state examined. In the case of MENA states he suggests five sub-regions namely: The Middle East including all the themes and complexities of ethnic and religious rivalries, Arabism and Islam, the Gulf, the Eastern Arab World, the Western Arab World and the immediate environment of each country.⁸ In addition to geographical division, regional level also contains transnational ideological issues which have a strong effect on the political life of the region. For MENA states transnational ideological issues are (pan) Arabism and Islam.⁹ He argues that transnational ideological issues “retain some force as constraint on regimes’ foreign policy behavior, and in some cases as a resource to be deployed in the pursuit of the maintenance of a domestic or regional constituency, against domestic, regional or international threats”.¹⁰

For Oman three sub-divisions can be identified for the regional environment: immediate environment, the Gulf and the Middle East. It is, however, difficult to make a decisive distinction between its immediate and the Gulf Region environments. For instance Iran can be classified both in Oman’s immediate environment and in its Gulf environment.

Immediate environment for Oman is its neighboring countries namely Yemen, Iran, Saudi Arabia and the UAE. Its Gulf environment combines on the one hand GCC countries on the other hand Iran and Iraq. Middle East environment for Oman, the widest regional sub-division, covers the whole Middle East geography in its broadest sense and includes all the themes and complexities of ethnic and religious rivalries.

Nonneman describes the international level as a source of range of resources as well as challenges and constraints composition of which may vary from state to state, depending, among other things, on the state’s

⁸ **Ibid.**, p.27.

⁹ **Ibid.**, p.12.

¹⁰ **Ibid.**, p.12.

location.¹¹ Throughout its history Oman has been subject to challenges and constraints of international environment due to its strategic location. Between 1507-1650 Portuguese occupied Oman because of its strategic importance for their maritime route to India. In the 19th century, Britain's influence in Oman increased gradually. For instance Oman had to sign antislavery treaties with Britain in 1822, 1839 and 1845 due to the British pressure and had to give up trade in slaves from African colonies. In the second half of the 20th century Oman attracted attention of the USA and became the first Gulf country which signed a military agreement with the USA.

Among these three levels/environments there is no hierarchy.¹² Oman's foreign policy is the outcome of the interaction of its three environments and the relative weight of the three environments in shaping Oman's foreign policy changes along with the domestic, regional and international developments.

In this thesis, the period examined will be analyzed in four sub-periods: 1970-1979, 1979-1990, 1990-2000, 2000-2008. In periodization, major breaking points in domestic, regional and international environments which played a considerable role in shaping Oman's foreign policy are taken into consideration. Each period has consistency in itself in terms of the constraints imposed and opportunities provided by the three environments.

Following the introduction, in the second chapter, the legacy of Oman's history will be analyzed in two sections. First part of the second chapter provides a brief coverage of Oman's history from ancient times to 1970 when Sultan Qaboos came to power. In this part, historical characteristics of the Omani society and state which have shaped today's Oman will be examined. Ibadhism, tribalism, efforts to become an overseas empire, power struggle between interior and coastal regions,

¹¹ *Ibid.*, p.12.

¹² *Ibid.*, p.12.

Portuguese invasion and British influence are the main subjects of this chapter. In the second part of this chapter, state formation process initiated by Sultan Qaboos will be discussed. The evaluation of the domestic environment and its effects will be dealt with. In other words, changes and continuities experienced during the Sultan Qaboos reign will be analyzed.

In the third chapter, Oman's foreign policy between 1970-1979 will be examined by looking at domestic, regional and international environments. In this period, Sultan Qaboos focused on state formation process. On the one hand he tried to reestablish the security in the country by ending the Dhofar civil war on the other hand he initiated social and economic development programs. In other words, state formation process was the main priority for Sultan Qaboos in this period. It can be said that domestic environment played the most important role in shaping Oman's foreign policy in the period examined.

In the fourth chapter, Oman's foreign policy between 1979-1990 will be analyzed. In this period, regional developments such as Iranian Revolution and Iran-Iraq war were the most important factors that influenced Oman's foreign policy. In other words, in the period examined regional environment dictated its own constraints and opportunities. At the international level, the USA filled the vacuum created by Britain's withdrawal from the Gulf region. In 1981, Oman and the U.S.A signed the Facilities Agreement that conditionally opened Oman's military facilities to the USA forces.

In the fifth chapter, the first decade following the end of the Cold War will be dealt with. It can be said that 1990s were the years when the Gulf issues became more internationalized. In other words, the difference between the regional environment and international environment diminished. Oman's foreign policy during the Gulf War, regional security initiatives, Oman's initiatives to normalize its relations with Israel are the main topics of this chapter.

In the sixth chapter, Oman's foreign policy between 2000-2008 will be discussed. In the first eight years of the new millennium, international environment determined the agenda of the regional environment. September 11 and the new U.S.A national security strategy, fight against Taliban and Al-Qaeda in Afghanistan, the U.S.A invasion of Iraq and Iran's nuclear program have been the developments which brought opportunities and imposed constraints on Oman's foreign policy.

As mentioned above, Iran is the most influential country in the Gulf Region. Due to geographical proximity there has been always close historical ties between Iran and Oman. Oman's approach to Iran is the best explanatory example of the characteristics of Oman's foreign policy. Badr bin Hamad Al Busaidi, Secretary General of the Ministry of Foreign Affairs of the Sultanate of Oman, explains how Oman conducts its foreign policy towards Iran as such:

...the presence of American power in the Gulf region does not force Oman to follow the American line and adopt a hostile stance towards Iran. But it does mean that we have to conduct our relations with Iran in a context framed (to some extent) by American hostility to Iran, and by Iran's complex responses to that hostility. We make our own choices: in this case we continue to develop and enhance our relations with Iran, at least in part in order that we might exercise some reverse influence as regard the United States, and encourage some moderation of the underlying hostility and suspicion. This example is perhaps typical of a particular feature of Omani foreign policy, in which we try to make use of our intermediate position between larger powers to reduce the potential for conflict in our immediate neighborhood."¹³

To understand better the characteristics of Oman's foreign policy it might be beneficial to have a closer look into the relations between the

¹³ Badr bin Hamad, Al Busaidi, "Small States' Diplomacy in the Age of Globalization: An Omani Perspective" in Analyzing Middle East Foreign Policy and the Relationship With Europe, Gerd Nonneman (ed.), New York, Routledge, 2005. p.. 258-259.

two countries. To that aim, in all chapters special attention will be given to Oman's foreign policy towards Iran.

Throughout its history Oman was invaded many times by Persians. Ironically the current Al Said dynasty seized the power by defeating Iranian occupation forces. Commercial and cultural ties between the two countries go back to centuries ago. For centuries two nations have been controlling one of the most important straits of the world.

Despite its close relationship with the USA in the field of security and threat perceptions of its neighbors towards Iran Oman has developed a well-balanced and pragmatic foreign policy towards Iran, the most powerful country in the Gulf Region. Oman's foreign policy towards Iran is based on constructive approach and inclusion rather than isolation or exclusion.

Despite the major difference between the two countries regarding the existence of foreign powers in the Gulf region; the policies of the USA and most of the other Arab countries towards Iran and presence of considerable Shiite minority within its borders, Oman has strived to establish and keep constructive relations with Iran.

After the Islamic Revolution, unlike other Arab and Gulf countries Oman preferred to keep its close relations with Iran: During the Iran-Iraq war it never cut its diplomatic relations with Iran and gave only symbolic support to Iraq; it rejected the isolationist policies towards Iran pursued by the U.S.A and intensified its efforts to benefit from every opportunity to improve bilateral relations; it has repeatedly rejected the idea that Iran has been constituting a real threat for regional and international security and stability; on the contrary it has advocated that a prosperous and stable Iran can make great contribution to the regional and international peace and security; instead of being a party to the problems between Iran and other Gulf countries and Middle East countries, Oman has preferred to play a mediator role between them and always declared that Iran has the right to carry on nuclear activities for peaceful purposes.

After evaluating the effects of the domestic, regional and international environments on Oman's foreign policy decisions, behaviors and orientations, the main characteristics of Oman's foreign policy and probable challenges that Oman will have to face in the near future will be discussed in the conclusion chapter.

CHAPTER 2 LEGACY OF HISTORY

2.1 Until 1970

The earliest known settlements in Oman which is called as the country of Magan date from the late fourth or early third millennium BC. In the third millennium, main activity was copper smelting in the country of Magan and some of the copper was traded to Mesopotamia.¹⁴ It is known from the Sumerian and Akkadian inscriptions that Magan had maritime relations with Sumer and Akkad and it was a part of a far flung trading network that included Sumer, the Indus Valley and Africa.¹⁵

In time, desiccation of the climate had caused the disappearance of settled agriculture and appearance of camel nomadism. The copper trade came to an end and urbanized life vanished. It took almost a thousand year for reappearance of agricultural settlements. The reappearance of agricultural settlements is partly associated with Persian expansion into Arabian Peninsula and the evaluation of irrigation system.¹⁶

First Arab migration into Oman dates back to 2000 years ago. First Arab migrants were the Azd tribes moving from western Arabia (contemporary Yemen) to Oman. This first migration was followed by the others through the centuries.¹⁷ However these Arab migrations took place concurrently with a growing Persian expansion into Oman by the Sasanids. In the sixth century the Sasanids tried to block Arab advances on Persian lands but they were defeated by the Arabs.¹⁸

¹⁴ Rippenburg, p. 20-21.

¹⁵ George F. Hourani, Arab seafaring in the Indian Ocean in Ancient and Early Medieval Times, Revised and Expanded by John Carswell, Princeton, Princeton University Press, 1995, p.6.

¹⁶ Rippenburg, p. 21

¹⁷ John Townsend, Oman: The Making of the Modern State, Croom Helm, London, 1977, p. 24.

¹⁸ Rippenburg, p.22.

In AD 630 Prophet Mohammed sent an envoy to Oman to convince Omani tribes to accept the new faith. The envoy, Amr ibn al-As was welcomed by the Omanis and Oman became one of the first countries to accept Islam during the lifetime of the Prophet Mohammed.¹⁹ The acceptance of Islam led to a successive struggle against the Persians refusing to submit to Allah and resulted in the withdrawal of Sassanids to Iran.²⁰ It can be said that Islamization and Arabization of Oman went hand in hand.

The Omani tribes adopted the Ibadhi doctrine of Islam in the early eighth century. Ibadhism is one of the Kharijite sects. The form of Kharijism that came to prevail in Oman was shaped by a number of religious personalities, from one of whom, Abd Allah ibn ibadh, the name Ibadhi was taken.²¹ One distinguishing feature of Ibadhism is the choice of ruler (Imam) by communal consensus and consent. Any worthy Muslim may be chosen as leader regardless of ancestry. Another important aspect of Ibadhism is the practice of shura (consultative participation). According to Ibadhism the Imam must always rule with the advice and consent of his people. If the Imam loses the popular support he may be deposed and whenever a suitable candidate cannot be found, the office of Imam may be allowed to remain vacant.²² Oman is the only country in the Islamic world with a majority Ibadhi population. Ibadhism provided Omanis on the one hand with a new faith on the other hand with new model of governing.

The Omani Ibadhis elected their first Imam in 749 and Omani tribes were united under the rule of Imam. Imam was both religious and political leader who was elected by the Ulama. Imamate, the only political

¹⁹ Townsend, p.28.

²⁰ Kechichian, p. 22.

²¹ Raghid El-Solh, Oman and the South-Eastern Shore of Arabia, Berkshire, Ithaca, 1997, p.199-200.

²² **Ibid.**, p.201.

organization of the society, had kept its power until Ya'aribah Dynasty. During Ya'aribah Dynasty the principal of hereditary succession was introduced, which eliminated one of the most important features of the Imamate. Second important step was taken by the Al-Said Dynasty. None of the successors of Ahmed ibn Said (1749-1783), with the exception of his immediate successor, assumed the office of Imam. The last step to abolish totally the Imamate was taken by Sultan Taimur. In 1959 he ended the office of Imam.

Traditionally Imamate had been symbolizing the interior of Oman. Imamate's capitals were always the cities located in the interior such as Nizwa and Rustaq. Therefore the rise of coastal cities with the advancement of sea trade constituted a real challenge to the Imamate. With the rise of northern coastal regions such as Sohar and Batinah in terms of economic activity, the interior Oman, particularly Nizwa had begun to lose its importance. Sohar had turned out to be one of the important entrepots for the Western Indian Ocean trade and became the most important city. It was succeeded by Qalhat until 15th century. In the 15th century Muscat replaced Qalhat. The coastal regions have gained advantage over the interior both politically and economically. The schism between interior and coastal Oman became one of the determinant factors of Oman's social and political life. In time, Imamate supported by weakening interior has been replaced by the absolute monarchy based on hereditary succession supported by the rising commercial elite. The opponents and rivals of the absolute ruler, however, had always used the office of Imam by electing their leader as Imam and carried out their struggle against the ruler in the name of religion.

Oman had faced many invasions but it was the first invasion by Europeans when the Portuguese invaded Oman, especially coastal regions, in 1507. Portuguese saw Oman as an important base in their strategy to keep maritime route to India in safe. They made Hormuz their main base of operations. The Portuguese invasion had lasted 143 years and it came to an end in 1650 with the rise of Ya'aribah dynasty which

marked the emergence of Oman as the major Asian power in the Western Indian Ocean.

The Ya'aribah dynasty came to power in 1624 with the election of Nasir ibn Murshid al- Ya'aribi. Nasir had fought against Portuguese for twenty-five years and his successor Sultan ibn Saif al-Ya'aribi had succeeded to expel all the Portuguese from Oman and completed the unification of Oman.

Under the Ya'aribah dynasty, Oman's power expanded throughout the Gulf and the Indian Ocean and at the end of the 17th century it turned out to be a major power.

The rise of Oman as an important naval power at the crossroad of the trade routes of India, the Gulf and East Africa brought about the emergence of expanding commercial society whose demands can only be met by a ruler taking into account the demands of this growing commercial society. This new social structure led to another division in Oman's social and political life: "the tension between the new reality of increasingly secular rule, responding to the demands of an expanding commercial society, and the old dogmas of the conservative imamate".²³

As mentioned above Ya'aribah Dynasty created another division line in Oman's political life by introducing the principle of hereditary succession into the imamate, which was totally contrary to the Ibadhi doctrine. That new division line led to a 20 year tribal war. The death of Sultan ibn Saif II led to another turmoil stemming from struggle between the two sons of Sultan ibn Saif II. Imam's minor son was supported by the tribal leaders while the older son Muhanna was elected as Imam by the Ulama. This turmoil resulted in civil war. In 1723 civil war freshened with the entrance of Ghafiri and Hinawi groupings on the opposing sides (Hinawi is a kind of coalition of tribes coming from Yemen or Qahtani and tending to be Ibadhi). Ghafiri is a kind of coalition of tribes which are

²³ Riphenburg, p.31.

predominantly Sunni.²⁴ Separation between these two camps has survived up to present day).²⁵ This unstable political and social atmosphere stemming from struggle among the tribes, struggle between tribes and ulema, family rivalries and territorial conflicts created a convenient opportunity for foreign powers to invade Oman. In 1738, Persians once more invaded Oman.²⁶

The rise of Al Said dynasty started with Ahmad ibn Said's resistance towards Persians and his success to expel them from Oman. Ahmad ibn Said, then the governor of Sohar, sparked the resistance against Persians. Despite the Persians' advances he managed to control most of the coastal region and got Hinawi support.

Contrary to the expectations of Imam Balarab ibn Himyar al-Ya'arib, supported by Gafiris, fight against Persians did not weaken Ahmad ibn Said. In 1774, Nadir Shah accepted Ahmad ibn Said's offer of safe passage for their return to Iran.²⁷ However Persians had never went back to their country. During a banquet celebrating the peace treaty, Ahmad made Persian envoys killed and Persians were slaughtered. His victory against Persians made him one of the leading figures in Oman. Following a five years struggle between Ahmad and Balarab, Ahmad ibn Said was elected as Imam in 1749. When he came to power, Ahmad inherited a country which had been devastated by civil war and Persian invasion.

Under the rule of Al Said dynasty Oman expanded its military and commercial influence in the East Africa, Indian Ocean and the Gulf

²⁴ M. Reda Bhacker, Trade and Empire in Muscat and Zanzibar, New York, Routledge, 2003, p.19.

²⁵ During the civil wars in Oman history, most tribes in Oman sided with one or other of the two major tribes namely Hinawi and Ghafiri confederations. See Bhacker, p.19.

²⁶ Whenever Oman has got into internal conflict, Iran has always involved in conflict by supporting one of the parties.

²⁷ Calvin H. Allen Jr., Oman: The Modernization of the Sultanate, Colorado, Westview Press, 1987, p.40.

Region in the 18th and 19th centuries. It turned to be a naval power extending from the coast of modern Pakistan to Zanzibar in East Africa.²⁸ Omani merchants played a crucial role in the development of commercial activity throughout these regions using long-established trade networks.²⁹ Ahmad ibn Said (1749-1783), the founder of the Al Said dynasty, concentrated his efforts to reestablish the devastated overseas power by taking steps both in domestic and external fronts. He suppressed the tribal opposition, tried to rebuild the irrigation system and used every possible means to restore Omani hegemony over East Africa and its maritime position.

Civil wars and changing structure of the state and society led to the questioning of office of Imam. Ahmad ibn Said was the last ruler who assumed the office of Imam (with the exception of his immediate successor who ruled only a few years). Instead of being a religious ruler they preferred to be a ruler focusing on expanding Oman's commercial and military influence in its region. They focused on expanding the power and influence of the country in the East Africa, the Gulf and Indian Ocean to get more share from trade. This transformation in the traditional basis of ruling authority increased the Ulama's antipathy to hereditary rule.

With the death of Ahmad ibn Said, one of the determinant components of Oman politics reappeared: family division which lasted almost ten years until Sultan ibn Ahmad (1792-1804) rose to power. During his reign, Sultan ibn Ahmad concentrated his efforts to reestablish Oman's power over the southern Gulf and on overseas expansion. He managed to attain his aims to a certain extent. In his rule, 142 years after Portuguese invasion, Oman once more attracted the attention of European powers which were in competition to control Indian Ocean. Competition between Britain and France to increase their influence over Oman which

²⁸ Uzi Rabi, "Oman and the Arab-Israeli Conflict: The Reflection of a Pragmatic Foreign Policy" *Israel Affairs*, Vol:11, No :3 (July 2005) pp.536.

²⁹ Bhacker, p.XXV.

provided a well-placed strategic location and harbor for their purposes resulted in the victory of Britain and the French were excluded from the country. Oman and Britain signed treaties providing for British protection of Oman in 1798 and 1800 which marked the beginning of British influence in Oman.³⁰ Relations between London and Muscat were established much earlier than ties between Britain and the other Gulf States.³¹ However as Rippenburg emphasizes it “unlike the treaties Britain signed with the Gulf sheikhs later in the nineteenth century, they were neither imposed by force nor did they return Oman into a protectorate. The British were primarily concerned with protecting their supply lines to India, which were then being threatened by the French”.³²

In the first half of the 19th century, under the rule of Said ibn Sultan (1806-1856), Oman continued to take steps to consolidate its control over Gulf and to secure its power and influence in East Africa with the assistance of Britain. Said ibn Sultan put pressure on tribes in the Gulf which challenged his power and seized some strategic points. He sent a governor to Zanzibar. In 1829 he conquered Swahili coast. In this period, the Oman Empire reached its peak. Although Oman reached its peak during Sayyid Sa'id rule, challenges such as growing foreign presence, internal unrest and economic difficulties began to shape Oman's future in this period as well.

In other words, his period can also be seen as the beginning of the decline. During his tenure, due to British pressure, Oman had to give up trade in slaves from African colonies. Oman and Britain signed antislavery treaties in 1822, 1839 and 1845. After conquest of the Swahili coast Said ibn Sultan decided to abandon Muscat in favor of Zanzibar and he planted the seed of disintegration by leaving Muscat's affairs in the

³⁰ Townsend, p.40-41.

³¹ Gawdat Bahgat, “Security in the Gulf: The View From Oman”, *Security Dialogue*, Vol: 30, No: 4 (1999), p.447.

³² Rippenburg., p.36.

hands of a governor. But the main reason for decline was the changing character of the sea trade. On the one hand European manufactured goods replaced the products of local industry, on the other hand European steamships made old type of ships ineffective. In addition to this, in 1840s, Egypt appeared as a possible location for an East-West connection, with opening of the Suez Canal in 1869.³³

After Sayyid Sa'id's death, family division reappeared and Oman was divided between two of his sons as Muscat and Zanzibar. Both of them became independent sultanates. While Thuwaini ibn Said ruled in Muscat, his brother Majid ruled in Zanzibar³⁴. Following the division, declining Muscat, due to changing characteristics of sea trade, found itself in a gradually deteriorating environment. Conservative interior challenged and managed to establish a theocratic regime in Muscat which lasted between 1868-1871. But this short-lived theocratic regime marked the revival of one of the division lines of Oman politics: Interior versus Muscat. This division would become one of the main characteristics of Oman politics next 100 years.

In 1871 Turki ibn Said Al Bu Saidi (1871-1888) regained the throne. Although Turki ibn Said Al Bu Saidi regained the throne in 1871, Muscat itself was attacked three times by the conservative Ibadhi armies in 1874, 1877 and 1883 during his tenure. However, Sultan Turki managed to get Britain's support in each time.

The most important mark the reign of Sultan Turki left to Oman's history is the increasing influence of the foreign powers in Oman's politics. Deterioration in internal affairs, in other words increasing tribal attacks forced Sultan Turki to rely more on British support. During the Sultan Turki's reign Britain's support or interference climaxed and the Anglo-Indian government officially announced it was guaranteeing Sultan Turki's throne. After accepting the Britain's guarantee, Sultan Turki was

³³ *Ibid.*, p.39.

³⁴ Calvin H. Allen Jr., p. 50.

invested with the insignia of a knight commander in the order of the star of India, whose grand master was the viceroy of India.³⁵

It can be said that after Sultan Turki, Britain became an important factor for the Sultans to protect their power. In 1890s Faisal ibn Turki (1881-1913), Turki ibn Said Al Bu Saidi's son, turned to France after Britain, which did not provide necessary support for him to recapture Muscat from the tribes. He signed an agreement with France granting the French coaling facilities for their fleet. His attempt to replace Britain with France, however, ended unsuccessfully with humiliation. Britain presented Faisal ibn Turki with an ultimatum in 1899, ordering the Sultan to board a British flagship in Muscat harbor or Muscat would be bombarded. On board, he was asked to break the agreement giving a coaling station to the French. Having little alternative, Sultan Faisal had to accept the British "request". Faisal ibn Turki's authority was permanently damaged in the eyes of the Omanis. In 1903 he asked Lord George Nathaniel Curzon, viceroy of India, for permission to abdicate; his request was denied.³⁶

Ironically the more British interference led to an increasing unhappiness in the interior Oman which caused more revolts. But Britain's support was limited to protect the Sultan's throne. In other words, the domestic political environment was still unstable and uncertain. Conservative interior was unhappy with the Sultan and increasing British influence. Sultan's any action which was in conflict with the interests of the opponent tribes might have triggered a revolt. It happened in 1913. As a reaction of Sultan Faisal's series of steps from setting up a central warehouse for arm distribution to banning the export of trade to control arms trade, tribes including the Hinawi and Ghafiri tribal groups revolted against the Sultan under the leadership of Salim ibn Rasid al Harti who was elected as imam. Sultan needed once more the

³⁵ Rippenburg., p.42.

³⁶ Fareed Mohamedi, "Oman", in Persian Gulf States: Country Studies, Helen Chapin Metz (ed.), Washington DC: Federal Research Division, Library of Congress, 1994, p. 299.

Britain's protection to save his throne. Had the British not intervened, the Sultanate would probably have been destroyed and disappeared as an institution.³⁷

Britain sent Indian troops to Muscat in 1913 and managed to prevent imamate forces to capture the city. Between 1913 and 1920 Britain provided protection for the central government against the attacks of the tribes. After the conclusion of the World War I in 1918, the British Political Agent in Muscat was instructed to arrange a peace between the central government and chiefs of the imamate confederation. Following the negotiations between the Sultan and the Imam Muhammed ibn Abdullah al-Khalili, the Treaty of Seeb was signed in 1920³⁸, by which the two sides agreed that they would coexist in peace.³⁹ The Treaty of Seeb created a new balance between the Sultan and the chiefs of the imamate confederation under the leadership of Imam. The balance created by the Seeb Agreement between Sultan and the conservative imamate forces had lasted only 46 years. In the midst of Sultan Said bin Taimur reign disagreements reappeared between the two sides which paved the way for Dhofar civil war.

According to Sultan Taimur (1932-1970), foreign debt was the main obstacle for Oman to restore its independence. His predecessors were subject to humiliation from the British many times as a result of the financial condition of the country. Keeping the bad experiences of his predecessors in his mind, he focused to eliminate the debts of Oman and he succeeded in this. Although his emphasis was on restoring the freedom of action and independence of the Sultanate, external and internal environment was not conducive to realize it. Sultan Taimur had to rely on the British assistance in his fight against Imam Ghalib in 1955 and then

³⁷ Riphenburg., p.44.

³⁸ The period after the 1920 Treaty of Seeb is described as the high point of British supervision of the government of Oman. See Francis Owtram, A Modern History of Oman: Formation of the State Since 1920, London, I.B. Tauris, 2004, p.6.

³⁹ Townsend, p. 49.

his struggle against separatist movements. During the World War II he cooperated with the British and allowed to the establishments of several Royal Air Force (RAF) landing fields in Oman.⁴⁰

While seeking more independence in the external affairs, in the internal affairs he attempted to create an isolated country from the modern world. He forbade some fundamental rights such as freedom of movement and right to education. Heavy restrictions were applied to traveling even within the country. Sultan Taimur saw the educated people as a direct threat to his power. It can be argued that Sultan Taimur preferred to keep his country isolated in order to secure the continuation of his throne.

In 1950s, in addition to Sultan Taimur's despotic rule, activities of oil prospecting, Saudi's attempt to intervene Oman's internal affairs by supporting the opposition groups and the occupation of Buraimi Oasis by the Saudis with the encouragement of Aramco in 1952 created an atmosphere conducive to the resurgence of internal conflicts between Sultan and the Imamate forces. In 1954 Sultan Taimur's forces occupied Ibra to cut Imam Ghalib's connection with Buraimi on the ground that Imam Ghalib was receiving Saudi assistance. After Imam Ghalib applied to the Arab League for his recognition as the ruler of an independent state, Sultan Taimur, occupied Nizwa and Rustaq cities.⁴¹In 1957, with the assistance of Saudi Arabia⁴² the supporters of Imamate under the name of Oman Revolutionary Movement (ORM) revolted against Sultan to restore Ghalib. ORM forces recaptured Nizwa and Bahla. With the propagandas of the opposition groups, the situation was taken to the UN General Assembly as "Oman Question". British forces, on behalf of the Sultan, intervened and defeated ORM forces. By 1959, Treaty of Seeb was

⁴⁰ Riphenburg, p.45.

⁴¹ **ibid.**, p.47.

⁴² Hermann Frederick Eilts, "Saudi Arabia's Foreign policy", in Diplomacy in the Middle East, L. Carl Brown (ed.), New York, I.B. Tauris&Co Ltd., 2004, p.222.

abrogated, office of Imam was ended and the Sultan's authority was restored.⁴³

Peace provided by the British intervention, however, did not last too long. In 1962, rebels from Dhofar which had been loosely tied to Oman before 1970 revolted against the Sultan. They blew up an oil exploration vehicle and opened fire to an Omani military installation. By 1965 rebels united under the Dhofar Liberation Front (DLF) which was controlled by tribally oriented separatists until 1968. Within a couple of years, DLF had turned out to be a coalition of supporters of the tribal revolt, socialists and Arab nationalists. It was renamed as Popular Front for the Liberation of the Occupied Arabian Gulf (PFLOAG). PFLOAG was dominated by Marxist radicals and supported by the USSR, China, Iraq and South Yemen. Although it managed to occupy Dhofar's mountains and much of the coast, its popular support remained limited.⁴⁴ These revolutionary movements in Dhofar region against the rule of Sultan Taimur gave inspiration to the Omani in central Oman. In 1970, with the assistance of Iraq, another group namely National Democratic Front for the Liberation of Oman emerged and another group was formed in Musandam.

Deterioration in Oman's internal affairs led the British whose interests were at stake to review the cooperation between the Great Britain and Sultan Taimur. Dhofar rebellion and other insurgencies all over Oman created a convenient political atmosphere for a palace coup d'état to overthrow Sultan Taimur. On 23 July 1970, he was overthrown by his son, Sultan Qaboos with the assistance of small number of alienated political elite and with the tacit endorsement of Britain.⁴⁵ As Allen states Said had to be deposed, preferably before the date fixed for Britain's withdrawal from the Gulf, in 1971, and enough time for his successor to

⁴³ Calvin H. Allen Jr., "Oman: A Separate place", *Wilson Quarterly*, Vol:3, No:1 (Winter 1987), p. 60.

⁴⁴ Rippenburg., p.48.

⁴⁵ *Ibid.*, p.49.

consolidate his rule.⁴⁶ Not surprisingly, Britain (then the United States) was concerned that there should be a social order in Oman conducive to the maintenance of its close relations.⁴⁷

During his long reign Sultan Taimur had witnessed important international developments of the 20th century such as World War II, Cold War and appearance of oil as one of the main determinant factors of world politics. However he preferred not to adjust his country to the changing international environment. On the contrary he tried to isolate his country from the rest of the world.

2.2 After 1970

As mentioned above destabilizing factors such as struggle among tribes, tension between interior and coastal regions which had resulted in revolt under the leadership of Imam against the central authority, power struggle within the royal family, worsening economic conditions and poor living conditions of Omani people had turned Oman into a country which was stuck with revolts and instabilities. Sultan Qaboos overtook a country which was divided politically and socially and whose people were living under the medieval age conditions. In other words Sultan Qaboos inherited a territory without a state.⁴⁸

Through economic and social policies Sultan Qaboos has tried to eliminate these destabilizing factors. In other words he has tried to create a state which is politically united and a nation which is socially unified. In his efforts, social and economic policies have played a considerable role to attain these goals.

During first years of his reign Sultan Qaboos focused on restoring his control all over the country. Within five years he managed to rebuild

⁴⁶ Calvin H. Allen Jr., Oman: The Modernization of the Sultanate, p.49.

⁴⁷ Owtram, p. 5.

⁴⁸ Marc Valeri, "Liberalization from Above: Political Reforms and Sultanism in Oman", in Constitutional Reform and political Participation in the Gulf, Abdulhadi Khalaf and Giacomo Luciani (eds.), Dubai, Gulf Research Center, 2006, p.187.

the control by using all means extending from using the oil revenues in order to promote the welfare of his people to all military options including the assistance of neighboring countries and general amnesty. After defeating the insurgents and reuniting the country, he initiated to modernize his country, which can be summarized under three sub-titles: political development, economic and social development and developments in the field of military.

When Sultan Qaboos took the throne in 1970 Oman was an absolute monarchy with its poor institutionalized government and administrative structure. Sultan Taimur had been ruling the country with few ministers (ministers of interior, defense, foreign affairs, and finance), advisers and super governors. The structure of the state was far from to meet the needs of the people and fulfill the state functions.

Sultan Qaboos has made no change in the absolute character of the Sultanate. Since 1970 he has been keeping his absolute position as the head of state and the head of government. He also functions as de facto Prime Minister, Minister of Foreign Affairs, Minister of National Defense and Minister of Finance. Although Sultanate continues to be an absolute monarchy, Sultan Qaboos has taken some steps in the direction of political development. Firstly he has increased the number of ministers and institutionalized the government structure. Thanks to institutionalization ministers and bureaucrats have been shouldering more responsibility than their predecessors during the Sultan Qaboos reign. The last word, however, especially in the field of security, defense and foreign policy is still being said by the Sultan. In an interview Sultan Qaboos explains why the last word is said by himself as such:

But we are still largely a tribal society, and it's still the government's duty to defend the country. The man in the street often doesn't want or know how to deal with foreign governments or defend the country. He trusts me to do it. That is why these areas have been excluded from the Majlis debate.⁴⁹

⁴⁹ Judith Miller, "Creating Modern Oman: An Interview With Sultan Qaboos", Foreign Affairs, Volume 76, No:3 (May/June 1997), p.17.

When it comes to political participation Sultan Qaboos's approach has been very cautious. Number of steps taken in this field has been very limited and the pace of the change has been very slow. Sultan Qaboos explains why the pace of the steps in the direction of the political participation is so slow as such: "I had promised on the first day of my rule to create a modern government. But I knew change had to be entered into slowly, very slowly."⁵⁰ First important step was taken in early 1980s. State Consultative Council was created in October 1981 whose 44 members (16 members from the government, 11 from private sector and 17 from the various regions of the country) were first selected by the ministerial committee and then forwarded to the Sultan for approval. The purpose of this body, however, was only to offer advice rather than represent any sort of constituency.

In 1990 State Consultative Council was replaced by Shura Council whose representing capacity was expanded. The members of Shura Council were composed of the representatives of the Sultanate's 59 governorates. All the governorates of the Sultanate were to be represented in the newly created body.⁵¹ This was a further step to increase political participation. At the beginning, however, candidates were nominated by the Sheikhs and dignitaries. Each governorate had right to nominate three nominees. Members were chosen among these three nominees by the Sultan. In 1994 the number of representatives was increased to 80 and governorates whose population was more than 30,000 was given right to have two representatives. In early 2003, Sultan Qaboos declared universal suffrage and members of the Shura Council were elected by the people. Within 13 years Shura Council has turned out to be an elected representative council whose members, including women, are chosen directly by the citizens in the governorates. Despite the developments in

⁵⁰ *Ibid.*, p.16.

⁵¹ Oman: Political Development & Majlis Ash-Shura, International Republican Institute, 1995, p. 18.

the field of participation, Shura Council is still far from being a truly legislative branch. Its authority is limited to making contribution, giving opinion and providing recommendation to the Council of Ministers.

In 1996 Sultan Qaboos announced the promulgation of the “Basic Statute of the State”, a constitution-like document defining how the Omani state would function. The Basic Statute consists of seven chapters and 81 articles. The seven chapters cover respectively: The State and System of Government, The Principles Guiding the State’s Policy, The Public Rights and Duties, The Head of State, The Oman Council, The Judiciary and General Provisions.⁵²

According to chapter five of the Basic Statute “the Oman Council” was created in 1996. It was comprised of existing Shura Council and a new second chamber, Council of State which was established as the upper house of the Shura Council and whose members were former government ministers, undersecretaries, ambassadors, senior military and police officers, tribal leaders, dignitaries and academics and appointed by Sultan. Like Shura Council, Council of State’s authority is limited to consultation.

Although some improvements have been achieved in the field of institutionalization of the administrative structure and in the field of political participation the absolute character of the Sultanate has remained unchanged since 1970. Sultan has still been keeping the powers of executive, legislature and judiciary.

Unlike his father, Sultan Qaboos has the advantage of oil revenues. He has used this advantage in order to create a prosperous state. He initiated economic plans and programs to boost economic sectors such as industry, agriculture, animal husbandry, fishery and tourism, started huge infrastructure projects and mobilized all the available resources to furnish all the country with social facilities such as schools and hospitals.

⁵² Gianluca Paolo Parolin, “Generations of Gulf Constitutions : Paths and Perspectives”, in Constitutional Reform and political Participation in the Gulf, Abdulhadi Khalaf and Giacomo Luciani (eds.), Dubai, Gulf Research Center, 2006, p.64.

Because of the reasons mentioned above within 100 years Oman which had been an overseas power turned out to be a country which was not able to survive without foreign loans and subsidies. Until 1967 revenues had been coming only from religious taxes, customs duties and British loans and subsidies. There had not been any economic activity other than agriculture, animal husbandry and fisheries. The commercial production and export of oil in 1967, however, totally changed Oman's economy.

When Sultan Qaboos came to power economic development was one of his priorities. He used oil revenues in order to transform his country from a poor, underdeveloped country to a modern state by focusing on development of human resources and infrastructure, equitable geographic distribution of government programs, diversification of the economy, and private sector participation.

Within 38 years, relatively short period of time, Oman has taken major steps to achieve economic development. It has almost completed its infrastructure and social facilities such as schools, hospitals, etc. It has developed its human resources through education campaigns and partly managed to secure equitable geographic distribution of government programs. In addition, it has provided every possible opportunity to develop private sector.

But when it comes to diversification of the economy there is still a long way to go. Despite the successive plans and programs prepared to boost the fields of industry, agriculture, animal husbandry, fishery and tourism, Oman's economy is still mostly based on oil revenues. In 2008, % 67 of budget revenue came from oil.

Oil was first discovered in 1964 in Oman and production began in 1967. Unlike its Gulf neighbors, Oman does not have immense oil resources. Total proven reserves are about 5.5 billion barrels. In addition to this, geology of Oman makes exploration and production comparatively expensive. In 2008 Oman's oil production was 757.000 barrels per day. Oman is a member neither of the Organization of Petroleum Exporting

Countries (OPEC) nor of the Organization of Arab Petroleum Exporting Countries (OAPEC) in order to have more flexibility in terms of pricing and production.⁵³

Natural gas reserves are more modest than its oil reserves. It stands at 849.5 billion cubic meters. It is mainly used for industrial projects in Sohar and power generation and desalination plants throughout the Sultanate. In 2008, Oman's natural gas production was 24 billion cubic meters.

As the diversification plans have not borne fruit yet it can be said that Oman is still a rentier state like other Gulf countries. As Allen and Rigsbee put it, however, Oman's economic situation was very different in three important ways from its neighbors. Firstly its oil income is more modest comparing to other Gulf countries so that the government has always had to act within some financial constraints. Secondly, despite their limited quantities Oman possessed a variety of other resources such as minerals, agriculture and fisheries that may make diversification easier. Thirdly, the merchant class has not been supplanted by the royal family so that there has been internal pressure to keep economy open.⁵⁴

In addition to steps taken in the field of economic development, Sultan Qaboos initiated a social development plan. Until 1970s, illiteracy, disease and poverty were a way of life for all Omanis.⁵⁵ In 1970 the number of the students attending schools was only 900. There were only three schools, two in Muscat and one in Salalah, with thirty teachers and one hospital with twelve beds and nine government health centers.

Facilities were so poor in transportation, electricity and water services. There was only ten kilometers paved road in the entire Sultanate.⁵⁶ When it comes to telecommunications the situation was

⁵³ Calvin H. Allen, Jr. and W. Lynn Rigsbee, p. 183.

⁵⁴ *Ibid.*, p. 122.

⁵⁵ *Ibid.*, p. 101.

⁵⁶ Miriam Joyce, The Sultanate of Oman: A Twentieth Century History, Westport, Praeger, 1995, p. 113.

worse. There were neither local broadcast facilities nor publications of any kind.

After 1970, an aggressive campaign to expand all social services was launched. In a short period of time the number of schools and hospitals increased rapidly. Considerable investments made in the field of infrastructure. Almost the whole country has been provided with network of roads. Ports and airports were constructed and water and electricity have become available for all population. Within thirty eight years, Oman has come a long way and solved almost all major problems in the field of social services and infrastructure.

Transformation of the poor, underdeveloped state into a welfare state, however, has resulted in some social changes. As mentioned above tribes played a determinant role in the history of Oman. Before the centralization of the state under the rule of Sultan Qaboos some social services used to be provided by the tribes. Tribes were a basic element in the social mosaic of Oman. For hundreds of years, the social order in Oman was based on the centrality of the tribe in local life.⁵⁷ With the centralization and modernization, services which used to be provided by the tribes have been provided by the central government. Thanks to steps taken in the field of health, education, transportation, telecommunications, electricity, water and housing most of the functions of the tribes have vanished. In other words the role of the tribes has been severely diminished since 1970s. But it does not mean that tribal structure has become extinct. Tribal structure still persists but the power and the function of the tribes and tribal rulers are decreasing. As Halliday puts it with penetration of state and market into all sectors of Middle Eastern society, tribe and tribal loyalty in the 20th century Middle East are

⁵⁷ Uzi Rabi, The Emergence of States in a Tribal Society: Oman Under Sa'id bin Taymur, 1932-1970, Brighton, Sussex Academic Press, 2006, pp. 9-16.

qualitatively different from their seventeenth- or eighteenth- century antecedents.⁵⁸

Another important ramification of the economic and social development has been the emergence of a middle class. Sultan Taimur had used the funds from state treasury to gain the allegiance of influential segments of Omani society. It has continued to be the case in the Sultan Qaboos reign but in a different and expanded way. As Rippenburg states it, after 1970, “income distribution continued as a principal mechanism for guaranteeing political stability, but the system involved a state administrative structure rather than the more direct and personal individual-ruler relationship. Furthermore, the arrangement expanded to include the average Omani through the formation of a public sector. The outcome has been the making of a salaried middle class whose economic interest are intimately linked with the government”⁵⁹

Through economic and social policies Sultan Qaboos has tried to eliminate social divisions stemming from tribal rivalries, struggle between coastal and interior regions etc. Within this framework Sultan Qaboos has paid a special attention to the geographical distribution of investments to narrow the gap in the standard of livings in different regions, and to the development of local human resources to increase indigenous participation in the private and public sector.⁶⁰

The third area where Sultan Qaboos has taken major strides is military. As a graduate of a military college⁶¹, Sultan Qaboos has always given priority to the military affairs. In addition to this, the Dhofar War created an atmosphere conducive to focus on the military capabilities of

⁵⁸ Fred Halliday, The Middle East in International Relations: Power, Politics and Ideology, Cambridge, Cambridge University Press, 2005, p.41.

⁵⁹ Rippenburg, p. 147 and Calvin H. Allen, Jr., Oman: The Modernization of the Sultanate, p.103.

⁶⁰ Rippenburg, p.147.

⁶¹ Sultan Qaboos graduated from the Royal Military Academy at Sandhurst in 1962 and served a one-year tour of duty with the British Army in Germany.

the Sultanate's army. Thanks to oil income Sultan Qaboos managed to increase military expenditure free from internal constraints. Sultanate's military budget was 1,722 million US \$ in 1988, 1,775 million US \$ in 1998 and 3,739 million US \$ (23 % of the total budget) in 2008⁶².

Within a relatively short period of time the Sultanate's armed forces has turned out to be one of the best equipped and organized militaries in the Arabian Peninsula. Developments in terms of size and capabilities, however, have not altered some of the long-established traditions in the Sultanate's army. Contrary to the other Gulf countries, members of the Al Said Royal family have generally occupied only ceremonial positions in the Army. This has not changed during the Sultan Qaboos reign. Another continuation is the role of northern tribes and Baluchis in the army. The Northern tribes and Baluchis traditionally have played a dominant role in the army. In other words they have been the two most-trusted groups for the Al Said Royal Family. Sultan Qaboos has been still benefiting from their liability since he came to power.

Another feature of the Sultanate's military structure is the British influence. In parallel to the British influence in the field of politics and economy, the British presence and influence in the Oman's army was so dominant during Sultan Taimur. Although Britain has been keeping its influence over the Sultanate's armed forces since 1970 it has been gradually losing its unchallenged position. Firstly, the number of British officers serving in the Oman's army has been decreasing. Secondly Britain has been losing its position as the only supplier for the Sultanate's Armed Forces. As it can be seen from the table below, since 1980 when Oman and the USA signed facilities agreement, the USA has been gradually replacing the British position as supplier. In addition to this, Oman has been trying to diversify its military suppliers.

⁶² <http://milexdata.sipri.org/result.php4>

Table 1: Arms Import to Oman from UK, U.S.A, France and Italy between 1970-2008

Source: http://armstrade.sipri.org/armstrade/html/export_values.php

	1970-1980	1981-1990	1991-2000	2001-2008	Total
UK	715*	653	714	83	2165
U.S.A	37	212	84	500	833
France	4	89	143	35	271
Italy	50	23	31	9	113

* Figures are expressed in US\$ m. at constant (1990) prices.

Under the Sultan Qaboos rule, Oman has lived through a great transformation. Within 38 years, destabilizing factors, such as tribal rivalries, power struggle between the central authority and Imamate forces, and between the interior and coastal regions etc., were eliminated, security and peace were reestablished and considerable steps were taken in the direction of economic and social development. Thanks to the economic and social development, the role of the tribes in the social life diminished and a new middle class emerged. Through the oil revenues and homogenizing power of the central state, considerable progress has been made in creation of national identity.⁶³ It can be argued that economic and social policies pursued by Sultan Qaboos consolidated his legitimacy.

Apart from all these changes during Sultan Qaboos reign, some major continuations must be mentioned. The first and foremost continuation is the authoritarian nature of the state. Despite some limited steps taken in the field of political development, the Sultanate is still an absolute monarchy. Another continuation is in its economic structure. Although Oman has come a long way in the field of economic development, almost 80% of the revenues still come from oil. In other words, Oman is still a rentier state.

⁶³ Marc Valeri, "Nation-Building And Communities in Oman Since 1970 : The Swahili-Speaking Omani in Search of Identity", *African Affairs*, Volume:106, No:424 (2007), p. 480.

CHAPTER 3
OMAN'S FOREIGN POLICY
IN THE EARLY YEARS OF STATE FORMATION PROCESS
(1970-1979)

In the period examined, Oman went from an isolated country under Said, to a small and respected participant in the regional and global community under Qaboos.⁶⁴ In this chapter, the determinants of Oman's foreign policy between 1970-1979 will be examined by focusing on its domestic, regional and international environments.

In the 1970s, domestic environment of the Sultanate of Oman limited Sultan Qaboos foreign policy options. Insecurity, especially in the Dhofar region, weak state structure, absence of an "Omani national identity", limited economic resources and the lack of experienced national cadres were the challenges which Sultan Qaboos had to deal with. Insecurity particularly made Oman vulnerable to the negative effects of regional and international environment. In his first ten years, Sultan Qaboos focused on reestablishing the security of the country and took considerable steps in the direction of state formation.

At the regional environment, some neighboring countries' support to the PFLOAG rebels and Imam Ghalib forces was the main factor which played an important role in shaping of Oman's foreign policy. People's Democratic Republic of Yemen (PDRY) and Iraq's support to the Dhofar rebels and Saudi Arabia's financial and political assistance to the Imam Ghalib forces were the main challenges of the regional environment.

Due to the Dhofar rebellion which drawn the country into insecurity and instability, Oman turned out to be one of the stages of the Cold War rivalry. USSR and China's support to the rebels forced Oman to establish closer relations with the USA. Another international

⁶⁴ Allen and Rigsbee, p.181.

development which made Oman closer to the U.S.A was Britain's decision to withdraw from the region.

3.1 Domestic Environment

When Sultan Qaboos came to power in 1970, there was a rebellion in the southern part of the country, namely Dhofar War, and the whole country was in a very bad condition in terms of security and socio-economic development. The country was far from a being "state" and the Omani people were far from being a "nation". Sultan Qaboos devoted first ten years of his reign to provide security and initiated a state formation process. He mobilized the modest oil revenues of his country for a rapid social and economic development, which would enable him to eliminate all division lines within the society and to initiate nation building process.

In 1970s, especially in the first half of the 1970s, Sultan Qaboos was under a serious pressure because of the insecurity and inadequate development. Personal commentary of Consul General of Britain to Muscat may help to understand the domestic challenges Sultan Qaboos had to face:

There can be few countries less developed than the Sultanate. It had until July, no communications, apart from two graded roads, only three primary schools, and one hospital... To start afresh, therefore, in the second half of 1970 with a hostile neighbor to the west and with an increasingly uncertain future for the Gulf States to the north, could only be a formidable and uncertain undertaking for the new regime... By the end of 1971 the most severe test facing Government may be the decisions it takes on the best use of scarce financial resources, since Oman is by no means a wealthy country. The Budget for this year is currently estimated to be \$43 Million of which defense will take \$21 million. The civil side of Government has still to demonstrate that it will have the ability to spend the \$22 million it proposes to send during the year, but, as the needs of the country

become more apparent, the pressures on the regime to meet the will become more intense.”⁶⁵

Such a domestic environment considerably constrained Sultan Qaboos’s foreign policy options. In other words, domestic environments of 1970s did not provide enough room for maneuver in his external bargaining. Insecurity, inadequate development, insufficient economic resources and challenges of the state formation process were the main constraints imposed by the domestic environment in 1970s.

As mentioned above one of the motivations for Sultan Qaboos to overthrow his father was Sultan Taimur’s inability to handle the Dhofar rebellion, which made the whole the country insecure. Dhofar rebellion, breaking out in 1962 and used to be a tribally oriented separatist movement, turned out to be a part of an international socialist, Arab nationalist and ideological struggle against imperial forces throughout the Gulf Region. PFLOAG rebels received substantial ideological and material support from the USSR, China, Iraq and South Yemen. To understand the ideological point that PFLOAG reached it may be beneficial to review the statement of Muhammed Ahmad Ghasani, responsible member of the executive committee of the general command of the PFLOAG:

In accordance with the experience of the Chinese revolution under the leadership of the great Chairman Mao, our people’s Front has formulated a line of self-reliance, depending on the broad masses of poor people to carry out a protracted people’s war, and using the countryside to encircle the cities and seize the cities ultimately, thus developing the revolution to the whole of the Arabian Gulf to defeat and drive out the British colonialists... The colonialists can no longer succeed in stamping out the flame of “19th June” [1965] revolution, because we have the weapon of Mao Zedong’s thought. The great truth that ‘political power grows out of the

⁶⁵ FCO 8 1669 :Confidential : Sultanate of Oman : Annual Review for 1970. Her Majesty’s Consul-General, Muscat, to Her Majesty’s Political Resident in the Persian Gulf: 4 January 1971 as quoted in Al-Khalili, p.127.

barrel of a gun' has taken deep root in the hearts of our people. We, the people of Arabian Gulf, don't believe in the fallacies of 'parliamentary road' and 'peaceful transition'. Our unshakable belief is: the counter-revolutionary violence of colonialism can be liquidated only with the revolutionary violence of the people; the independence of the motherland can be achieved only through the barrel of a gun; and the liberation of the people can be obtained only through battles of bloodshed.⁶⁶

Sultan Qaboos's main priority was to restore the control over southern region. Towards that end he mobilized all the military means, initiated socio-economic programs to gain the support of the people in the region and offered a general amnesty. Sultan Qaboos received substantial support from Iran and Britain in his fight against rebels. By sending ground forces and air units, Iran directly involved in Dhofar War. Most Arab countries, however, were neither hostile, neutral, or extended little help to the Sultanate in the initial stages of the war in Dhofar.⁶⁷

Although Sultan's Armed Forces defeated insurgents in 1975 and took the control of the Dhofar region, the rebellion did not end definitely until Oman and South Yemen established diplomatic relations in 1982 when South Yemen cut its support to the rebels.⁶⁸ After 1975, however, Sultan Qaboos took the control of his country.

Although Sultan Qaboos managed to take control of his country within five years, Dhofar war constrained his foreign policy options in the period examined. Sultan Qaboos had to invite the Iranian troops to help his fight against rebels which made Oman vulnerable to Iran and caused to the condemnation from Arab countries. Imam Ghalib exploited the weak position of the Sultanate and turned out to be a card in Saudis' hand. When Sultan Qaboos visited Saudi Arabia in 1971 he had to offer former

⁶⁶ M. Bin Huwaidin, *China's Relations with Arabia and the Gulf, 1949-1999*, London, Routledge, 2002, p. 202.

⁶⁷ Al-Khalili, p. 152.

⁶⁸ Riphenburg, p.50.

Imam full recognition as a prominent religious leader in the Sultanate. As it can be seen from the Table 2, while military expenditure got the lion share from the budget because of the Dhofar War, Oman had to rely on the financial contribution of neighboring countries such as Saudi Arabia and the UAE with whom it had border disagreements.

Table 2: Military Expenditure Between 1970-1975

Source: Allen, C. H. and Rigsbee, W.L., Oman under Qaboos: From Coup to Constitution 1970-1996, London, Frank Cass, 2000, pp.65-66

Year	Budget	Military Expenditure/GDP
1970	\$123 million	%15.2
1971	\$144 million	%15.9
1972	\$242 million	%25
1973	\$366 million	%37.5
1974	\$283 million	%28.3
1975	\$645 million	%40.9

Prior to 1970 Oman was far from being a united country. It was a scene for various conflicts between central authority and interior region or northern and southern tribes etc. Sultan Qaboos concentrated all his efforts to eliminate these division lines and to create an “Omani nation”.

Like other Arab countries, in Oman loyalty and identity used to be described in terms of religion and tribal connections. With the Sultan Qaboos’s ascendance to power, the idea of political nation and nationalism was introduced to the Omani’s life. He has initiated a political and socio-economical development process which is called as ”Renaissance” by the Omanis. He tried to make Omanis individually reliant on the state, rather than ‘asabiyya (or kinship), for their day-to-day life. This trend has gone with the symbolic process of national unification.⁶⁹ First of all, he changed the country’s name and flag to

⁶⁹ Valeri, Constitutional Reform and political Participation in the Gulf, Abdulhadi Khalaf and Giacomo Luciani (eds.), Dubai, Gulf Research Center, 2006, p.188.

demonstrate his resolve to unite the country and create an “Omani nation”. He replaced country’s name which used to be “Muscat and Oman” reflecting the power struggle between the central authority and Imamate forces with the “Sultanate of Oman”. In August 1970, Sultan Qaboos announced in radio that henceforth, the name of his country was the “Sultanate of Oman”.⁷⁰ He also changed the flag with the new one in which red of the Sultanate is somehow more prominent than the traditional white of the Imamate with green the color of Islam.⁷¹

Socio-economic programs, Sultan Qaboos’s sensitivity on equitable geographic distribution of government programs and improvements in infrastructure and social services all around the country made positive effects on consolidation of the national identity. Victory on Dhofar War and special socio-economic programs dedicated to Dhofar region contributed to the elimination of separatist desires.

Despite the considerable steps taken to unite the whole county through socio-economic programs and infrastructure investments, the period examined here can only be described as the years during which the initial foundations of national identity were laid down.

First ten years of Sultan Qaboos’s reign can be identified as an introduction to the economic and social development process. As mentioned in the previous chapter, when Sultan Qaboos came to power economic and social conditions were very poor throughout the county. He considered the lack of economic and social development as the most important threat to the state formation process. With these considerations he exerted his efforts to realize rapid social and economic development.

In 1972, Supreme Council for Economic Planning and Development, in 1973 Ministry of Development, in 1974 Development and Financial Council were established. In 1975, Development Law was enacted and finally in 1976 first Five-Year Plan was introduced. The main

⁷⁰ Joyce, p. 106.

⁷¹ Rippenburg, p.57.

objective of all these efforts was to create a solid basis for economic development and to improve infrastructure and social services. In terms of social services and infrastructure, 1970s made the Omani people hopeful for the following years. The Sultanate's economic capabilities, however, were very limited. Throughout 1970s Omani government had faced budget deficits covered by grants and short term loans from Riyadh and Abu Dhabi and short term loans from commercial banks such as Morgan Grenfell, Hambros, British Bank of the Middle East and Arab Bank. As it can be seen from Table 3 below Debt/GDP ratio increased gradually within ten years.

Table 3: Government Finance 1970-1979

Source: Allen, C. H. and Rigsbee, W.L., Oman under Qaboos: From Coup to Constitution 1970-1996, London, Frank Cass, 2000, p.105.

Year	Revenue		Expenditure		Debt	GDP
	Budget	Actual	Budget	Actual		
1970	N/A	N/A	N/A	N/A	N/A	106.8
1971	48.0	50.1	46.0	46.0	0.7	125.1
1972	N/A	53.0	N/A	69.4	15.0	140.0
1973	63.0	65.0	92.0	91.7	23.1	169.4
1974	220.0	303.2	199.0	329.3	95.9	568.5
1975	325.0	358.7	288.0	466.5	143.9	724.2
1976	455.0	457.3	581.0	551.0	223.7	884.3
1977	482.0	483.4	557.0	497.7	200.8	946.8
1978	458.0	440.9	585.0	498.7	220.3	946.9
1979	635.0	590.6	662.0	548.8	168.6	1289.9

* Figures are expressed in US\$ m.

As a young leader, Sultan Qaboos lacked administrative experience and had limited contacts with the political and commercial elite. In the first years of his reign, he relied on his expatriate advisers and ministers such as Hugh Oldman, Minister of Defense and Philip Aldous, Minister of Finance. Within three years, however, most of these expatriate

advisers and ministers were replaced by the representative of the Oman commercial elite and prominent tribes.

Sultan Qaboos, on the one hand, incorporated his father's advisors, ministers, leading tribal figures and the Omani commercial elite to the new governing system, on the other hand, expanded and institutionalized the government structure. However, it does not mean that he shared his decision-making authority with other institutions or personalities. The only period where Sultan Qaboos had somehow shared his authority was Sayyid Tariq's (his uncle) Prime Ministry for fourteen months between September 1970 and December 1971. Sayyid Tariq, who had never before met his nephew the Sultan, returned from exile to serve as Prime Minister. Qaboos and Tariq, however, did not agree on the way the Sultanate would follow. Tariq wanted quick transition to a western style constitutional monarchy while Sultan Qaboos wished to retain the traditional powers of his office. Tensions increased and Tariq resigned in December 1971.⁷² Since January 1972 Sultan Qaboos has been the Prime Minister, Minister of National Defense, Minister of Foreign Affairs and Minister of Finance.

In spite of reforms that have strengthened and expanded the role of the cabinet and advisory councils, all key decisions of the state were taken in the royal palace. Decisions were not taken by the Sultan alone but in concert with a team of advisors and Ministers. Decision-making structure, however, remained in the hands of the head of state. Decisions relating to foreign policy were no exception. While ambassadorial posts and position of foreign minister⁷³ were held mostly by non-family members, final decision-making authority in the field of foreign policy rested with the Sultan.⁷⁴ As Lefebvre mentions, the monarchical and highly personalized

⁷² Joyce, pp.104-105.

⁷³ Between 1972-1973 Fahd b. Mahud Al-Said, between 1973-1982 Qais Abd al-Mu'nim Al-Zawawi held the position of Minister of State for Foreign Affairs.

⁷⁴ F. Gregory Gause III, Oil Monarchies: Domestic and Security Challenges in the Arab Gulf States, New York, Council on Foreign Relations Press, 1994, p. 120.

nature of Oman's political system allowed Sultan Qaboos to exercise major influence over foreign policy.⁷⁵

3.2 Regional Environment

According to Nonneman, the dynamics of regional relations in the Gulf region since the 1970's have been driven mainly by four factors: ideological clashes, differential attitudes to outside powers, national security interests and the interests of rulers/ruling families.⁷⁶ In the period examined, the most influential factor for Oman was the national security interests. To cease the PDRY's support to the PFLOAG and Saudi Arabia's assistance to Imam Ghalib and to get Iran's support in its fight against rebels were the main priorities for Oman. Under the civil war conditions Sultan Qaboos's primary foreign policy objective was to create an external environment enabling him to focus on securing domestic peace and on initiating development project. Within this framework, he concentrated his foreign policy efforts especially in its immediate environment. On the one hand he tried to solve the problems with the neighboring countries through dialogue, on the other hand, sought legitimacy and recognition by establishing diplomatic relations with the countries of the region and joining in the Arab League and the UN.

When Sultan Qaboos came to power, one of the most urgent and important problems that Sultan Qaboos had to deal with was Saudi Arabia's support to Imam Ghalib.⁷⁷

⁷⁵ Jeffrey A. Lefebvre, "Oman's Foreign Policy in the Twenty-First Century", Middle East Policy, Vol:17, No :1 (Spring 2010), p. 100.

⁷⁶ Nonneman (ed.), p.24.

⁷⁷ Until 1970s relations between Oman and Saudi Arabia had been shaped by the Saudi Arabia's desire to promote its influence and extend its authority in Southeastern Arabia in general and in Oman in particular and Oman's resistance to prevent the Saudi Arabia's ambitions. Saudi Arabia had tried almost every available way extending from convincing some tribes to transfer their allegiance to Riyadh and inviting the Omani Sultans to acknowledge Saudi's religious and political supremacy to providing financial and military assistance to the self-proclaimed Imam and Imamate forces to promote its influence in Oman. Although they made some intermittent headway in Oman and managed to convince the inhabitants of Burayimi Oasis to transfer their allegiance to

Dhofar War and poor military, economic and social condition of his country forced Sultan Qaboos to normalize relations with Saudi Arabia. Instead of escalating problem, Sultan Qaboos focused on the improvement of bilateral relations. Until 1980, Sultan Qaboos paid four visits to Saudi Arabia to establish diplomatic relations and to obtain the Saudi's support. In time, Saudi Arabia gradually decreased its support to Imam Ghalib and relations between the two countries normalized.

In January 1971, Sultan Qaboos send the Omani Friendship Committee to Riyadh under the chairmanship of Sheikh Sa'ud Al-Khalili, Minister of Education. In 1971, he paid an official visit to Saudi Arabia. During the visit, Sultan Qaboos asked King Faysal to cease his diplomatic support to Imam Ghalib. As a concession to King Faysal, he agreed to arrange peace talks between himself and the Imam, and to offer former Imam full recognition as a prominent religious leader in the Sultanate with the right to hold high office. Sultan Qaboos's offer was reciprocated by Faysal and he dropped his recognition of the Oman Revolutionary Movement and withdrew his vestigial support of Imam Ghalib. At the end of the visit Muscat and Riyadh agreed to establish diplomatic relations and exchange ambassadors. And Riyadh offered modest economic and military assistance⁷⁸. His visit to Riyadh made great contribution to the normalization of bilateral relations and paved the way for the termination of the Imamate issue.

After his first visit in 1971, Sultan Qaboos visited Saudi Arabia three times in 1972, 1975 and 1977. Each visit made a considerable contribution to the betterment of relations. Saudi Arabia had gradually increased its military and financial support to Oman. Between 1970-1980, Saudi Arabia provided \$550 million aid to Oman.

In 1974 Riyadh, Abu Dhabi and Muscat agreed to solve territorial conflict over the Burayimi Oasis. Saudi Arabia relinquished its historical

Riyadh, they never managed to establish their authority in Oman. Oman used all means to prevent the Saudi to increase their authority in its own sphere of influence.

⁷⁸ Kechichian, p.71-72.

claim and the UAE guaranteed not to exploit that portion of the Zarrar field lying within its own boundaries. Oman and the UAE divided it amongst themselves. In return, Riyadh gained access to the Khawr al Ubaid inlet via a territorial corridor across its frontier with Qatar.⁷⁹

Iran's involvement in Dhofar War motivated Saudi Arabia, Kuwait and the UAE and once the Dhofar War was over they involved in attempts to mediate between Oman and PDRY.⁸⁰ Riyadh also mediated a cease fire between Muscat and Aden in 1977.

Thanks to Sultan Qaboos's constructive foreign policy and the USA's probable urge on Saudis the importance of establishing friendly relations with Oman, Saudi Arabia, which used to give military and diplomatic support to Imam Ghalib, turned out to be a neighboring country providing a considerable financial and military assistance for Oman. Despite these quick improvements in relations, no formal border agreements could be reached between 1970 and 1980.

Sultan Qaboos adopted similar approach towards the UAE and other Gulf sheikdoms.

He sought to improve relations between the Oman and the UAE and postponed the settlement of border disagreements. His approach was reciprocated by the UAE and Sheikh Zayed bin Sultan Al-Nahyan became the first head of state visiting Oman after Sultan Qaboos came to power. During the visit, he pledged his full support to Qaboos.⁸¹ In return Sultan Qaboos visited Abu Dhabi in 1973. Both leaders gained their mutual confidence and the UAE provided \$200 million assistance for Oman. Contrary to the assumptions that Oman was opposed to a strong UAE Confederation and the UAE preferred an Oman stuck with internal conflicts, both countries supported one another. Qaboos repeatedly offered to mediate between Dubai and Abu Dhabi whenever they were at odds,

⁷⁹ *Ibid.*, p.72.

⁸⁰ Al-Khalili, p.154.

⁸¹ Kechichian, p.78.

and Zayed deployed the UAE troops in the north to free the Sultan's Armed Forces for duty in Dhofar. In addition to this, in 1978, Abu Dhabi Fund for Arab Economic Development granted \$400 million to the projects for the development of oil fields in Dhofar.⁸²

For the border disagreements Oman wanted to sign a comprehensive agreement with the UAE for the settlement of border issues while the UAE tried to confine border issue to the problem of the Burayimi Oasis. In the second half of the 1970s, Oman gave up the policy of comprehensive agreement and pursued the policy of concluding separate agreements with the six federation members, whose territories touched Oman. Although at the beginning Sheikhdoms were not so eager to accept Oman's new suggestion, with the new regional security environment created by the Iranian Revolution, they agreed with Oman to solve their border problems separately.

As mentioned above, among the neighboring countries Iran provided the largest military aid to Oman during the Dhofar War. As Allen and Rigsbee put it, Oman's relations with Iran until the Islamic Revolution of 1979 were much closer than its relations with neighboring Arab states especially as the Shah and Sultan shared world views and saw themselves as the guardian of the Strait of Hormuz.⁸³

Iran's contribution to Oman's fight against the rebellion cannot be described as assistance or support. It was far beyond that. The British withdrawal from the Gulf led the Shah to project Iran as the new dominant power in that region.⁸⁴ In line with this vision Iran actively involved in Dhofar War. Tehran deployed its troops in Dhofar region, where they seconded the Sultan's Armed Forces and provided any assistance needed by Muscat. During Dhofar War more than 100 Iranian soldiers lost their lives.

⁸² *Ibid*, p.78-80.

⁸³ Allen and Rigsbee, p. 183.

⁸⁴ Halliday, p.103.

Military and security cooperation between the two countries in the 1970s was not limited to Dhofar War. Muscat and Tehran shared the similar security concerns and perceived similar threats (especially from the USSR). Two states agreed to make cooperation for the security of the Strait of Hormuz and started joint naval patrols around the Strait. In 1973, Tehran announced that Iran in cooperation with Oman would inspect ships passing through the Strait. In 1974, with the insistence of Sultan Qaboos two countries signed the “Continental Shelf Agreement”. In 1975, Tehran guaranteed Oman’s airspace security and based F-5 fighters, along with a number of other military aircraft. As another sign of good relationship between the two countries, they signed a Cultural Cooperation Agreement in 1975. Although there was close cooperation between the two countries in the field of security, Oman did not hesitate to condemn Iran on its occupation of the UAE’s Abu Musa and Tumb Islands in 1971.

Between 1970 and 1979 Sultan Qaboos visited Tehran four times (1971, 1975, 1976, and 1977) and just two years before the Revolution Shah paid an official visit to Muscat in 1977. Close relations between the two countries throughout 1970s and presence of Iranian troops in Oman because of the Dhofar rebellion brought public condemnation from Iraq, Libya, and other radical Arab states as well as more muted criticism from Saudi Arabia.⁸⁵ By keeping Iranian forces in Dhofar, Muscat was pressuring the Arab Gulf States to compel South Yemen and Iraq to end their support for the insurgency.⁸⁶

After the Revolution, Oman sought to continue its close relations with Iran. If Sultan, however, had been asked, he would have preferred to be neighbor with an Iran ruled by Shah. Nevertheless, Oman preferred to consider the Revolution as an internal matter and unlike its neighbors searched for the ways to maintain its relations with Iran. In return to Ayatollah Khomeini’s call to maintain good relations with its neighbors,

⁸⁵ Allen, p.16.

⁸⁶ Al-Khalili, p. 155.

Sultan Qaboos send a delegation to Iran headed by Minister Responsible for Foreign Affairs. During the visit, Iranian side reiterated that Iran would honor all of the agreements signed by the previous regime and would work closely with Oman.⁸⁷

Statement of Minister of Information of Oman after the visit reflects how Oman approached to new Iran administration: “Iran is our neighbor, we have close historical, religious and geographic links with her and we are eagerly looking forward to expanding our relations with her in all fields in order to make the region a safer place to live in.”⁸⁸

Despite the positive remarks made by the two sides, relation between the two countries had to be tested. First tension was experienced in 1979, when PFLOAG delegation visited Iran. 1980s provided enough opportunities to test their relations.

Contrary to Iran, Iraq supported the PFLOAG rebels during the Dhofar War. It had provided significant aid to the insurgents. Iraq’s involvement in Dhofar War by supporting the insurgents in every possible manner and being a safe haven to the PFLOAG did not create an atmosphere conducive to the improvement of bilateral relations between the two countries. Sultan Qaboos, however, tried to normalize relations with Iraq in order to cease Iraq’s support to the insurgents. Toward that end in 1971, he send Omani Minister of Information Sheikh Abdallah Al Ta’ie to Baghdad to deliver his special message. Later on, he proposed to move the relations between the two countries to a new level, but his endeavors were not reciprocated by President Ahmad Hassan Al-Bakr. Iraq assessed Oman’s close relations with the West, especially with Britain, as a threat to its claims for regional leadership. With these considerations Iraq opposed the Omani admission to the Arab League in 1971.

⁸⁷ Kechichian, p.101.

⁸⁸ Al-Watan, 25 July 1980.

The end of Dhofar War created a new climate for the relations between the two countries. The disappearance of its clients in Oman's internal affairs forced Iraq to review its relations with Oman. After 1976, Iraq responded positively to Sultan Qaboos's efforts. In 1976, diplomatic relations between Oman and Iraq were established. In 1978, Iraq invited Sultan Qaboos to attend the 1978 Rejectionist Front Summit but he refused the invitation. In 1979, Muscat was invited for the Foreign Ministers Meeting for rejectionist, but Muscat once again decided not to attend. Oman, however, did not want to take position excluding Iraq from Gulf affairs. Being aware of Iraq's importance in regional affairs, it kept the Iraqi leadership informed concerning its security arrangements for free navigation through the Strait.⁸⁹

In addition to improving bilateral relations with the countries of the region Oman supported and actively participated in the attempts of creating regional security arrangements. These attempts, however, did not result in establishment of a regional security institution or forum where regional issues can be dealt with. Furthermore, in an Iraqi newspaper Al-Thawra, Oman's initiatives were described as "a new imperialist alliance".⁹⁰ In the early 1970s, the establishment of Gulf Secretariat was proposed, but eight littoral states and the two Yemen could not agree on its outline. In 1975, Muscat suggested that all littoral states extend financial support to the joint Iranian-Omani naval patrols in the Strait of Hormuz. Saudi Arabia and the UAE objected, proposing instead that security agreements be worked out within the "Arab Nations".⁹¹ In 1976, Muscat Summit, including Iran and Iraq, was held but it remained another unsuccessful attempt. In the Summit, Sultan Qaboos's proposal for the establishment of a \$100 million Common Defense Fund for safeguarding the security of the Strait was refused. The statement of the Minister

⁸⁹ Riphenburg., p. 208.

⁹⁰ R.K. Ramazani, Revolutionary Iran: Challenge and Response in the Middle East, Baltimore, John Hopkins University Press, 1988, p.122.

⁹¹ Kechichian, pp.115-116.

Responsible for Foreign Affairs of the Sultanate after the Summit is very explanatory: “It is apparent that the present atmosphere is not suitable to reaching a formula for mutual co-operation. There are many reservations and many options to clear up first.”⁹²

After the failures experienced in 1970s, Sultan Qaboos concluded that under the prevailing conditions of the region, it was impossible to harmonize the interest of the countries in the region, especially those of Saudi Arabia, Iran and Iraq. For him, the best way to serve to the stability and security of the region was to make separate agreements with Iran and Iraq and to get six Gulf Sheikdoms together.⁹³

Despite the failure in the security field, Oman cooperated with its neighbors in various regional initiatives such as Gulf Air (the national airline of Bahrain, the UAE, Qatar, and Oman), the Gulf News Agency, Arab Gulf Labor Organization, and the Gulf Organization for Industrial Consulting.⁹⁴

3.3 International Environment

As mentioned above, due to its strategic location Oman has always attracted the attention of those powers, whose international interests lay in occupation or control of the region. The Portuguese occupation lasted 143 years and the British influence prevailed almost 200 years. In other words, Oman has always been subject to constraints and challenges of the international environment and benefited from its opportunities.

In 1970s, the most important challenge imposed by the international environment was USSR and China’s support to PFLOAG rebels. Within few years Oman turned out to be one of the scenes of Cold War power struggle. With support of the USSR and China, Dhofar insurgency, which used to be a tribal rebellion, turned out to be part of an

⁹² **ibid**, p. 116.

⁹³ **ibid.**, p. 116.

⁹⁴ Allen Jr., pp.114-115.

international socialist, Arab nationalist and ideological struggle against imperial forces throughout the Gulf Region.

Another important factor of the international environment that affected Oman's foreign policy was Britain's decision to withdraw from the Gulf Region. For Sultan Qaboos, presence of a foreign power in the region was a guarantee for the regional power politics. Despite Britain's withdrawal decision in 1971 and other Gulf countries' pressures on Oman to sever its relations with Britain, close Omani-British relations continued and Britain played an indispensable role in Oman's domestic and foreign affairs throughout 1970s. It played an important role in the palace coup and provided a considerable support for Sultan Qaboos in his struggle against insurgents.⁹⁵ It provided substantial military and financial assistance during the Dhofar War. In addition to equipment and weapons provided by Britain, in 1971, there were 120 British officers and 60 pilots in the Sultan's Armed forces. In 1975, British presence in the Sultan Armed Forces increased to 700 officers, 60 Special Air Service members and 75 servicemen from the Royal engineers.⁹⁶ Besides its considerable contribution during Dhofar War, British personnel played an important role in the modernization of the Sultan's Armed Forces. Although the strong British influence prevailed in 1970s, Britain's withdrawal decision from the Gulf marked the emergence of a vacuum, which would be filled by another world power. In 1977, Britain withdrew from the RAF facilities in Salalah and Masirah Island.⁹⁷

Unlike the leaders of the other Gulf countries, Sultan Qaboos considered the presence of a western power in the Gulf region as a balancing power rather than a threat to regional security and stability. With Britain's withdrawal decision the USA appeared as the natural

⁹⁵ Walter C. Ladwig III, "Supporting Allies In Counterinsurgency: Britain and the Dhofar Rebellion", Small Wars & Insurgencies, Vol. 19, No. 1, March 2008, p. 62.

⁹⁶ John E. Peterson, Oman in the Twentieth Century: Political Foundations of an Emerging States, London, Croom Helm Ltd.,1978, p.285.

⁹⁷ Allen and Rigsbee, pp.65-66.

candidate to fill the gap. With these considerations, in the second half of the 1970's Oman positively responded to the USA's request to use occasionally the RAF base on the Masirah Island (Oman was the first Arab state to have diplomatic relations with Washington. In 1833, a ship from Muscat sailed all the way to New York⁹⁸).

Because of the "Twin Pillars" policy based on Iran and Saudi Arabia, the USA's attention to Oman was very limited comparing to Iran and Saudi Arabia. The USA's interest towards Oman because of its strategic location, however, gradually increased. In 1973 and 1974, it sent delegations to Oman and expressed its interests in the use of the RAF field in Masirah Island. The growing interest of the USA towards Oman can be seen more clearly from the memorandum from Secretary of State Henry Kissinger to President Gerald R. Ford:

Maintaining Oman's stability in the face of this war is a great concern to both the Saudis and Iranians. The Shah, King Faisal and other moderate Arab leaders are encouraging USA to develop closer relations with Oman, particularly since its strategic location at the mouth of the Gulf means that two-thirds of the world's oil exports transit its territorial waters.⁹⁹

In 1975, Sultan Qaboos paid an official visit to the USA and met with the President Ford, Henry Kissinger, Secretary of State, James Stilesinger, Secretary of Defense and CIA Director. Following his visit to Washington, in consultation with Britain, Sultan Qaboos accepted USA request regarding RAF base and two countries reached an informal agreement. According to this informal agreement USA donated TOW missiles in exchange for access to Masirah Island.¹⁰⁰ Iranian revolution and Soviet invasion of Afghanistan brought an end to the USA's "Twin Pillars" policy in the region and created an atmosphere conducive to the intensification of the Omani-USA relations.

⁹⁸ Halliday, p.85.

⁹⁹ Joyce, p.107.

¹⁰⁰ Kechichian, p.146.

Despite the constraints imposed especially by domestic and regional environments, in 1970s Oman did not hesitate to pursue its own way in some problematic issues where most Arab countries followed bandwaggoning policies. Unlike the majority of Arab states, Oman abstained in the debate over Bangladesh in the UN in 1971 and it was the only Muslim state not to fully support Pakistan. On the one hand, Oman maintained Arab economic boycott of Israel, on the other hand, publicly supported a solution that included Arab recognition of Israel in return for Israeli recognition of Palestinian rights and the restoration of East Jerusalem to Arab sovereignty.¹⁰¹ In 1977, contrary to most Arab countries, it supported Anwar Sadat's visit to Jerusalem, Camp David Accords of 1978 and the bilateral treaty between Egypt and Israel in 1979.¹⁰² Although the Sultanate participated in the Arab League Summit held in November 1978 that condemned the Camp David agreement, Sultan Qaboos refused to participate in the March 1979 Summit that expelled Egypt from the Arab League.¹⁰³

In the period examined Oman pursued a foreign policy aiming at creating an external environment enabling it to focus on securing domestic peace and on initiating development project. In other words, internal weaknesses such as insecurity stemming from Dhofar War, weak state structure, limited economic structures and the lack of experienced national cadres forced Oman to pursue cautious foreign policy. Within this framework, Sultan Qaboos concentrated his foreign policy efforts especially in Oman's immediate environment. On the one hand, he tried to solve the problems with the neighboring countries through dialogue, on the other hand, sought legitimacy and recognition by establishing diplomatic relations with the countries of the region and joining Arab

¹⁰¹ Joyce, p.116.

¹⁰² Al-Khalili, p. 162.

¹⁰³ Allen and Rigsbee, p. 200.

League and the UN. It can be argued that domestic environment played the most determinant role in shaping Oman's foreign policy between 1970-1979.

At the regional environment, PDRY, Saudi Arabia and Iraq's support to the PFLOAG and Imam Ghalib forced Oman to concentrate its foreign policy efforts to cease their assistance and to isolate these groups.

At the international environment, USSR and China's support to PFLOAG and Britain's withdrawal from the region caused Oman to become closer to the USA. With these considerations, in the second half of the 1970's Oman positively responded to the USA's request to use occasionally the RAF base on the Masirah Island.

CHAPTER 4
OMAN'S FOREIGN POLICY
IN A TURBULENT REGIONAL ENVIRONMENT
(1979-1990)

It can be argued that 1980s were the beginning of the turbulent years for the Gulf region which would last decades.

At the domestic environment, as mentioned above, Sultan Qaboos managed to reestablish security and stability in his country between 1970-1980. In other words, insecurity was eliminated from his agenda in the 1980s. The most important development for domestic environment in the 1980s was the considerable drop in oil prices. Due to the economy's rentier character, like other Gulf countries, Oman's economy suffered a lot from the negative effects of the sharp drop. Although the decision making structure remained unchanged in the 1980s, first major step in the field of political development was taken in 1981 and State Consultative Council was established.

At the regional environment, combination of challenging developments forced Oman to pursue a very cautious foreign policy. Iranian Revolution, Soviet invasion of Afghanistan, Iran-Iraq war, Iran's unilateral acts to extend its influence in the Strait of Hormuz in the first half of the 1980s and the growing presence of superpowers in the region were the main developments which imposed a series of constraints on Oman's foreign policy.

In 1980s, international environment was still being determined by the parameters of the Cold War. Soviet invasion of Afghanistan triggered the U.S.A military build up in the region. Growing USA and USSR presence, termination of the U.S.A's twin pillar policy and introduction of the Carter Doctrine set the conditions of the international environment in which Oman's foreign policy was shaped.

4.1 Domestic Environment

It can be said that contrary to the 1970s, the effect of domestic environment on Oman's foreign policy in 1980s was the least. Within 10 years Sultan Qaboos managed to solve all security problems stemming from the Dhofar rebellion and insecurity was eliminated from his agenda. Throughout 1980s Sultan Qaboos continued to take steps in the direction of state formation. Investments in the field of infrastructure and social services were carried out.

Considerable drop in oil prices was the major challenge Oman faced in its domestic environment in 1980s. Collapse of oil prices created severe financial problems for the Sultanate. The value of Oman's exports in 1986 was half the level of 1985, despite continuing increases in oil production. Many of the foreign companies doing business in Oman left the country.¹⁰⁴

At the early 1980s, Oman took an important step in the field of political development. In 1981, State Consultative Council was established. Although all its members were appointed by Sultan and its authority was limited only to the advisory functions, it was the first step taken in the direction of greater political participation.

The role of domestic environment of 1980s in shaping Oman's foreign policy was very limited. In other words, domestic environment of 1980s did not impose too much pressure on Oman's foreign policy. On the contrary, steps taken in the field of socio-economic development and security provided greater room for maneuver in its foreign policy. It can also be seen clearly from Sultan Qaboos's statement:

In the past we lived by ourselves for logical reasons. It is useless to have a comprehensive foreign policy without having an internal one, which was what we were avoiding. Our view is that, in order to deal with the world's foreign policies, the Omani internal security, economic and social development fronts must be strong... Thus past years were completely devoted to internal Omani construction, from which emerges today's

¹⁰⁴ Rippenburg, pp.121-122.

image. It is important that we are not against cautious and reasonable rapprochement with other countries, especially when terrorism and acts to undermine security escalate. I believe that we proceed within acceptable balances. The reasons for keeping ourselves close in the past no longer exist. The internal Omani front is strong and well built. We have a respectable foreign policy. We have reached a good level of rapprochement with other countries.¹⁰⁵

4.2 Regional Environment

In the 1980s, the most determinant environment for Oman's foreign policy was its regional environment. 1980s did not bring peace and stability for Oman's immediate environment and the Gulf Region. Iranian Revolution and Soviet invasion of Afghanistan in 1979, Moscow's (especially in PDRY and the Horn of Africa) and Washington's growing presence in the region¹⁰⁶ and eight-year Iran-Iraq war created an unstable and insecure regional environment for Oman.

Throughout 1980s Oman pursued dual track regional foreign policy: being neutral in the regional conflicts and keeping channels of dialogue open to the belligerents and safeguarding its national security by allying itself with the USA. Within this framework, Oman, on the one hand, tried to improve its relations with the countries in the region, on the other hand, to establish close cooperation with the USA to keep the threats and challenges away imposed by the regional problems.

Collective reaction of the six Gulf countries to the challenges of the regional and international environment of the 1980s was the creation of the GCC.¹⁰⁷ As mentioned in Chapter III, in 1970s Gulf countries explored ideas for cooperation without any concrete results. But late

¹⁰⁵ Interview with Sultan Qaboos of Oman, Al-Siyyassah, 10 December 1985, in Foreign Broadcast Information Service-Middle EAST AND Africa, 85-239, pp.C1-C4 as quoted in Kechichian, p. 62.

¹⁰⁶ "The US Military Posture in the Gulf", *ISS Strategic Comments*, Volume: 12, No:7 (August 2006), p. 1.

¹⁰⁷ Muhammed Saleh Al-Musfir, *The GCC States : Internal Dynamics and Foreign Policy, in Iran, Iraq and the Arab Gulf States*, Joseph Kechichian (ed.), New York, Palgrave, 2001, p.314.

1970s brought enough challenge to convince six Gulf countries and in May 1981 Saudi Arabia, the UAE, Oman, Qatar, Bahrain and Kuwait established the Cooperation Council of the Arab Gulf States (GCC).¹⁰⁸ Although the GCC was established to increase the cooperation among the six countries in every field the main motivation behind its creation was the insecurity that six Gulf countries were feeling. Regional environment of 1980s made them felt insecure.

In the 1980s, cooperation in the field of security and defense was on top of the GCC agenda. In these discussions Oman insistently opposed both an integrated military structure and formal alliance in favor of strong independent defense forces with close cooperation in training and exercises.¹⁰⁹ Oman considered that any attempt to establish a NATO type military alliance was counterproductive and would be viewed by Tehran as a hostile act and harmful to regional security.¹¹⁰

Although there were considerable initiatives to boost cooperation in security and defense fields, no comprehensive defense agreement was adopted. In other words, GCC did not provide security umbrella that its members were seeking. Six member countries, however, strengthened their cooperation. They held several joint maneuvers and exercised in 1980s and \$2 billion aid package were provided by the GCC for Bahrain and Oman to modernize their military capabilities in the mid-1980s.

The creation of the GCC brought two openings for Oman's foreign policy: Firstly, it provided a convenient platform for Oman to take the PDRY issue to the regional fora and secondly it offered an institutional base to develop further its relations with the Gulf countries.

The creation of the GCC strengthened Oman's position against PDRY. Oman took the threats imposed by the PDRY to the GCC agenda

¹⁰⁸ Paul C. Noble, "The Arab System: Pressures, Constraints, and Opportunities" in The Foreign Policies of Arab States: The Challenge of Change, Bahgat Korany and Ali E. Hillal Dessouki (eds.), Boulder, Westview Press, 1991, p.86.

¹⁰⁹ Alen Jr., p. 115.

¹¹⁰ Allen and Rigsbee, p. 184.

and gained the GCC countries support. 1981 GCC Supreme Council decided to send a military mission to Oman to evaluate the extent of the threat imposed by Aden. In 1982 GCC Defense Ministers' meeting, PDRY's threat to Oman was discussed deeply.¹¹¹

Saudi Arabia increased its pressure on PDRY to solve its problems with Oman. In 1982 mediation was carried out by Kuwaiti and the UAE ministers between Muscat and Aden. Mediations bore fruit and the two countries signed an agreement in the same year to normalize their relations. In 1987, five years after signing the agreement Oman's Ambassador to PDRY presented his credentials.

Throughout 1980s Oman developed its relations with the GCC countries. Oman and Saudi Arabia established closer cooperation in the field of internal security. Iranian Revolution, Soviet occupation of Afghanistan, USSR's growing presence in PDRY and the Horn of Africa increased Saudi Arabia's concerns about internal security. Right after the coup attempt in Bahrain in 1981, two countries signed internal security agreement in 1982 which gave Saudi Arabia extraterritorial rights to follow criminal elements escaping from the Kingdom. Two countries held joint naval exercises in 1984 and 1985. Oman strongly condemned the Israeli violations of Saudi airspace when Israeli jets destroyed the Tamuz nuclear facility near Baghdad.¹¹² Despite the closer cooperation, Oman could not solve its border problems with Saudi Arabia in 1980s.

In 1988 Sultan Qaboos paid an official visit to Riyadh. During the visit, which took place only few months after the resolution of the Security Council 598 calling for a permanent ceasefire in the Iran-Iraq war, Sultan Qaboos voiced a new vision for regional security which would incorporate Iran and Iraq to the regional security framework before a

¹¹¹ *Ibid.*, p.92.

¹¹² Kechichian, p. 74.

possible future conflict may erupt. However, Sultan Qaboos did not persuade Riyadh of his proposal.¹¹³

Under the GCC umbrella Oman held joint maneuvers and exercises with the neighboring countries. In 1984-85 Oman held joint air and naval maneuvers with the air and naval forces of the UAE, Bahrain, Qatar and Kuwait. Furthermore, Oman and the UAE signed a security agreement in 1985 that allows either party to extradite criminals.

The Iran-Iraq War was the most important regional development in the 1980s. Before analyzing Oman's position in the Iran-Iraq War, however, it might be beneficial to have a look its relations with Iran in 1980s.

After the Revolution, Iran emerged on the international arena as a defiant, fiercely independent, proactively religious, and nonaligned power.¹¹⁴ Despite the statements of Iranian officials right after the Revolution mentioning that Iran wanted to continue its close cooperation with Oman in every field, especially in safeguarding the security of the Strait of Hormuz, Iran took some steps that put the cooperation between the two countries in danger. Furthermore, in the early 1980s, it supported some opposition groups in Oman.¹¹⁵ Until 1984, relations between the two countries shaped by Iran's unilateral acts to extend its influence in the Strait of Hormuz and Oman's reactions towards Iran's activities. In this period Iran sought to change the regional balance of power in its favor.¹¹⁶ After 1984, Iran ceased unilateral activities and relations began to normalize.

¹¹³ **ibid.**, p.75.

¹¹⁴ Anoushiravan Ehteshami, "The Foreign Policy of Iran" in Foreign Policies of Middle East States, Raymond A. Hinnebusch and Anoushiravan Ehteshami (eds.), Lynnee Rienner publishers, Colorado, 2002, p. 283.

¹¹⁵ Fred Halliday, "The Iranian Revolution and International Politics: Some European Perspectives", in Iran at the Crossroads, John L. Esposito and R.K. Ramazani (eds.), New York, Palgrave, 2001, p. 183.

¹¹⁶ Ehteshami, p.297.

The first indication of the deterioration was the termination of the joint Oman-Iran patrol in the Straits of Hormuz that had been set up by Shah and Sultan Qaboos.¹¹⁷ In 1980, Iranian units violated Oman's air space and territorial waters. As a reaction to Iran's unfriendly initiatives, Oman reinforced its military units on the Musandam Peninsula and authorized units of the USA Seventh Fleet to use its facilities on Masirah Island.¹¹⁸ Another reversal was experienced when the USA used Masirah Island as part of its failed hostage rescue in Iran. The Omani officials alleged that the USA had not notified them in advance of their intention to use the Island.¹¹⁹ In 1982, Tehran did not accept the resolutions of the Fez Summit on the Iran-Iraq War. In return, Muscat recalled its chargé d'affaires from Tehran and contributed a token \$10 million to the Iraqi war effort. In 1983, Iran threatened to close the Strait and Oman increased its military presence.¹²⁰ In an interview on August 1983, Iran's Deputy Foreign Minister Ahmad Azizi explains how Iran evaluated Oman and its close relations with the USA:

Unfortunately, it should be said that the presence in the Gulf Cooperation Council of some countries such as Oman, [with] its strong ties with America and the attempts it makes to expand these ties and to expand American military presence in the sea of Oman,...poses a big question mark over the aims of that council in the region.¹²¹

Oman's disappointment created by Iran's steps can be seen clearly from the Sultan Qaboos's assessment:

They are going to cause problems because they are going to use subversive mechanisms in the area, and that is

¹¹⁷ R.K. Ramazani, Revolutionary Iran: Challenge and Response in the Middle East, p.13.

¹¹⁸ Chirstin Marschall, Iran's Persian Gulf Policy: From Khomeini to Khatami, London, Routledge Curzon, 2003, p. 70.

¹¹⁹ Michael Collins Dunn, "Oman: Defending the Strait", Middle East Insight, Vol.9, No:1 (November-December 1992), p. 50.

¹²⁰ Kechichian, p.104.

¹²¹ R.K. Ramazani, Revolutionary Iran: Challenge and Response in the Middle East, p.138-139.

going to create some instability... But we are very determined to prevent them from threatening, intimidating or overthrowing the present government.¹²²

After 1984, Iran ended its steps that were detrimental to the relations between the two countries. Oman's approach towards Iran-Iraq War played a considerable role in Iran's policy change towards Oman. Revolutionary Iran recognized that Oman was following a different way from its Arab neighbors.

During the Iran-Iraq War that lasted eight years Oman adopted a dual track policy. On the one hand it participated in the statements condemning Iran, on the other hand rejected League of Arab States and GCC resolutions threatening to collectively sever diplomatic relations with Iran. For instance, in Arab foreign ministers meeting held in Tunisia in 1987, Oman refused to join in the condemnation of Iran.¹²³ The GCC states provided considerable assistance to Iraq throughout the war.¹²⁴ The principal paymasters of Iraq were Saudi Arabia and Kuwait. Arab money was obviously a major source of support for the Iraqi war effort.¹²⁵ Unlike other littoral states, Oman did not support Iraq against Iran. The only financial contribution of Oman to Iraq was \$10 million which should be perceived as token. Oman declined Iraq's request to make use of Omani facilities or airspace to attack the Islamic Republic, and protected all shipping across the straits, which was Iran's primary outlet for its oil transportation.¹²⁶ Oman's position in the Iran-Iraq War was neutrality. Oman sought to mediate a settlement of the conflict and perceived Iran as

¹²² Newsweek, 10 January 1983 as quoted in Kechichian p.103.

¹²³ Liesl Graz, The Turbulent Gulf, London, Tauris, in association with the Gulf Center for Strategic Studies, 1990, p. 215.

¹²⁴ Gawdat Bahgat, "Security in the Persian Gulf: Two Conflicting Models", Defense and Security Analysis, Vol: 24, No:3 (September 2008), p.237.

¹²⁵ Ramazani, Revolutionary Iran: Challenge and Response in the Middle East, p.76.

¹²⁶ Allen and Rigsbee, p. 184.

the only country in the region which can balance Iraq.¹²⁷ Oman also tried to prevent any defense or security initiative that would be perceived against Iran. While assessing the GCC's plan to form a security alliance, Sultan Qaboos mentioned his concerns as such:

To be perfectly frank, I say that here in Muscat we do not believe it to be in the interest of security in the Gulf that Iran feels we intend to establish an Arab military pact that will always be hostile to it, or that we are about to form a joint force, whose main task is to fight Iran... There is no alternative to peaceful coexistence between Arabs and Persians in the end, and there is no alternative to a minimum of accord in the region.¹²⁸

Statement made by an Omani official explains Oman's approach to the Iran-Iraq War very well:

Oman always played a dual role. Oman dealt with the war according to its point of view that we should not be drawn into the conflict because Oman will be there, Iran will be there, no matter what government, so the only solution is to keep talking them. At the same time, Oman did not isolate itself from the region; it was a part of the GCC. This dual policy was encouraged by the West-the US and Britain used Oman. Washington asked Muscat many times to mediate with Iran, especially when there were USA casualties in the Gulf. Even Iraq did not object to this Omani role...¹²⁹

Muscat has not always agreed with its Gulf neighbors nor with the USA in its policies with Iran.¹³⁰ Being aware of Oman's unique foreign policy towards itself, Iran responded positively to Oman's initiatives to normalize relations. In 1988, Ministers Responsible for Foreign Affairs visited Tehran twice. In 1989, the two countries established a joint

¹²⁷ Kechichian, p. 105.

¹²⁸ Itamar Rabinovich and Haim Shaked (eds.), Middle East Contemporary Survey 9, 1984-1985, Boulder, Colorado: Westview Press, 1987, p. 413.

¹²⁹ C. Marschall, Iran's Persian Gulf Policy: From Khomeini to Khatimi, London, Routledge Curzon, 2003, pp.91-92.

¹³⁰ Rippenburg, p. 196.

economic commission and Iran opened an exhibition of heavy industrial products in Oman in 1989.

As a result of its neutral position in the Iran-Iraq War Oman played an important role as mediator for all parties concerned and refrained from overcommitment to one side or the other in disputes between Iran and its neighbors¹³¹ In 1987 and 1988, Muscat used its office to repatriate Iranians, killed or injured during the engagement with American forces in and around Strait.¹³² After Riyadh broke diplomatic relations with Tehran in April 1988, Oman convinced the Foreign Ministers of both states to meet in Muscat in May 1989. Muscat was also active in promoting the implementation of UNSCR 598 calling for a cease-fire between Iran and Iraq.¹³³

Sayyid Haitham Al-Said, Secretary General of the Ministry of Foreign Affairs, at the time, summarizes Oman's foreign policy towards Iran in the 1980s very well:

The war produced some negative reactions from our neighbors towards Iran. During the first years, it was not clear for Oman what direction the war would take. We did not want to be allied to either party. We were neutral; we had no interest in continuing this war. This was very much appreciated by Iran, but it made a number of neighbors very unhappy.

We looked far ahead and saw that GCC had no strength against Iran and Iraq. Also, being Iran's neighbor, it was not wise making enemy. In the beginning of the 1980's, Iran kept its distance from Oman. They were not sure because the rest of the GCC was different. Our approach began in 1985. ...But we only mediated if we could see the way to success.¹³⁴

¹³¹ *Ibid.*, p. 196.

¹³² Graz, p. 215.

¹³³ Al-Khalili, p. 181.

¹³⁴ Marschall, p.91-92.

Following the normalization and improvement of bilateral relations, several high level visits took place within a relatively short period of time. In three years, Yousuf Alawi, Minister Responsible for Foreign Affairs, visited Tehran three times. In return Iran's Foreign Minister Ali Akbar Velayati visited Oman two times.

The statement of Abdulaziz bin Mohammed Al-Rowas, Minister of Information, explains Oman's foreign policy approach towards Iran after the Revolution very well: "History and geography dictate our foreign policy goals towards Iran... and these are permanent features."¹³⁵

4.3 International Environment

In the regional environment, creation of the GCC was somehow a response to regional challenges and sources of instability such as Iranian Revolution and Iran-Iraq War. In the international environment, especially in the early 1980s, the Cold War was still the main determinant. Soviet invasion of Afghanistan in 1979 and increasing Soviet presence in the region were the ramifications of the global power struggle between the USA and the Soviet Union. There were approximately 100,000 Soviet troops in Afghanistan which was only 300 nautical miles from Oman. In addition to this, with the Iranian Revolution Oman found itself in the middle of PDRY and Revolutionary Iran.

Iranian Revolution and the Soviet invasion of Afghanistan brought an end to the USA's twin pillars policy and led to the Carter Doctrine which was drawn to redefine and protect the USA's interest in the Gulf area¹³⁶, the USA naval build up in the Indian Ocean and the establishment of Rapid Deployment Joint Task Force (later renamed the USA Central Command or USCENTCOM). According to Carter Doctrine, any attempt to gain control of the Gulf Region would be considered as an assault on

¹³⁵ Interview with Minister of Information Abdulaziz bin Mohammed Al-Rowas, Ministry of Information, Muscat, 24 December 1989, as quoted in Kechichian, p. 105.

¹³⁶ Halliday, p.125.

the vital interests of the USA and as such would be driven back by any means, including military force.¹³⁷

Increasing Soviet presence in the region and developments in Afghanistan augmented Oman's concern over its security, which was subject to 13 years' of unrest supported mainly by PDRY and the Soviet Union.

Regional developments and ramifications of global power struggle in the region created a convenient atmosphere for Oman, which was seeking to balance regional and international challenges through a global power, to strengthen its relations with the USA.

As mentioned above Sultan Qaboos appealed many times to the neighboring Arab countries for jointly taking more responsibility for regional security. None of his appeals, however, generated desired results. In one of his statement Sultan Qaboos explains how the unwillingness of the neighboring countries make contribution to the modernization of Oman's military capability and sharing the responsibility of Strait of Hormuz motivated Oman to sign the Facilities Agreement with the USA:

Oman has given repeated and, we regret to say, largely unheeded warnings about these dangers. We have invited our brothers to join with us and aid us in preserving the stability of the area- not only vital to ourselves but to the whole world- but to no avail. Therefore, threatened as we are- and we still have vivid and bitter memories of the realities and form of that threat- we have had no other choice than to seek the assistance of those who will provide us with the means to defend ourselves¹³⁸

Regional and international developments overlapped the interests of Oman and the USA and in 1981 Facilities Agreement was signed between the two countries. The agreement provided the USA with the right to use and access to Omani military facilities at Salalah, Thumrayt,

¹³⁷ Bahgat, Security Dialogue, Vol: 30, No: 4 (1999), p.449.

¹³⁸ Speech of His Majesty Sultan Qaboos bin Said on the Occasion of the 10th National Day, 18 November 1980, in The Speeches of H.M. Sultan Qaboos bin said, Sultan of Oman, 1970-1990, Muscat, Ministry of Information, 1991, p.80.

Masirah Island, Mutrah, Seeb and Khasab. As Kechichian states, it was the first and only such agreement between the United States and an Arab country.¹³⁹ Other pro-West Arab Gulf countries wished to keep the USA at arms length.¹⁴⁰

Facilities Agreement led to many criticisms in the region and Arab world. Sultan tried to explain the reasons of the Agreement in every occasion:

I would like to reveal one of the reasons behind this agreement (with USA on facilities). The strategic location of Oman and the possible threats, however remote, made it indispensable that Oman should enlarge its military establishments and airports. Consequently, we asked the GCC brothers to help us in this task, particularly as our oil resources are very limited in comparison to theirs. The required improvements involved about \$2 billion, a sum which most brothers declined to spend, while the USA showed readiness to finance these projects. That is how we came to agree on the facilities.¹⁴¹

In another statement, Sultan Qaboos explains the content and the goals of the Agreement:

We must make clear that the question of facilities has been overblown and given different interpretations. Some have even gone as far as saying they are bases in the guise of facilities. This is unthinkable from the outset, and we refuse to discuss it any way. However, because of the conditions created in the world, and our area in particular, it was necessary to have some kind of understanding between us and our friends, without specifying a particular state. Also, while the United States is on one side of the international scale, it has become necessary for the area that there be a balance because the opposite side has become heavy and the Eastern Camp's presence has become large...particularly in South Yemen and Ethiopia as well as in Afghanistan

¹³⁹ Kechichian, p. 148.

¹⁴⁰ Lefebvre, p. 103.

¹⁴¹ A.K. Pasha, *Aspects of Oman's Foreign Policy*, in India and Oman: History, State, Economy and Foreign Policy, New Delhi, Manas Publications, 1999 p.111.

in the north, which is only 300 nautical miles from here. As for the USA naval presence, Oman has nothing to do with it- it is in the Indian Ocean and not under the sovereignty of a particular state.

It is in our interest that there be an understanding with the other superpower, because in the case of extreme necessity, God forbid, the area will need the United States. Therefore, there must be arrangements facilitating the rendering of USA aid.

The United States is prepared to develop our airfields and ports. It would be of no avail to lose such an opportunity to develop the facilities. As for the use of such facilities for anything, this will be by our request. On this basis, the Sultanate has welcomed giving facilities to the United States. That is all there is to it.¹⁴²

In one of his statements Sultan Qaboos emphasized the constraints imposed by the international environment by underlining the unavoidability of the USA presence in the region: “If the big powers find that their interests in the region are threatened, they will not seek permission from me or anybody else to intervene.”¹⁴³

The Facilities Agreement was Oman’s response to both Britain’s withdrawal decision from the region and increasing regional challenges. Thanks to agreement Oman filled the vacuum with the USA created by the British withdrawal and felt itself insecure in the face of increasing Soviet presence and regional threats. The USA also benefited from the Agreement which increased the USA’s military/logistic capacity in an era when Iran, its former staunch ally, was overtaken by Islamic revolutionists, who perceived the USA as the main enemy. One senior official in the State Department explains how important the agreement is as such: “we could never secure the kinds of access in Saudi Arabia that

¹⁴² Interview with Sultan Qaboos of Oman, “Al-Majallah, 1-7 May 1992, pp.12-17, in FBIS-MEA-V_82-089, 7 May 1982, pp.C2-C4, as quoted in Kechichian, p. 88.

¹⁴³ R. El Rayyes, Oman’s Role in the Gulf Co-Operation Council and the Region, in Oman: Economic, Social and Strategic Developments, B.R. Pridham (ed.), London, Croom Helm, 1987, p.198.

we have negotiated in Oman”¹⁴⁴ It was a convenient point of access in the region given that it lacked both the logistical and the political problems of Saudi Arabia and Bahrain.¹⁴⁵

Agreement marked a new period in relations between Oman and the USA. Following the agreement, relations, especially in field of military, have been gradually intensified.

In line with the agreement, the USA played an important role in the modernization of Oman’s military facilities. In 1981, small number Omani troops participated in the annual USA military exercise in Southwest Asia and Oman purchased M-60 tanks. In the same year, USA troops participated in “Bright Star 81” maneuvers and a temporary communications center was set up by the USA to monitor airborne surveillance of the Strait.

In addition to cooperation in the field of military, in 1980, Omani-American Joint Commission for Economic and Technical Cooperation was established and the USA provided approximately \$150 million economic aid to Oman for the investments for infrastructure and social services in 1980s.¹⁴⁶

In 1983 Sultan Qaboos paid an official visit to the USA and in 1986, Vice President George Bush visited Oman.

While Oman was developing its relations with the USA, it did not stop itself to benefit from the opportunities provided by the regional and international environment to normalize its relations with the Soviet Union. In 1985, Oman established diplomatic relations with the USSR. Regional and international factors played an important role in Oman’s foreign policy change towards the Soviet Union. As mentioned above, relations

¹⁴⁴ Jeff Gerth and Judith Miller, “US Is Said to Develop Oman As Its Major Ally in the Gulf,” *The New York Times*, 25 March 1985, Section A, p.1.

¹⁴⁵ Wallace Lynn Rigsbee II., American Foreign Policy Toward the Sultanate of Oman: 1977-1987, Doctoral Dissertation, Graduate Education and Research, Cincinnati, University of Cincinnati, 1990, p.70.

¹⁴⁶ Allen and Rigsbee, p. 188-189.

between Oman and Yemen began to normalize in 1982. In other words, gradual disappearance of PDRY threat gave Oman an opportunity to review its relations with the USSR. International factor behind Oman's new approach towards the Soviet Union was the USSR's foreign policy to change itself with Gorbachev's coming to power.

In the period examined the impacts of the domestic environment on Oman's foreign policy was less than the impacts of the regional and the international environments.

Developments such as Soviet invasion of Afghanistan, Iranian Revolution and Iran-Iraq War in the regional and international environment forced Oman to reconsider its security and defense policies. In other words, insecurity stemming from its regional and international environment led Oman to seek new security arrangements. Within this framework, Oman actively participated in the creation of the GCC. The GCC, however, did not meet the expectations of the Gulf countries in terms of security.

In addition to the Iran-Iraq War and Iran's unilateral acts to expand its influence in the Strait of Hormuz at the regional environment, Soviet invasion of Afghanistan, termination of the USA twin pillar policy and the introduction of the Carter Doctrine at the international environment made the presence of the USA in the region as a reliable alternative for Oman. In 1980, two countries signed the Facilities Agreement which marked the beginning of more intensified relations between the two countries.

CHAPTER 5
OMAN'S FOREIGN POLICY
IN A SHIFTING REGIONAL AND INTERNATIONAL LANDSCAPE
(1990-2000)

In terms of domestic environment, first twenty years of Sultan Qaboos can be identified as the years when initial steps were taken in the direction of state formation. 1990s, however, can be described as the consolidation years. In the period examined, important developments were witnessed in the field of political development such as introduction of the Basic Law of the State and the creation of State Council. In order to decrease the dependence on oil revenues a comprehensive economic program was initiated. When it comes to security, 1990s were the years when the effects of the extremist religious groups were felt in Oman.

At the regional environment, the Middle East in general, the Gulf Region in particular continued to be one of the most volatile regions of the world. The region continued to be marked by conflicts throughout the decade.¹⁴⁷ Developments taking place in the region affected the whole world. Iraq's invasion of Kuwait, the USA's dual containment policy towards Iran and Iraq, Yemen Civil War and the developments in the Middle East Peace Process were the main regional issues which on the one hand imposed constraints on and on the other hand provided opportunities for Oman's foreign policy.

In 1990s, the collapse of the Soviet Union and the end of the Cold War changed the parameters of the international environment. But this transformation did not eliminate threats and challenges. On the contrary, conflicts broke out all over the world, stemming from ethnic and religious divisions and irredentist ambitions. Iraq's invasion of Kuwait and the

¹⁴⁷ Nadia El-Shaly and Raymond A. Hinnebusch, "The Challenge of Security in the post-Gulf War Middle East System", in *Foreign Policies of Middle East States*, Raymond A. Hinnebusch and Anoushiravan Ehteshami (eds.), Lynne Rienner publishers, Colorado, 2002, p. 72.

rapid reaction of the international community towards it were the main regional/international issues for Oman where the regional and international environments converged. The USA's dual containment policy towards Iraq and Iran was another factor that affected Oman's foreign policy substantially in 1990s.

5.1 Domestic Environment

For 1990s, it might be more proper to talk about the opportunities provided and constraints imposed by the regional and international environment to Oman's internal politics rather than talking about the influence of the domestic factors on Oman's foreign policy.

The end of the Cold War, Iraq's invasion of Kuwait, the Gulf War of 1991 and rising Islamist opposition movements throughout the Middle East and North Africa created a challenging political atmosphere for the Arab monarchies. These international and regional developments required regional political elites to question their views of politics and seek more extensive domestic support and stronger external alliances.¹⁴⁸

With the invasion of Kuwait, Saddam Hussein directly challenged the legitimacy of not only Kuwait but also of all the GCC countries. Influx of thousands of American troops to defend Kuwait against Iraq made the GCC people reconsider their governments' ability to defend their own countries. In such a political atmosphere governments were compelled to ease the usual restrictions on political activity.¹⁴⁹

In 1994, Omani police and security forces broke into the homes of numerous individuals in order to carry out a search for weapons and documents.¹⁵⁰ Following the searches, government announced that Omani security forces arrested several hundreds of political activists belonging to

¹⁴⁸ Rippenburg, p. 106.

¹⁴⁹ *Ibid.*, p.80.

¹⁵⁰ Valeri, Constitutional Reform and political Participation in the Gulf, Abdulhadi Khalaf and Giacomo Luciani (eds.), Dubai, Gulf Research Center, 2006, p.188.

a highly sophisticated and secret Islamic organization which attempted to overthrow the regime in Oman. The official news agency of Oman and Government officials emphasized that the detainees were members of the Muslim Brotherhood. Most of the detainees were Sunni. Although there was no evidence of Saudi government support, Omani security officers found that some of the detainees had been educated in Saudi Arabia, had lived in Saudi Arabia, and/or were receiving at least indirect support from Saudi religious groups. Some of the arrested people were very important figures in political and social life, including the former Omani Ambassador to the United States. Following the arrests, Sultan Qaboos underlined in every possible occasion that “Extremism under whatever guise, fanaticism of whatever kind and factionalism of whatever persuasion would be hateful poisonous plants in the soil of our country which will not be allowed to flourish”.¹⁵¹

Oman’s step to replace State Consultative Council with Shura Council enjoying greater powers and providing wider representation was taken in such a regional political climate in 1990. It, however, does not mean that this initiative was the result of great public demand or the precaution of the government to ease critics. According to Kapiszewski, this happened on the sole initiative of Sultan Qaboos, without any demands from the public.¹⁵² Unlike Kuwait, Saudi Arabia, Bahrain and Qatar, there has been no pre-or post-invasion petition activity in Oman. It can be said that the timing of the initiative may have been influenced by the regional turmoil and international developments.

The end of the Cold War and the victory of the democracy can be considered as the compelling motivations for Sultan Qaboos to broaden the level of political participation. In addition to this, as Rippenburg

¹⁵¹ Oman Daily Observer, 19 November 1994.

¹⁵² Andrzej Kapiszewski, “Elections and parliamentary Activity in the GCC States: Broadening political Participation in the Gulf Monarchies”, in Constitutional Reform and political Participation in the Gulf, Abdulhadi Khalaf and Giacomo Luciani (eds.), Dubai, Gulf Research Center, 2006, p.118.

claims, with the large USA military and political role in the Gulf, Oman feels an indirect pressure to take more steps in the direction of democratization.¹⁵³

Another step in the field of political development was taken in 1996. As mentioned in Chapter II, Oman had no written constitution until that time. In 1996, it was announced that Sultan Qaboos approved the Basic Law of the State, a constitution-like document defining how the Omani state would function. The Basic Statute consists of seven chapters and 81 articles. The seven chapters cover respectively: The State and System of Government, The Principles Guiding the State's Policy, The Public Rights and Duties, The Head of State, The Oman Council, The Judiciary and General Provisions.

In addition to Shura Council, Council of State was created in 1996 whose members are former government ministers, undersecretaries, ambassadors, senior military and police officers, tribal leaders, dignitaries, academicians and appointed by Sultan. Like Shura Council, Council of State's authority is limited to consultation.

Sultanate's limited oil resources and structural economic weaknesses raised public concerns in 1990s. The World Bank report of 1993 on Oman's economy pointed out the country's continuous budget deficits, expenditure trends, the lack of domestic public savings, and the decline of foreign investment.¹⁵⁴ In 1996, government announced a new plan named "Vision 2020" addressing challenges the Oman economy has to face. The plan focused on mainly three areas: promoting economic diversification, private investment/privatization and human resources. In other words, in 1990s Sultanate began to search ways to decrease its dependence on oil revenues until 2020 when oil and natural gas reserves are expected to be depleted.¹⁵⁵

¹⁵³ Rippenburg, p.106.

¹⁵⁴ *Ibid.*, pp. 123-124.

¹⁵⁵ Marc J. O'Reilly, "Omanbalancing: Oman Confronts an Uncertain Future", The Middle East Journal, Volume: 52, No:1 (Winter 1998), p. 70.

It can be argued that the domestic environment in 1990s did not impose any real constraint to Oman's foreign policy. On the contrary, improvements in the field of political, economic and social development provide Oman with more room for maneuvers in its foreign policy.

5.2 Regional Environment

In 1990s, the developments in the Gulf region affected not only the regional countries but also the whole world. Euphoria created by the end of the Cold War and Iran-Iraq reconciliation disappeared with the Iraq's invasion of Kuwait in 1990. Iraq's attack to Kuwait and the international community's response to Baghdad dominated the regional politics throughout 1990s. The Gulf War, sanctions imposed to Iraq and Iraq's reactions against the sanctions, the USA's dual containment policy towards Iraq and Iran, Yemen civil war in 1994 and developments in the Arab-Israel conflict were the main regional issues of the 1990s which affected the foreign policies' of the regional countries.

Oman's reaction to Iraq's invasion of Kuwait was in compliance with that of the international community. Oman declared that the invasion set a dangerous precedent for the world community, and was a direct challenge to the United Nations, and called Iraq to comply with UN resolutions and withdraw from Kuwait.¹⁵⁶ Oman initiated some diplomatic activities to counter Iraq's aggression and deter it from further advances. In 1991, Muscat initiated a resolution condemning the invasion at a meeting of the Arab League.¹⁵⁷ Omani troops attached to the Peninsula Shield force and took part in both Desert Shield and Desert Storm operations. During the operations, the USA forces were allowed to use prepositioned US equipment in various Omani facilities and granted access to the critical air and seaport facilities in Oman.

¹⁵⁶ Allen and Rigsbee, p. 185.

¹⁵⁷ Al-Khalili, p.185-186.

While Oman was supporting the war efforts against Baghdad it was also trying to convince the parties concerned for a diplomatic solution. Muscat never broke its diplomatic relations with Baghdad. The Iraqi Ambassador continued to reside in Muscat.¹⁵⁸

Following the end of the Gulf War, Oman pursued more conciliatory policy towards Iraq which frustrated Saudi Arabia and Kuwait.

Throughout the crisis Oman exerted great efforts to ease sanctions imposed by the Security Council in 1991, demonstrated its concern for the population of Iraq and never severed diplomatic relations with Iraq.¹⁵⁹ After assuming the non-permanent seat in the UN Security Council in January 1994, Oman on the one hand supported the sanctions against Iraq on the other hand tried to ease the negative effects of sanctions on the Iraqi people.¹⁶⁰ During Madeleine Albright's, the U.S.A Ambassador to the UN, visit to Oman, Sultan Qaboos proposed to draft a new UN Security Council Resolution giving Iraq more flexibility to sell oil and use the proceeds for the purchase of humanitarian supplies for the Iraqi people.¹⁶¹ Minister Alawi's statement makes clear the Oman's role in the UN Security Council Resolution 986:

As you know, the Sultanate of Oman played a major part in Resolution 986. The idea of the resolution was formulated here when Madeleine Albright came here on a visit and met with Sultan Qaboos. The Sultan raised the issue for the first time, because no people should be left to starve. So the idea emerged of coming up with a humanitarian plan,...So we are of the opinion that we had moral responsibility to see the resolution

¹⁵⁸ Al-Khalili, p. 198.

¹⁵⁹ Kechichian, p. 112-113.

¹⁶⁰ Al-Khalili, p. 201.

¹⁶¹ *Ibid.*, p.201.

implemented. That is why contacts between us and Iraq are continuing.¹⁶²

In addition to its efforts to ease the negative effects of the sanctions, Oman has not shown any interest in sponsoring or working with Iraqi opposition groups.¹⁶³

As mentioned in Chapter IV, in the late 1980s Sultan Qaboos could not convince Saudi Arabia to adopt a new regional security vision incorporating Iraq and Iran to the regional security arrangements. In the wake of the Gulf War, Sultan Qaboos brought a new proposal to the agenda of the GCC countries. At the 1991 Kuwait GCC Summit, Sultan Qaboos proposed to create a 100,000-man-strong GCC army.¹⁶⁴ That army, including unified command, would be separate both from the national armies and form the small Peninsula Shield Force stationed in Saudi Arabia. Oman's proposal, however, was rejected by the GCC countries because of the excuses such as budgetary constraints and disagreement over how collective GCC army should be commanded.¹⁶⁵ In a statement Minister Alawi mentioned that the plan was a strategic deterrence concept but the GCC countries were not ready for that kind of concept.¹⁶⁶

Another distinctive step taken by Oman in the field of regional security was its approach to Yemen. Right after the unification of South and North Yemen in 1990, Oman and Yemen signed border agreement in

¹⁶² Interview with Yusuf Bin-Alawi, Omani Minister of State Responsible for Foreign Affairs, by Huda al-Husayni in Muscat:FBIS-NES-2003-1220, 5 December 1996, p.17, as quoted in Al-Khalili, p. 202.

¹⁶³ Bahgat, Security Dialogue, Vol: 30, No: 4 (1999), p.452.

¹⁶⁴ Kechichian, pp. 89-90.

¹⁶⁵ Al-Khalili., pp. 193-194.

¹⁶⁶ Interview with Yusuf Bin-Alawi, Omani Minister of State Responsible for Foreign Affairs, by Huda al-Husayni in Muscat:FBIS-NES-2003-1220, 5 December 1996, p.17, as quoted in Al-Khalili, p. 194.

1992 in which Oman had made important concessions to Yemen.¹⁶⁷ In 1993, Sultan Qaboos visited Sana'a¹⁶⁸ and called upon the GCC to consider admitting Yemen as a member of the organization.¹⁶⁹ Sultan Qaboos believed in that Yemen's participation to the GCC would make a considerable contribution to the elimination of the threats to the Gulf security. His proposal, however, was rejected by the other GCC countries.

One year after Sultan Qaboos's efforts to integrate Yemen to the GCC, a civil war broke out in Yemen in 1994. During the civil war, Oman once more pursued a different policy towards Yemen from the most of the GCC countries. Unlike Saudi Arabia, Bahrain, Kuwait and the UAE that supported breakaway Democratic Republic of Yemen, Oman supported President Ali Abdallah Salih (Only Qatar stood firm with Oman in supporting existing Yemeni government).

As mentioned in Chapter III, Oman supported the peace talks and the Agreement between Egypt and Israel in the late 1970s. Oman kept its constructive approach towards the Arab-Israel conflict in the 1990s and actively participated in the multilateral peace process working groups created by the Madrid Conference of 1991. Sultan Qaboos has repeatedly stated that Oman has always been in favor of peaceful solutions of the Arab-Israel conflict.

The new atmosphere in the Palestine issue created by the Madrid Conference and then Oslo Accords by which Palestinian refusal to accept a Jewish state, Israeli denial of the Palestinian claim to statehood was in principle corrected provided an opportunity for Oman to normalize its relations with Israel.¹⁷⁰ In an interview Sultan Qaboos explains Oman's role in Middle East Peace Process as such:

¹⁶⁷ Kechichian, p.96.

¹⁶⁸ Oman Daily Arabic, 3 October 1993.

¹⁶⁹ Al-Khalili, p. 227.

¹⁷⁰ Halliday, p.121.

Our policy is based on non-interference in other's internal matters. And this is the reason for my contentment. Oman played a positive role in trying for peace and protecting human rights. We will continue to play this role on our own and through international organizations. However, I am satisfied with the way the relations between the Arab world and Israel are progressing... Oman was the only country which had supported the Camp David Accord which set the wheel of peace process rolling and had always supported peaceful settlements through negotiations.¹⁷¹

Right after Oslo Accords in 1993, first unofficial contacts between Oman and Israel took place in the UN Headquarter in 1993 and 1994. In February 1994, Yosi Beilin, Deputy Foreign Minister of Israel received special Omani envoy to discuss the steps to normalize the bilateral relations between the two countries. On 15 April 1994, an Israeli delegation participated in the meeting of Middle East Multilateral Working Group on Water Resources held in Muscat. That was the first official visit ever to an Arab Gulf State by Israel.¹⁷² On 7 November 1994, Yosi Beilin, Deputy Foreign Minister of Israel, paid one-day official visit to Oman.¹⁷³ After these initial steps, first high level visit from Israel to Oman was realized. In December 1994, Israeli Prime Minister Yitzhak Rabin visited Oman.¹⁷⁴ On 1 October 1995, Oman and Israel announced that they agreed to establish trade relations. With the establishment of the trade relations between the two countries Oman became the first Arab Gulf country having trade relations with Israel¹⁷⁵ (Right after rapprochement between Oman and Israel, Qatar followed Oman and established trade relations with Israel). In a statement, Yousuf Alawi,

¹⁷¹ Times of Oman, 7 January 1995.

¹⁷² The Jewish Post, 27 April 1994.

¹⁷³ Times of Oman, 8 November 1994.

¹⁷⁴ Oman Daily Observer, 27 December 1994.

¹⁷⁵ The Jerusalem Post, 2 October 1995.

Minister Responsible for Foreign Affairs explains the reason behind Oman's new opening to Israel:

The Oman-Israel contacts were aimed at urging the Israelis that they had an interest in peace in the region...Contacts were also aimed at preserving the rights of the Arab parties concerned. Every country had its independent right to practice its own foreign policy. Oman had no problems with anyone and thus it aimed at playing matters down for the sole purpose of safeguarding stability.¹⁷⁶

Assassination to Yitzhak Rabin did not change Oman's policy towards Israel. Sultan Qaboos sent one of his high-ranking Ministers to Rabin's funeral. In 1996, Israel's new Prime Minister, Shimon Peres, visited Oman and the two countries agreed to open Trade Offices in Muscat and Tel Aviv. In addition to this, Israel offered its expertise in desalination and other water and agricultural schemes¹⁷⁷ and in 1996 Middle East Desalination Research Center was established in Muscat to which Israel and Palestine are party.¹⁷⁸

After Netanyahu came to power, the relation between the two countries deteriorated drastically. As a reaction to Israel's policy change towards peace process, Oman relinquished from its normalization policy and in 1997 it did not allow an Israeli diplomat to enter into country and withdrew its trade representative from Israel.¹⁷⁹ Under these circumstances the presence of the Israel Trade Office in Muscat may have triggered a reaction towards the Government. The reaction of the public opinion to the steps taken by the Israeli government was very influential in the decision of closure. As Halliday puts it, in all societies public

¹⁷⁶ Al Sharq al Awsat, 15 April 1995.

¹⁷⁷ Gawdat Bahgat, "Persian Gulf Security at the turn of the Century", Defense Analysis, Vol:15, No:1 (1999), p.87.

¹⁷⁸ Kenneth Katzman, The Persian Gulf States: Post-War Issues, New York, Novinka Books, 2004, p.23.

¹⁷⁹ AL-Khalili, p.238.

opinion sets limits beyond which the ruler cannot go.¹⁸⁰ Following the eruption of the second intifada in September 2000, Israel had to close its Trade Office in Muscat. Sultan Qaboos describes how Oman formulates its foreign policy towards Israel very well in a statement: “We watch the political thermometer closely. When it is hot, we make our views known to the Israelis”¹⁸¹ Oman’s opening to Israel in 1990s can be explained by two characteristics of Oman’s foreign policy: having close relations with the West and supporting peaceful solution to international conflicts.

In the 1990s, despite its GCC neighbors’ negative attitudes towards Iran and the USA’s dual containment policy, Oman continued its efforts to intensify its relations with Iran. In other words, its policy towards Iran continued to differ from most of the GCC countries and came into direct conflict with Washington’s policies. On the one hand it tried to improve its bilateral relations, on the other hand exerted considerable efforts to reintegrate Iran into both the Gulf region and the international community.

As mentioned in Chapter III, throughout the Iran-Iraq War, Gulf countries, except Oman, supported Iraq against Iran as a counterbalance. 1990s did not make too much change in the perception of these GCC countries on Iran.

Three islands problem between the UAE and Iran starting with Iran’s occupation of the islands in 1971 was escalated by Iran in 1992 when Tehran expelled the foreigners from Abu Musa who were employed by the UAE in medical clinics and power generation stations.

Saudi Arabia had also concerns about Iran’s policy towards the Gulf region. It can be seen from the statement of a Saudi official how Saudi Arabia saw Iran in the 1990s:

Today, Iran is a much bigger threat to the Gulf than Iraq. Iraq is now contained. Iran in the long run is much dangerous. Its arms buildup signals hostile intentions. If

¹⁸⁰ Halliday, p.56.

¹⁸¹ Miller, p.15-16.

Iran acquires nuclear weapons, it would lead to a major disaster.¹⁸²

Most of the Gulf countries considered Iran as the main source of threat to the security and stability in the region. Oman (and to a certain extent Qatar) did not accept their perception that Iran posed a real threat to security and stability in the region. In an interview Sultan Qaboos explains how Oman sees Iran in 1990s:

The relation between both countries was based on mutual cooperation in achieving common goals. I strongly believe that Iran has a significant role to play in the region and I do not agree with the notion that Iran will cause danger to the stability of the region in the long run.¹⁸³

Instead Oman advocated that a prosperous and stable Iran would enhance and consolidate the chances of comprehensive peace in the Gulf and Middle East.¹⁸⁴ Washington, however, did not accept the argument that exclusion of Iran may be detrimental to peace and stability of the region.¹⁸⁵ Washington's policy towards Iran set another constraint for Muscat's policy towards Iran. In 1993, the US government announced its dual containment policy towards Iraq and Iran, which sought to isolate both Iraq and Iran internationally. This policy explicitly rejected the classic US strategy of balancing Iran and Iraq against each other. The dual containment policy called for Iran to cease its support of international terrorism and subversion, end its violent opposition to the Arab-Israeli peace talks, and halt efforts to acquire weapons of mass destruction.¹⁸⁶ In

¹⁸² Marschall, p.156.

¹⁸³ Times of Oman, 7 January 1995.

¹⁸⁴ Bahgat Gawdat, "Security in the Gulf: The View from Oman," Security Dialogue, Vol:30, No:4(1999), pp.445-458.

¹⁸⁵ Halliday, p.151-152.

¹⁸⁶ Gary Sick, "The Clouded Mirror: The United States and Iran", in Iran at the Crossroads, John L. Esposito and R.K. Ramazani (eds.), New York, Palgrave, 2001, p.198-199.

such a regional and international environment, Oman does not hesitate to craft its own foreign policy towards Iran.¹⁸⁷ Instead of making contribution to endeavors in isolating Iran, Oman tried to reintegrate Iran into the Gulf and played either facilitator or mediator role between Iran and other Gulf countries. Sultan Qaboos expresses Oman's foreign policy towards Iran in 1990s as such:

Nations should be talking to one another. Iran is the largest country in the Gulf, with 65 million people. You can not isolate it. You can be frank in expressing your grievances-and we are. I do not mince my words. I tell them that the whole world is beginning to work together, that they can not sit apart and go on without the rest of the world. They can not survive if they do. When I talk to some officials, I am encouraged by their response. The issue is whether they can impress the others sufficiently.¹⁸⁸

For instance, Oman played a considerable role in restoring diplomatic relations between Saudi Arabia and Iran; and hosted meetings between Iranian and Saudi officials.¹⁸⁹

In the wake of Iran-Iraq War Oman's efforts to include Iran into the Gulf security arrangements were mentioned in Chapter III. Oman continued its dialogues towards that end in the 1990s. Oman was the only Gulf state supporting Iran's inclusion in future security arrangements. In 1991, Ministers of Foreign Affairs of Iran and Oman paid a series of visits to each others' countries. In these visits post-Gulf War security arrangements were on the top of the agenda. In his visit to Tehran in February 1991, Yousuf Alawi, Minister Responsible for Foreign Affairs, raised the possibility of Tehran's consultative role in the formation of future regional security arrangements:

¹⁸⁷ Joshua Teitelbaum, "The Gulf States and The End of Dual Containment", Middle East Review of International Affairs, Vol:2, No:3 (September 1998), p.24.

¹⁸⁸ Miller, p.14.

¹⁸⁹ John Calabrese, Revolutionary Horizons: Regional Foreign Policy in Post-Khomeini Iran, London, St. Martin's Press, 1994, p.52.

A high Committee has been formed concerning security arrangements for the period of post-Gulf war in the region headed by His Majesty Sultan Qaboos. That Committee was formed in the last GCC Summit, which was held in Doha last December. Formation of this Committee comes to view the new security arrangements in the Gulf Region and make the necessary communications with the countries like Islamic Republic of Iran to view their point of view concerning the future of security in the Gulf Region, and to progress the relations between Iran and Arabian Gulf countries.¹⁹⁰

As a result of Oman's distinct foreign policy towards Iran, bilateral relations between the two countries had reached its peak since the revolution. Following Allawi's visit to Tehran, in 1993 Rear Admiral Shibab bin Tariq, Commander of the Royal Navy of Oman, visited Tehran and during his visit it was announced that the two sides would cooperate in maintaining security in the Straits of Hormuz and the Gulf of Oman.¹⁹¹ In the mid-1990s, for the first time since the Revolution, navies of the two countries began to exchange visits. In 1995, Admiral Ali Shamkhani, Navy Commander of Iran, visited Oman.¹⁹² In 1996, Yousuf Alawi, Minister Responsible for Foreign Affairs, paid a three-day official visit to Iran¹⁹³ and in 1997, Al-Aridi, Commander of Oman Air Force visited Tehran.¹⁹⁴

Throughout the 1990s, Oman continued to seek ways of improving its relations with Iran. Sultan Qaboos never believed in that Iran could be isolated. That's why Oman preferred a constructive approach rather than the USA's dual containment policy towards Iran.

¹⁹⁰ Oman Daily Arabic, 22 February 1991.

¹⁹¹ Oman Daily Observer, 7 December 1993

¹⁹² Oman Daily Observer, 18 April 1995

¹⁹³ Times of Oman, 14 November 1996.

¹⁹⁴ Oman Daily Observer, 11 March 1997

5.3 International Environment

1990s marked the beginning of a new international era bringing new challenges and opportunities for the countries. The collapse of the Soviet Union and the end of the Cold War removed the balance between the two super powers in favor of the USA and triggered some ethnic and religious problems that had been frozen in the cold war and reactivated irredentist approaches.

As mentioned in Chapter II, the Soviet Union had provided substantial support for the PFLOAG during the Dhofar War. Although Oman started to normalize its relations with the Soviet Union in 1985, the collapse of the Soviet Unions had totally eliminated the possible negative effects of the Cold War and removed the constraints imposed by the Cold War.

The end of the Cold War had created euphoria in the international relations that lasted only few years. That euphoria had disappeared quickly with the Iraq's invasion of Kuwait and Bosnia War.

Iraq's invasion of Kuwait affected not only the Gulf region and Middle East but also the whole world. Saddam Hussein's aggression towards Kuwait resulted in a regional and international crisis that has been lasting until today.

Iraq's unexpected invasion of Kuwait did not leave any option for Oman other than supporting the initiatives of the international community and participating into the coalition forces. Unlike the regional countries and the USA, Oman, however, did not support the policy of containment of Iraq and tried to reintegrate it into the Gulf and the international system after the Gulf War. Despite the expectations of the international community and the regional countries, Oman adopted a conciliatory foreign policy towards Iraq instead of containment policy.

One of the most important repercussions of the Gulf War for the region was the USA's new policy towards Iraq and Iran: Dual Containment, which kept the lower Gulf States utterly dependent on US

protection.¹⁹⁵ In 1993, Washington brought an end to the game of balancing Iran against Iraq and decided to counter both Iraqi and Iranian regimes. The main purpose of that policy was to contain the influence of these states by isolation, pressure and diplomatic and economic measures.

Despite its participation into the coalition forces against Baghdad and close relations with the USA, Oman openly opposed to the USA's dual containment policy. Contrary to that policy, Oman adopted a conciliatory policy towards Iran and Iraq and tried to reintegrate them to the Gulf region and international system.

It can be argued that in 1990s Oman created a balance between the constraints of the international environment and its own foreign policy preferences. On the one hand, in compliance with the expectations of the international community and the regional countries it participated into the coalition forces and unlike Saudi Arabia and the UAE it offered its bases for logistical support in the operation "desert fox", on the other hand, it adopted a distinct approach towards Iran and Iraq which was based on conciliation.

In the period examined the regional environment played the most important role in shaping of Oman's foreign policy. Iraq's invasion of Kuwait forced Oman to join into the coalition forces against Iraq. As mentioned above, Oman, however, did not break its diplomatic relations with Iraq and took initiatives to ease the sanctions. Despite the USA's dual containment policy, towards Iran and Iraq, Oman did not adjust its Iran policy with that of the USA. In other words, in 1990s Oman continued to pursue an autonomous foreign policy towards Iran.

Another regional factor that influenced Oman's foreign policy substantially was the improvement in the Middle East Peace Process. In parallel to the improvements in the Middle East Peace Process, Oman took steps to normalize its relations with Israel. The policies of the

¹⁹⁵ El-Shaly and Hinnebusch, p. 75.

Netanyahu government, however, compelled Oman to cease its normalization policy.

CHAPTER 6
OMAN'S FOREIGN POLICY IN AN ERA DOMINATED
BY THE INTERNATIONAL ENVIRONMENT
(2000-2008)

At the domestic environment Oman experienced three challenges in varying degrees in 2000s. The first event was the arrest of a group of people in 2005 on the ground that they belonged to a religious group the aim of which was to restore the Imamate. The second event was the vast illegal migration from Somalia and Yemen. The third challenge, and most important one, was the Cyclone Gonu, which was the strongest tropical cyclone on record in the Arabian Peninsula. Although the decision-making structure remained unchanged in 2000s universal suffrage was declared in 2003. In the economic field, many projects were developed for the diversification of the economy.

The regional environment of 2000s substantially limited options for Oman's foreign policy. In other words, the constraints exceeded the opportunities for Oman. The USA led military campaign against Afghanistan, the USA invasion of Iraq, growing pressure on Iran regarding its nuclear program, rise in radical Islam, presence of Al-Qaeda in Yemen, and stalemate in the Middle East Peace Process were the main factors which played important roles in shaping of Oman's foreign policy.

In the 2000s, international environment dictated the Gulf Region's political agenda. September 11 and the new USA national security strategy were the main international determinants of Oman's foreign policy in the period examined.

6.1 Domestic Environment

It can be said that the domestic environment of Oman between 2000-2008 was not the one which has influenced Oman's foreign policy most. On the contrary, in this period domestic environment itself was influenced by the regional and international developments.

In the period (2000-2008) three events were experienced in terms of insecurity and instability. In January 2005, dozens of people were arrested by the Omani police forces on the ground that they belonged to a religious group the main aim of which was to restore the Imamate. Officials announced that “suspects were detained because of credible evidence implicating them in setting up an illegal association against the national security of the state and its policies of modernity and development”¹⁹⁶ The other event was the mass illegal migration to Oman. Most of the illegal migrants were Somalis. They were involved in many crimes, including human and drug trafficking. In the southern region, Oman police forces were unable to prevent or control their action. Finally in 2005 and 2006, the Army made an operation against illegal migrants and deported almost 1.500 Somalis from the country. In 2007, Cyclone Gonu hit Oman and caused about \$4.2 billion dollar in damage and 50 deaths with an additional 27 missing. Little damage was reported to the oil fields of the nation. LNG terminal in Sur city was badly hit by the storm and could not be operated. Production of desalinated water was interrupted for some days.

In terms of economy 2000s can be described as the integration years of Oman to the world economy. Within thirty years Oman has come a long way to institutionalize its economy and to complete its infrastructure. At the beginning of the new millennium it felt ready to open itself to the world economy. In October 2000, Oman was admitted to the World Trade Organization.¹⁹⁷ Legal and financial regulations were introduced to attract more foreign investment. Many steps were taken in the field of privatization. Iraq’s invasion caused to rise in oil prices. High oil prices in the period examined provided a real financial resource for the Omani government.

¹⁹⁶ The Daily Star, 15 April 2005.

¹⁹⁷ Katzman, p.22.

The most important domestic development was experienced in the field of democratic participation. In an area when the USA voiced its expectations from the regional countries to take more steps towards democratization,¹⁹⁸ Sultan Qaboos declared universal suffrage in 2003. Until that time, members of the Council of Shura used to be elected by the electorates determined by the Government. With the new election law, every Omani people who is 21 years old has got the right to vote. In 2003 and 2007 elections, members of the Council of Shura were elected by the Omani people.

6.2 Regional Environment

The terrorist attack of September 11 has led to a substantial change in the USA national security strategy. The new USA national security strategy affected the whole world in general and the Middle East in particular. With the USA military campaign against Taliban and Al-Qaida in Afghanistan and the USA invasion of Iraq, the Gulf region became once again the center of crises and instabilities.

The Sultanate's reaction to the terrorist attacks of September 11 was in conformity with the international community and Muscat made its facilities available for the USA-led military campaign against Taliban in Afghanistan.¹⁹⁹

Although the Sultanate supported the USA in its fight against Taliban and Al-Qaida, when it comes to Iraq it did not hesitate to voice its concerns. Furthermore, Muscat eagerly supported every Iraqi initiative to avert a possible USA attack. In an Arab summit meeting in Beirut on 27 March 2002, Iraq and Kuwait agreed to solve the remaining problems between them. Iraq recognized the sovereignty of the state of Kuwait and the integrity of its borders. Iraq pledged for the first time that it would not

¹⁹⁸ Gawdat Bahgat, "Security in the Persian Gulf", Contemporary Security Policy, Vol:29, No:2 (August 2008), p.315.

¹⁹⁹ Al-Khalili, p. 248.

interfere in Kuwait's internal affairs, and recognized Kuwait's border.²⁰⁰ Six months later, Iraq took a more important step and sent a letter to UN Secretary General Kofi Annan indicating that it would allow the return of UN weapons inspectors "without condition".²⁰¹

Omani authorities mentioned, in every possible occasion, that they were supporting all steps taken by the Iraqi government to develop cooperation with the UN Monitoring, Verification and Inspection Commission (UNMOVIC) and International Atomic Energy Agency (IAEA).²⁰²

In October 2002, Iraq's Foreign Minister paid an official visit to Oman and delivered a letter from Saddam Hussein to Sultan Qaboos. Although the content of the letter is unknown, it can be assumed that Saddam sought Sultan Qaboos' assistance to persuade the USA that he was sincere in his call for UN inspectors. After three months from Iraqi Foreign Ministers' visit to Oman, Yousuf Alawi, Minister Responsible for Foreign Affairs suggested to form an Arab delegation in order to convince the USA to exhaust all peaceful means.²⁰³

Although Omani media, which is directly and indirectly controlled by the Government generally prefers not to make interpretation about risky international political issues, exceptionally, did not hesitate to criticize the USA regarding its Iraq policy. "Times of Oman" and its columnist Essa Mohammed Al Zedjali, the only political columnist in Oman, took the lead in questioning the USA's policy over Iraq. In his article Zedjali blames the USA to use the "fighting against terrorism" in order to extend its hegemony:

Day by day, the world is discovering the real face of the United States of America and its ugly intentions. Fighting terrorism is nothing but a pretext to strengthen and extend

²⁰⁰ Al-Quds Al-Arabi, 5 April 2002.

²⁰¹ <http://archives.cnn.com/2002/WORLD/meast/09/16/iraq.un.letter/index.html>

²⁰² Oman Tribune, 18 September 2002.

²⁰³ Al-Watan, February, 8 2003.

American hegemony over the rest of the world. America wants to sit on the throne and give orders to a world that will carry them all out without any whimper or protest... If anyone thinks the US has devised its world leadership dreams after the September 11 incidents, one is sadly mistaken. America had chalked out and put in place its plans to lead the world single-handedly even before the September 11 events. If anything, September 11 incidents—just as the events followed the collapse of the Soviet Union, only provide the US with an excuse to execute its plans with renewed vigour. In other words, the September 11 events gave America the cover to pursue its designs under the banner of fighting terrorism.²⁰⁴

In one unnamed article in Times of Oman the proofs presented by the USA are criticized as follows:

But there seems to be scant change to the status quo with several Council members still unconvinced about the urgency for a war without a clear proof. Powell's so-called evidence is, at best, circumstantial if not a hoax... Surely, it is not morally right to go to war armed with certain pictures, the provenance of which are in doubt.²⁰⁵

Although Oman supported all the initiatives made by Iraq and voiced its concerns about the negative effects of a war on Iraq, when the war started the official criticism of the United States disappeared.²⁰⁶ In addition to this, although it was denied by the Omani officials it is believed that the USA and UK forces were allowed to use some military air bases in Oman during the war.²⁰⁷ Oman's support to the coalition forces, however, was much more limited in scope than in the case of Afghanistan.²⁰⁸ According to Foley, Oman was not the only GCC country

²⁰⁴ Essa bin Mohammed Al Zedjali, "America Lives in Isolation", Times of Oman, 8 September 2002.

²⁰⁵ "War Is Still not an Option", Times of Oman, 8 February 2003, p.3.

²⁰⁶ Al-Khalili, p. 251.

²⁰⁷ See Sean Foley, "The Gulf Arabs and the New Iraq: The Most To Gain And The Most To Lose", Middle East Review of International Affairs, Vol.7, No:2 (June 2003), p. 30. and Lefebvre, p. 101.

²⁰⁸ Lefebvre, p.104.

which supported the coalition forces during the war and he argues that GCC states assisted US and coalition partners' military operations in Iraq.²⁰⁹ It can be said that the USA's resolve to attack Iraq have really constrained foreign policy options of the regional countries. As Khalili puts it: "Once Washington was resolved to attack Baghdad, their interests resided with Washington, especially after the destruction of the old Iraqi guard. Members of the GCC reasoned that a stable, democratic, unified, and wealthy Iraq could be a force of stability in the region, and perhaps more importantly, a long term counterweight to Iran"²¹⁰

The reasoning of the Gulf countries, however, did not come true. The USA invasion of Iraq brought more instability, uncertainty and challenges for the Gulf countries. These challenges include promoting democracy, a Shiite-led government, civil war, and the partition of Iraq on ethnic and sectarian lines.²¹¹ The situation in Iraq strengthened Iran's regional position. Instead of being a counterweight to Iran, Iraq turned out to be a weak country on which Iran can extend its influence.

Omani authorities, however, have mentioned their concerns in every occasion about the instability and insecurity in Iraq which threatened the whole region and underlined the importance of the national unity and territorial integrity of Iraq.

The USA presence in Iraq and Afghanistan and its gradually increasing accusations against Iran made very complicated the Gulf countries' relations with Iran. The removal of the regimes in Kabul and Baghdad which had been sworn enemies of Tehran enhanced Iran's regional position.²¹² Iran has become more assertive, claiming a leadership role in regional issues such as stability in Iraq, the future of

²⁰⁹ **Ibid.**, p.26.

²¹⁰ Al-Khalili, p. 252.

²¹¹ Bahgat, Defense and Security Analysis, Vol: 24, No:3 (September 2008), p.237.

²¹² Bahgat, Contemporary Security Policy, Vol:29, No:2 (August 2008), p.303.

Lebanon, and the Arab-Israeli conflict.²¹³ In order to isolate Tehran, Washington tried to convince the Gulf countries that Iranian policy is the main cause for instability in the Middle East.²¹⁴

In such an environment Oman continued to improve its relations with Iran. During Minister Alawi's visit to Iran in 2002, Minister Alawi and President Khatami reiterated that they are opposed to a military attack on Iraq and do not approve of any attack against Iraq or any other Muslim or Middle Eastern country.²¹⁵ In 2004, first Mohammed Reza Aref, Vice-President of Iran²¹⁶ and then President Khatami²¹⁷ paid official visits to Oman. President Khatami's visit has been the first visit by an Iranian President since Shah. At the end of the visit various bilateral agreements including Agreement on Prevention of Double Taxation were signed and a joint statement was issued in which among others both sides stressed the right of nations to develop their nuclear capacities for peaceful purposes in accordance with the non-proliferation treaty of the IAEA and strongly condemned Israel's refusal to submit its nuclear installations to inspections.²¹⁸

As Al-Khalil states "Muscat was the only capital among the GCC states that issued joint statements supporting Iran's positions on key issues, especially Iran's nuclear program. This was not an easy task given the international pressure on Iran, and the sensitivity of supporting Iran when the United States has declared Iran to be part of the "axis of evil".²¹⁹

It must be, however, noted that the President Khatami's conciliatory approach in some cases such as Palestine issue and Israel-

²¹³ *Ibid.*, p.237.

²¹⁴ *Ibid.*, p. 240.

²¹⁵ <http://www.highbeam.com/doc/1G1-90354165.html>

²¹⁶ Oman Daily Observer, 16 June 2004.

²¹⁷ Oman Tribune, 6 October 2004.

²¹⁸ Oman Tribune, 8 October 2004, p.1.

²¹⁹ Al-Khalili, p. 258.

Lebanon relations facilitated Oman's constructive approach towards Iran. Following Iranian Foreign Minister Mottaki's visit to Oman on 5 June 2006²²⁰, second high level visit from Iran to Oman took place in 2007. President Ahmedinejad paid a two-day visit to Oman. In addition to high level visits, two countries held a maritime security meeting in Iran's Bandar Abbas in 2007.²²¹

In a statement Minister Alawi, with reference to Iran's nuclear program, mentioned that "Iran does not pose any threat to the Arab Gulf region and the Sultanate has mutual interests with that country which contribute to the stability in the region."²²²

Oman has mentioned in every occasion that Iran has the right to develop its nuclear capacities for peaceful purposes.²²³ Iran's right to carry out its nuclear program was advocated in Times of Omani as such:

Iran's right to have nuclear weapons stems from the fact that there exists no effective international law that is applicable to all countries and which bans all countries from possessing nuclear arms. As there are several countries that acquired nuclear weapons with the full knowledge of the international community, Iran is within its right to turn its dream into reality by producing nuclear weapons²²⁴

In his another article Zedjali criticizes openly the U.S.A's approach towards Iran on the nuclear issue:

"So the USA portrays the Iranian nuclear activity as a ticking time bomb threatening the Middle East. Mind you, it is the very same USA that is turning a blind eye to the nuclear arsenal possessed by Israel, the biggest threat to world peace...The USA administration wants to shut down

²²⁰ Times of Oman, 6 June 2006.

²²¹ Oman, Qatar Agree to Security Talks, (www.geostrategy-direct.com) 12.24.2008

²²² Oman Tribune, 30 July 2007, p.4.

²²³ Information Note : Oman's Foreign Policy, Ministry of Foreign Affairs of the Sultanate of Oman.

²²⁴ Essa bin Mohammed Al Zedjali, "Iran Has the Right to Possess Nuclear Weapons", Times of Oman, 18 February 2007, p.1.

all Iranian nuclear reactors, denying that country's legitimate right to enrich uranium for civilian and peaceful purposes. There is no shred of justice in this stand since Israel possesses more than 200 nuclear warheads, something that the American administration knows and approves, despite the fact that the Middle East should be free of weapons of mass destruction, in accordance with the international agreements sponsored by the UN. How long will the American administration continue adopting double standards to please Israel?"²²⁵

Despite increasing pressure on Iran, Oman continued to intensify its relations with Iran. One of the fields in which Oman would like to improve its relations with Iran has been energy. Despite its considerable oil reserves, Oman's natural gas reserves are very limited and far from meeting the requirement of its industrial projects to be initiated. Therefore Oman has tried to develop its relations with Iran in the field of natural gas.²²⁶ In 2005, Oman signed a Memorandum of Understanding with Iran to import 30 million cubic meters of Iranian gas daily.²²⁷ During President Ahmedinejad's visit to Oman in 2007, another Memorandum of Understanding was signed between the two countries to improve relations in the field of energy. It can be argued that the cooperation in the field of natural gas would be one of the areas where Oman-Iran bilateral relations would intensify in the near future.

In 2000s, Oman continued its policy of developing cooperation between Yemen and the GCC. During the 22nd Session of the GCC Supreme Council in Muscat on 30-31 December 2001, the GCC countries approved the accession of Yemen to the four GCC bodies namely: Council of the GCC Ministers of Health, The Arab Bureau of Education for the GCC Member States, Council of the GCC Ministers of Labor and Social Affairs and the GCC Football Cup Tournament. During its GCC

²²⁵ Essa bin Mohammed Al Zedjali, "Danger from Israel, not Iran", Times of Oman, 26 September 2004, p.1.

²²⁶ "Muscat Has to Secure Gas Supply", Middle East Economic Digest, Vol:52, No :40 (March 2008), p.20.

²²⁷ Oman Daily Observer, 16 March 2005, p.1.

Presidency, Oman intensified its efforts to develop relations between the GCC and Yemen. In 2002, with the initiatives taken by Oman an agreement was signed between the GCC and the Republic of Yemen for developing specific mechanisms for cooperation between the two sides, which includes setting up a joint working group that would propose recommendations for such cooperation.²²⁸

In addition to incorporating Yemen to the GCC bodies, Oman tried to develop its relations with Yemen in the field of security. Oman considered the smuggling and human trafficking from Yemen and the presence of Al-Qaida in Yemen as a real threat to its internal security. Within this framework, in 2004 Minister of Interior of the Sultanate of Oman visited Yemen and Security Cooperation Agreement was signed between the two countries.

6.3 International environment

As mentioned above, it is so difficult to describe which factor is purely regional and which one is international for the Gulf countries in the period examined. The first decade of the second millennium is a period where the international environment has predominantly affected and determined the regional environment of the Gulf region.

September 11, the change in the USA defense policy²²⁹ which was followed by the adoption of the new national security strategy²³⁰, operations against Taliban and Al Qaeda and invasion of Iraq by the USA

²²⁸ <http://www.gcc-sg.org/eng/index.php?action=Sec-Show&ID=70>

²²⁹ The U.S.A's New Defense Policy adopted in 2001 was build on four main objectives : 1) Assuring allies and friends of the United State's steadiness of purpose and its capability to fulfill its security commitments ; 2) Dissuading adversaries from undertaking programs or operations that could threaten USA interest of those of our allies and friends ; 3) Deterring aggression and coercion by deploying forward the capacity to swiftly defeat attacks and impose severe penalties for aggression on an adversary's military capability and supporting infrastructure and 4) Decisively defeating any adversary if deterrence fails. See Quadrennial Defense Review Report, Department of Defense of the United States of America, September 30, 2001.

²³⁰ The National Security Strategy of the United State of America 2002, The White House Washington, September 2002.

have been the main international factors which affected Oman's foreign policy. The new USA national security strategy has determined the main agenda of the Gulf region. September 11 has given a convenient opportunity to the USA policy makers to adapt a more preemptive security strategy. The new USA strategy has resulted in operations against Taliban and Al-Qaeda in Afghanistan, the USA invasion of Iraq and gradually increasing pressure on Iran regarding its nuclear program. All these developments made the Gulf Region once more one of the most risky geographies in the world. It can be argued that the new USA security strategy and its ramifications in the Gulf region have limited the Sultanate's foreign policy options.

The first international factor that affected Oman's foreign policy was "war on terrorism" pioneered by the USA after September 11. Within the context of "war on terrorism" Oman aligned its foreign policy with that of the USA and opened its military facilities for the USA led military campaign against Afghanistan. After September 11 the USA military presence increased drastically from 200 to 4.300 in Oman.²³¹ As mentioned above, military campaign against Al Qaeda and Taliban resulted in more anti-Americanism which made the ruler of the Gulf countries having cooperation with the USA more open to criticism and terrorist attacks of the extremist groups like Al Qaeda. Oman's support to the fight against terrorism and operations of the coalition forces in Afghanistan made it open to terrorist threat and attacks. For instance, presence of different Al Qaeda groups in Yemen has been perceived a real and immediate threat to internal security by the Omani officials.

The second international development which substantially constrained Oman's foreign policy options was the USA's resolve to topple Saddam Hussein. As discussed in the previous part, until the war started Oman had tried every possible way to make contribution to the prevention of the war. Just seven months before the invasion Yousuf

²³¹ Kenneth Katzman, "Oman: Reform, Security, and U.S. Policy", Congressional Research Service: CRS Report for Congress, 29 May 2008, p.2.

Alawi, Minister Responsible for Foreign Affairs explains the conditions for the use of Omani military bases against Iraq:

Should the UN decide to use force... if a new round of weapons inspections in Iraq is interrupted, for example... all member states have an obligation to support it. But it is not going to be that simple. ..The United Nations Charter says that nations should refrain from interference in the internal affairs of others. We will stick to that. But if there is any change in a new UN resolution that backs regime change in Iraq, all nations are obliged to support it... “mutual agreement” on “detailed access” between the United States and Oman, which was concluded in 1980, could in principle allow Americans to use the Sultanate’s military facilities-if its rulers agreed. There is no obligation committing us to say yes to every situation... The agreement is about military access to our military bases. When we see there are threats to our security and interests. This is still far away. We say yes when we see fit and when it serves our interests. We would very much like to help our American friends, as we did in the past in Afghanistan, both at the time of the Soviet invasion and later. That is for us and the Americans to work out, but it is now in the hands of the United Nations.²³²

Despite Minister Alawi’s statement, it is believed that when the war became inevitable Oman once more made its some facilities available for the USA forces. In conformity with the expectation of the Omani people, however, criticism of the USA has continued after the war. One of his numerous articles criticizing the USA, Essa bin Mohammed Al Zedjali explains the “real” reason of the war:

The insistence of the USA along with allied forces to enter Iraq and the ousting of the former regime were not accomplished for the benefit of the Iraqis. The continued presence of the coalition forces, too, is not aimed at doing good to Iraq. The real reason is, without doubt, the enormous wealth and treasures of that country. With a large reservoir of oil, Iraq enjoys a respectable status among the oil-producing countries... The looting is not limited to oil but includes manuscripts, cultural masterpieces at various museums including the National

²³² Washington Post, 29 September 2002.

Museum, which are transferred to other countries...The real intention of the coalition forces is clear from their plan to stay on in Iraq as long as possible. And without doubt, their presence will lead to further looting of Iraq's treasures and deterioration of the conditions of the Iraqi people and will put them at risk of death every second.²³³

Iran's nuclear program and growing USA concern about it is the third factor which has been affecting Oman's foreign policy. In the short term, the USA's pressure on Iran concerning its nuclear program and probable USA or Israel attack towards Iran will be the main challenge for Oman's foreign policy. Main question is that in the case of crisis or war between the USA and Iran to what extent Oman will be able to pursue its constructive foreign policy towards Iran.

In 2000s, like the previous decade, regional and international environments played the most important role in shaping of Oman's foreign policy. For the period examined, it is a little bit difficult to make clear distinction between the regional and international environments. In other words, in the 2000s the interaction between the two environments was very strong. For instance the USA led military campaign against Afghanistan, the USA invasion of Iraq and the growing pressure on Iran can be classified as both regional and international factors.

The USA's resolve to organize a military campaign against Taliban and Al Qaeda and to overthrow Saddam Hussein really limited foreign policy options of Oman. In the military campaign against Afghanistan Muscat made its facilities available for the USA forces. Although it was denied by the Omani officials the USA forces used some Omani military facilities in the Iraq invasion. When it comes to Iran, however, Oman continued to pursue its autonomous foreign policy in 2000s.

²³³ Essa bin Mohammed Al Zedjali, "Strangers looting Iraq's wealth", Times of Oman, 14 May 2006.

CHAPTER 7

CONCLUSION

This thesis attempted an analysis of the determinants of Oman's foreign policy with special reference to its foreign policy towards Iran. The period between 1970 and 2008 was chosen as the historical context of the study which enables the reader to see the Oman's foreign policy as a whole under the rule of Sultan Qaboos since his accession to power in 1970.

The thesis had two objectives. Firstly, it tried to analyze the determinants of Oman's foreign policy by focusing on three interacting environments namely domestic, regional and international which provide Oman with opportunities and constraints. Secondly, it sought to describe the main characteristics of Oman's foreign policy.

Before evaluating the domestic, regional and international determinants of Oman's foreign policy it may be beneficial to have a review of the changes and continuities experienced under the rule of Sultan Qaboos. As mentioned in the second chapter, tribal rivalries, power struggle between the central authority and Imamate forces, and between the interior and coastal regions had been the main destabilizing factors of the Sultanate. Within 38 years, all these destabilizing factors were either eliminated or taken under control. Security and peace have been reestablished and considerable steps have been taken in the direction of economic and social development. Thanks to the economic and social development, the role of the tribes in the social life has diminished and a new middle class has emerged. Through the oil revenues and homogenizing power of the central state, some progress has been made in creation of national identity.²³⁴ Economic and social policies pursued by Sultan Qaboos have consolidated his legitimacy.

²³⁴ Because of the "closed" character of the society and the authoritarian nature of the state it is not possible to determine to what extent an "Omani" national identity is created under Sultan Qaboos rule. What is clear is that Sultan Qaboos has been playing a

As for the continuities, the first and foremost continuity is the authoritarian nature of the state. Despite some limited steps taken in the field of political development, the Sultanate is still an absolute monarchy. Although structure of the government and local administration has been institutionalized under Sultan Qaboos rule, the decision-making structure has remained unchanged. Another continuation is seen in its economic structure. Although Oman has come a long way in the field of economic development, almost 80% of the revenues still come from oil. In other words, Oman is still a rentier state.

In the first period (1970-1979) examined, domestic environment of Oman played the most determinant role in shaping Oman's foreign policy. The problems Oman had been experiencing in the domestic environment such as insecurity, inadequate development, insufficient economic resources and challenges of the state formation process forced Oman, especially until the end of Dhofar War, to limit its foreign policy activities to secure the neighboring countries' recognition in order to cease some neighboring countries interference in its internal affairs and to solve its boundary problems. It can be argued that the challenges Sultan Qaboos had to face in the domestic environment had limited its foreign policy options.

At the regional environment, the priority for Oman was to enhance its security interests. As mentioned above internal insecurity drove Sultan Qaboos to seek active and passive support of neighboring countries. Under the civil war conditions Sultan Qaboos's primary foreign policy objective was to create an external environment enabling him to focus on securing domestic peace and on initiating development projects. In this regard, Oman on the one hand tried to solve its problems with the neighboring countries through dialogue on the other hand sought legitimacy and recognition by establishing diplomatic relations with the countries of the region and by joining Arab League and the UN. It can be

central role in creation of Omani identity. So his demise may trigger a discussion on Omani identity. See Valeri, *African Affairs*, Volume:106, No:424 (2007), pp. 479-496.

argued that its weakness in domestic environment forced Oman to prefer dialogue in its relations with the countries such as Saudi Arabia and Iraq with which it had problems. After the termination of Dhofar War in 1975, Oman began to take some initiatives in the regional arena. Its suggestions in the field of regional security arrangements, all of which were rejected by the regional countries, and its support to Camp David Accords were the main examples of these initiatives.

The developments in the international environment and its regional ramifications made Oman closer to the USA. In 1970s, USSR and China's support to the PFLOAG turned Oman out to be one of the scenes of the Cold War rivalry. In addition to this, Britain's decision to withdraw from the region was another factor that encouraged Oman to intensify its relations with the U.S.

In the second period (1979-1990) insecurity was eliminated from the domestic agenda. Steps taken in the fields of socio-economic development and security provided Oman with greater room for maneuver.

Regional and international environments played greater role in shaping Oman's foreign policy in this period. Iranian Revolution, Iran's unilateral acts to expand its influence in the Strait of Hormuz, rejection of Sultan Qaboos's suggestion for regional security arrangement, Soviet invasion of Afghanistan, increasing Soviet presence in the region, Carter Doctrine and Iran-Iraq War were the main regional and international developments of the 1980s. Oman reacted to these developments in two ways. Firstly, it institutionalized its relation with the USA and the Facilities Agreement was signed between the two countries in 1981. Secondly, it actively participated in the creation of the GCC.

The regional and international developments of 1990s such as the end of the Cold War, "victory of the democracy" and rising Islamist opposition movements compelled the GCC governments to ease the usual restriction on political activity. In such a regional and international environment Sultan Qaboos took steps at the domestic environment in the

direction of political and economic development to consolidate its legitimacy.

At the regional environment, Iraq's invasion of Kuwait did not leave any choice for Oman other than participating in the coalition forces. Iraq's invasion, however, led Oman to reiterate the necessity of a new security arrangement. It proposed to create a 100.000 man GCC army but its suggestion was once more rejected by the GCC countries. Positive developments in the Middle East Peace Process provided an opportunity for Oman to normalize its relations with Israel. Another opportunity was provided by the unification of South and North Yemen. After the unification Oman suggested the GCC countries to incorporate Yemen into the GCC.

At the international environment, the end of the Cold War has removed the constraints imposed by the bipolar world. Despite its participation into the coalition forces against Baghdad and close relations with the USA Oman openly opposed the USA's dual containment policy. Contrary to that policy, Oman adopted a conciliatory foreign policy towards Iran and Iraq and tried to reintegrate them to the regional and international system.

Between 2000 and 2008 Sultan Qaboos continued to take steps to consolidate its legitimacy. In the field of political development, universal suffrage was declared in 2003. In terms of economic development liberalization, privatization and integration to the world economy were the main objectives for Oman in 2000s.

In the period examined (2000-2008) two developments of the international environment have strong ramifications for the Middle East Region in general and the Gulf Region in particular. September 11 and the new USA national security strategy have totally changed Oman's regional environment. The new USA security strategy and its impact on the region have limited the Sultanate's foreign policy options.

From Oman's foreign policy orientation, behaviors and decisions mentioned above following characteristics can be attributed to Oman's foreign policy:

-Having close military and political relations with the leading western power to safeguard its security: Oman's close relations with Britain and then the USA prove its tendency to have close military and political relations with the leading western powers. Oman sees the presence of the USA (it used to be Britain) as the important element for its security in particular and for the stability of the region in general.

-Establishing good neighborly relations with the neighboring countries: Oman's comparatively limited resources and capabilities drive it to establish good relations with its neighbors. Oman's constructive approach to Saudi Arabia in the early 1970s while Riyadh was supporting Imam Ghalib, its eagerness to normalize its relations with Yemen in the early 1980s, which supported the PFLOAG throughout the Dhofar War and its constructive foreign policy towards Iran are the telling examples of its policy of establishing good neighborly relations with the neighboring countries.

-Not involving in regional conflicts and keeping channels of dialogue open even in the crisis times: Oman's policy of neutrality during the Iran-Iraq war constitutes the best example of its policy of not involving in regional conflicts. Oman's dialogue with Iran and Iraq during the Iran-Iraq war, its relations with Iraq after the First Gulf War, its approach to Israel and the presence of Middle East Desalination Research Center in Muscat to which Israel and Palestine are party show the importance Oman gives to keep the channel of dialogues open.

-Solving problems through dialogue: Oman's way of handling its border disagreements with the neighboring countries, its approach to Iraq while Iraq was supporting the PFLOAG during the Dhofar War and its efforts to normalize its relations with Yemen exemplify Oman's policy of solving problems through dialogue.

-Being inclusive rather than exclusive in the regional affairs:

Being aware of the necessity of harmonizing the national interests of all the regional countries for a viable regional security and stability, Muscat has always tried to incorporate Iran, Iraq and Yemen to the regional security arrangements. Its attempts in 1980s and 1990s prove Oman's sincerity to pursue an inclusive foreign policy in regional affairs. Oman's approach to the security of the Strait of Hormuz is another example of its inclusive understanding. Oman has always considered the safety of the Strait to be a regional and international responsibility.

-Refraining from ideological approaches and adopting pragmatic approaches in its bilateral relations: Oman has neither subscribed to ideologies such as Arabism or Islamism to deploy in its foreign relations nor seen any ideology as an obstacle to develop its relations with the countries pioneering these ideologies. Non-ideological foreign policy stance has been visible in Oman's relations with the Arab World, Iran, Israel and Western countries.

-Supporting peaceful solution to international conflicts: Oman's support to all initiatives taken in the Middle East Peace Process, its efforts to prevent the USA invasion of Iraq and its efforts to play some kind of a mediator role between the regional countries which have problems with each other are telling examples of Oman's approach of seeking peaceful solution of disagreements.

In this thesis, special attention is paid to Oman's foreign policy towards Iran. Oman's approach to Iran is the best explanatory example of the characteristics of Oman's foreign policy. As mentioned above, despite its close relations with the U.S. and the opposition of some regional countries Oman has been able to craft and pursue a constructive foreign policy towards Iran. At this juncture the reason of Oman's distinctive foreign policy towards Iran may be inquired.

The first factor is the legacy of history. As mentioned in the second chapter, relations between the two countries go back to centuries ago. The territory of Oman had always been one of the spheres of

influence of the Iranian civilizations. The history of East Arabian Peninsula depicts recurring invasions of those coming from the other side of the Strait of Hormuz. Keeping the lessons of the history in mind, Oman considers having good relations with Iran as an indispensable part of its national security. The history stemming from the geography is the first factor that shapes Oman's foreign policy towards Iran.

The second factor is Oman's different religious legacy and composition. Unlike most of the regional countries Oman does not perceive any threat from Iran concerning its Shiite minority. It is believed that 5% percent of the Omani population is Shiite (75% Ibadhi, 20% Sunni)²³⁵. They are well integrated to the Omani society. 75% of the Omani population is Ibadhi. Traditional Sunni-Shiite rivalry does not have nurturing grounds in Oman. In addition to this, Ibadhism's tolerance to the other sects and religions prevents the occurrence of any religious rivalry. For instance Shiites are allowed to build their own places of worship in Oman. As Mr. Ahmed bin Salem Al-Harty, Information and External Relations Office Manager in Sultan Qaboos Centre for Islamic Culture, mentioned in the interview of 26 April 2010, there is no major religious rivalry or conflict in the history of Oman.

Third factor is Oman's foreign policy characterized by good relation with its neighbors. As mentioned above Oman's comparatively limited resources and capabilities drive it to establish good relations with its neighbors. Iran's reciprocation to Oman's approach can be considered as the forth factor. Being aware of the Oman's distinctive policy towards itself Iran attaches a great importance to its relations with Oman. Iran sees especially its economic relations with the Gulf countries as an important means to break its isolation. For instance Musandam Peninsula of Oman has been serving as the most suitable place for the Iranian smugglers to

²³⁵ As there is no any official publication available concerning Oman's religious or ethnic groups these are estimated figures.

load up their small boats with a variety of goods.²³⁶ These four factors may explain Oman's foreign policy approach towards Iran.

In the coming years, domestic, regional and international environments will continue to determine Oman's foreign policy. At the domestic environment Oman will face two main immediate challenges. The first challenge is concerning economic development. As Dr. Mohammed Saad Al-Muqadam, Head of History Department, Sultan Qaboos University, underlined in the interview of 25 April 2010, economic stability has always been the most important factor for political and social stability throughout the history of Oman. As mentioned above Oman's oil resources are very limited and expected to exhaust in 2020. Therefore Oman has been exerting great efforts to diversify its economic activities. While oil resources are decreasing population is growing at an estimated rate of 3.2% per year. If the economic diversification program fails worsening economic conditions will put political and social stability in danger. Once the economic conditions deteriorate new destabilizing factors based on new social division lines may appear. Dissatisfaction in the society may lead to questioning of the legitimacy of the ruler. The pace of the steps taken by the government, however, will determine the success of the diversification policy. Even if the economic development goes well growing middle class may raise its demand for a political reform or more political participation after demise of Sultan Qaboos.

Second challenge is the issue of succession. As Sultan Qaboos has no son, the procedure which will be followed after his demise was clarified in the Basic Law. According to Basic Law, after Sultan Qaboos' decease, Royal Family will meet and choose the new ruler. If they can not agree on a candidate, the Defense Council will decide based on a name or names submitted by Sultan Qaboos. It is known that Sultan Qaboos have already written down two names, in descending order, and the sealed envelopes including these names are being kept in two different regions.

²³⁶ See Michael Slackman, Oman Navigates Between Iran and Arab Nations, The New York Times, 15 May 2009.

Any disagreement which will occur in the selection of the new Sultan may put all the accomplishments of “Renaissance” in danger.

In addition to these two main immediate challenges, growing Islamism in the Middle East and scarcity of the water resources can be considered as the potential factors that may influence internal stability. The events of 1994 and 2005 proved that potential for Islamism exists in Oman. If certain conditions occur it may reappear. As for the water scarcity, Oman receives very little rainfall each year. Water scarcity may create a real danger for the agriculture which is one of the priority areas in the diversification program. The way these challenges are handled will determine the degree of domestic stability in Oman.

At the regional level, the situation in Iraq, Iran’s nuclear program and the USA’s reaction towards it, the ramifications of Arab-Israel issue and radicalism will continue to be the main problems which Oman has to deal with. The instability in Iraq may spill over into the whole region. In the short term, the USA’s pressure on Iran concerning its nuclear program and probable USA or Israel attack towards Iran will be the main challenge for Oman. There is no doubt that Oman will try every possible way to calm down the tension between the concerning parties. Main question, however, is that in the case of crisis or war between the USA and Iran to what extent Oman will be able to pursue its constructive foreign policy towards Iran. Further deterioration in the Middle East Peace Process may force Oman to increase its criticism towards Israel to satisfy its public opinion and to protect itself from growing radicalism.

At the international environment, in the short and mid-term it can be expected Oman to continue to support the USA in its war on terrorism. Iranian issue, however, will be the toughest test for the US-Oman relations. Nonetheless in the short and mid-term Oman will keep its strategic importance for the USA and the presence of the USA will continue to be the best option for Oman to guarantee its security and stability. In other words, close military and political relations will remain unchanged between the two countries.

Put aside the challenges, rising of the South Asian countries as the main actors of the world economy provides a great opportunity for Oman in the long term. Benefiting from the legacy of its history and being aware of the potential of its strategic location for international trade, Oman may seek the ways of enhancing its relations with the rising South Asia countries, especially with India.

Few words should be added about the relations between Oman and Turkey. Oman is the only country in Arabian Peninsula which was not ruled by the Ottoman Empire. Diplomatic relations between the two countries go back to centuries ago. The first high level visit from Turkey to Oman took place 27 years after Sultan Qaboos came to power. President Süleyman Demirel's visit to Oman in 1997 has given an impetus to the relations. There have not been any political problems between the two countries. On the contrary both countries have pursued similar policies towards some regional and international issues. Prime Minister Recep Tayyip Erdoğan's visit to Oman in 2005 and the visit of Ali Babacan, Minister of Foreign Affairs, in 2008 have consolidated the relations. Oman supported the initiatives taken to establish high level strategic dialogue mechanism between Turkey and the GCC.

Economic relations have been growing at a faster rate. The first Turkish construction company began its activities in Oman in 2000. As of 2008, the number of the Turkish companies operating in Oman reached 12 and the value of the project they were awarded exceeded 2 billion US Dollars. The State Reserve Fund of the Sultanate made investments in Turkey. Despite the promising developments in the economic field, the volume of the bilateral trade is still far below its potential. In 2008, export from Turkey to Oman was 215.5 million US Dollars and import from Oman to Turkey was only 10.6 million US Dollars. The legal framework of the economic relations between two countries was created by the two agreements. Agreement for the Avoidance of Double Taxation and Agreement on the Reciprocal Promotion and Protection of Investments were signed successively in 2006 and 2007. It can be argued that thanks to

smooth political relations between the two countries, economic and commercial relations will gradually intensify in the near future.

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