

Oman: the outlier

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»» Sultan Qaboos bin Said al Said, ruler of Oman for the past 45 years, has made virtue of his country's position and characteristics to safeguard the country's internal political stability, and to protect it from its turbulent neighbourhood. As a small state in a convulsive region, Oman has sought to 'carve out for itself a degree of relative autonomy, not just from one dominant regional power, but from two competing and antagonistic forces', Iran and Saudi Arabia.¹ Muscat has adopted a quiet and discreet diplomatic profile that has allowed it to operate under the radar and maintain a certain degree of independence.

AT THE PLEASURE OF THE SULTAN

Oman's foreign policy derives, like almost all policies in the country, from the Sultan and his royal office – a sort of combination of a cabinet and an intelligence agency. Envoys are tasked with particular portfolios, such as Iran or Yemen, and Sultan Qaboos simultaneously acts as defence minister, finance minister, prime minister, and commander of the armed forces, and promulgates all legislation by decree. Since the Sultan took power from his father in 1970, he has forged a personalised and paternalistic concept of the Omani state. He has asserted his legitimacy by using the country's oil revenues to implement economic and social development policies. These policies have not only made him the face of the new, modern Oman, but have also served to encourage national unification and to link the population's well being, through the provision of services and employment, to the regime's survival. By anchoring his legitimacy to that of the state, the Sultan has elevated internal political stability to the main state priority.²

HIGHLIGHTS

- Oman's priority is to ensure a peaceful regional environment that does not threaten its domestic stability.
- Oman has had to strike a delicate balance between the region's two antagonistic powers, Iran and Saudi Arabia, and has sometimes pursued policies at odds with Gulf consensus.
- The extreme concentration of power and the identification of the state with the figure of the Sultan could complicate the succession process.

»»»»» Such extreme personalisation has its corollary in the weakness of the institutions and their staff. The Ministry of Foreign Affairs, which in any case is not staffed by trained professionals, is a rigid bureaucracy without a policy-making mandate. In fact, ministry representatives are loath to make individual decisions or to discuss government policy. The lack of transparency makes it difficult to discern the government's view on foreign policy issues. It has only been in the last two years that official statements, via press releases, have been put out on foreign policy issues. While Foreign Minister Yusuf bin Alawi enjoys significant prominence, like all ministers he is directly accountable to the Sultan.

Oman's foreign policy is part of a national narrative that sets it apart from its neighbours on the basis of the country's uniqueness as an outward facing country (a former empire), with a mixed population (Arabs, Baluchis, Indians), different language groups and a mix of religious identity (mainly Sunni and Ibadi). It is a pragmatic and realist foreign policy, focused on maintaining cordial relations with all, irrespective of ideological or political differences, with a view to ensuring a peaceful regional environment that does not threaten the country's domestic stability.³

EXTERNAL BACKERS

Oman's relative regional autonomy has been guaranteed by external patrons, first the British and then the Americans. The country's strategic position at the Strait of Hormuz, through which approximately one-third of the world's seaborne trade in crude petroleum passed in 2013, ensures that external states have a stake in Oman's stability. Britain acted as an external guarantor through much of the twentieth century, until its withdrawal from 'east of Suez' at the end of 1971 saw the United States (US) take over.⁴ Britain supported Qaboos' bloodless coup against his father and continues to exercise significant influence, especially in terms of intelligence and security. The advisor to the armed forces is British.

In 1980 the US and Oman signed a 10-year renewable military agreement whereby Washington would provide Muscat \$100 million annually in security assistance in exchange for military access. The agreement, which was renewed in 1985, 1990, 2000, and 2010, allowed American access to Omani facilities during Operation Enduring Freedom in Afghanistan and during Operation Iraqi Freedom. But since 2004, Omani facilities have reportedly not been used for air support operations in either Afghanistan or Iraq.⁵

Security relations with the US have not derailed Oman's cordial relations with Iran. From early on, Muscat encouraged Washington to pursue prospects for direct dialogue with Tehran. Oman also arranged prisoner exchanges between Iran and the West, and, with US acquiescence, facilitated oil payments to Tehran when sanctions were imposed over its nuclear programme. In the 1980s, Oman extended a standing offer to the US to act as a go-between to help improve US-Iran relations.⁶ According to a 2009 cable from the then US Ambassador – revealed in Wikileaks – Foreign Minister Alawi 'offered Oman as both an organizer and a venue for any meeting the US would want with Iran – if kept quiet'.

But domestic unrest following presidential elections in Iran that year delayed the onset of meetings until 2011. Preparatory talks in 2011 and 2012 led to a March 2013 meeting between a US delegation led by Deputy Secretary of State William Burns and an Iranian delegation led by Iranian Deputy Foreign Minister Ali Asghar Khaji. Subsequent bilateral meetings led to a new phase of the P5+1 negotiations, which culminated in the Joint Comprehensive Plan of Action.⁷ By July 2015, a final agreement was signed on the basis of recognition of Iran's right to enrichment in exchange for a curtailed and heavily monitored nuclear programme. Although the members of the Gulf Cooperation Council (GCC) formally welcomed the agreement, their enthusiasm was more than muted. By hosting bilateral meetings and keeping them secret, Oman had risked causing the ire of its fellow GCC members, especially Saudi Arabia.

BETWEEN A ROCK AND A HARD PLACE

Oman's foreign policy, in living up to its stated policy of good neighbourly relations with all, has had to pursue a delicate balancing act between the region's two antagonistic powers, Iran and Saudi Arabia.

In preparation for the establishment of the GCC, the Sultan seemed to be throwing his lot in with the Arab Gulf states. In 1981, Oman proposed a common security infrastructure underpinned by a joint army to be stationed in Oman. By 1985, its proposal rebuffed, the Sultan had switched gears, stating that: 'To be frank, I say that from here, in Muscat, we do not think it will be in the interest of Gulf security that Iran believes we have the intention to establish an Arab military pact that will be forever hostile, or that we are on the way to create a joint

force whose aim would be to defeat Iran. There is ultimately no alternative to peaceful coexistence between Arabs and Persians, nor to a minimum of agreement in the region'.⁸

Will the Sultan's legacy of pragmatism, neutrality and autonomy survive him?

Muscat's attitude towards Iran differs from that of the rest of the GCC for historical, commercial and pragmatic reasons. The Sultan remains grateful to Iran for its support in the suppression of the revolt in Oman's Dhofar Province during 1964-1975 (regardless of the fact that the troops were under the leadership of the Shah rather than the Islamic Republic). Iran and Oman have jointly developed an oilfield in the Persian Gulf and for years there has been talk of Oman importing up to \$60 billion in natural gas from Iran. An initial deal to build a pipeline to ship Iranian natural gas to Oman was signed during Iranian President Rouhani's visit to Oman in March 2014, although there is some scepticism regarding its implementation. Unlike the rest of the GCC states, Oman does not segregate its political from its economic interests, believing that a certain political background is necessary to foster commercial relations. Most importantly,

however, Sultan Qaboos would like to keep a certain balance between Iran and Saudi Arabia, such that neither gains the upper hand and thus threatens the country's sovereignty. Likewise, being averse to any ideological conflict, he wants to avoid being part of a sectarian narrative pitting Sunni Arabs against Shia Persians.

TREADING ITS OWN PATH

Sultan Qaboos' recent Iran policy is not the first instance of Oman pursuing a foreign policy at odds with a Gulf consensus. Already during the Iran-Iraq war in the 1980s, Muscat maintained relations with Tehran and helped to mediate a ceasefire rather than supporting Saddam Hussein as the rest of the GCC states did. Unlike his Gulf neighbours, the Sultan did not isolate Egypt after its peace treaty with Israel in 1979. It was also the first Gulf state to host Israeli Prime Minister Yitzhak Rabin in 1994. More recently, its forces did not join other GCC forces in countering protests in Bahrain nor has it joined air strikes in Syria or Yemen. As a rule, the Sultan has favoured bilateral relations to regional alliances and he never attends Arab summits apart from the GCC summit.

But despite being an outlier in terms of Arab Gulf policies, Oman has not so far been involved in any major rifts. It has never been in a position like Qatar, from where Saudi Arabia, the United Arab Emirates (UAE) and Bahrain withdrew their ambassadors in 2014. Despite its divergence from standard policies, it is always careful not to step on anyone's toes.⁹ The most public disagreement to date has been over the establishment of a political union among GCC states.

As far back as 2006 Oman had stated that it would not join the as-yet unrealised GCC monetary union alleging that it would have a negative impact on its economy. But it was its adamant opposition to a political union first proposed by King Abdullah of Saudi Arabia in the wake of the Arab uprisings that hit the headlines in 2013. 'We are against a union,' Omani Foreign Minister Yousuf Bin Alawi said at the Manama Dialogue in Bahrain.

»»»»» 'We will not prevent a union, but if it happens we will not be part of it', Alawi said on the sidelines of the gathering. If the five other GCC members – Saudi Arabia, Kuwait, Bahrain, the UAE and Qatar – decide to form a union, 'we will simply withdraw' from the new body, he said.¹⁰

The official argument was that given how much the GCC has struggled to achieve more modest goals such as the customs union (which has still not taken effect despite being agreed to a decade ago) and the often-delayed monetary union, it made no sense to embark on a much more complicated political union. In truth, Oman and several of the other smaller Gulf states fear a loss of sovereignty and increasing domination by Saudi Arabia. Muscat is also weary of antagonising Tehran by joining a union, initially floated as a response to the Arab spring, but more recently posited as a means of countering Iran. Oman did not want to join a project that it believed would signal that it was siding with Saudi Arabia against Iran, rather than remaining on good terms with both.

Still, Oman's lack of conformity has not so far substantially damaged its relations with its fellow GCC members and several disbursements have been made of the \$10 billion aid package agreed in 2011 to help Muscat cope in the wake of the uprisings. Furthermore, while rejecting a political union, Oman ratified in January 2014 the GCC security pact that had been signed in November 2012, strengthening cooperation on internal security matters.

Having dodged any major blowback from its secret hosting of negotiations with Iran and its refusal to join a political union, Oman is once again the outlier in its policies towards Yemen. It is the only Gulf state not involved in the coalition led by Saudi Arabia to roll back Houthi advances in the country. Instead, it has attempted once again to broker talks between the parties involved, having hosted Houthi representatives on several occasions, including for talks with US and Saudi officials. Given the sensitivity and implications for Saudi Arabia of the Yemen campaign, Riyadh may not be so tolerant of Muscat's efforts to act as intermediary between the Houthis and the Americans. The

coalition bombing of the Omani Ambassador's residence in Sana'a last September only served to broaden the breach between Riyadh and Muscat.

Likewise, in a departure from Arab Gulf policies, Oman has not broken diplomatic relations with Damascus (despite voting to suspend Syria from the Arab League in November 2011).¹¹ Ali Mamlouk, Assad's national security advisor, visited Saudi Arabia and Oman at the end of July. Following Mamlouk's visit, Syrian Foreign Minister Walid Muallem made an official visit to Muscat in early August to meet with the Omani foreign minister,¹² and on October 26th, Foreign Minister Bin Alawi met with Syrian President Assad in Damascus.

CONCLUSION

While Sultan Qaboos has so far been successful in maintaining cherished internal stability, protests which took place in 2011 and 2012 signal that there are parts of the population that are unsatisfied with the current political and economic situation and would like to see economic reforms, more job opportunities, an end to corruption, and more political freedoms. In response to the protests, there were crackdowns on activists and protesters, new laws aimed at penalising dissenters and expanded powers for the police, but also measures to placate the protesters. These included cabinet changes, expanded powers for the parliament (although still far from legislative powers *per se*), the creation of thousands of public sector jobs and payments for the unemployed. However, none of these represents really the structural changes needed for job creation and government accountability, especially in an environment of decreasing oil prices. Power continues to be concentrated in the hands of the Sultan, the implementation of diversification measures away from the oil industry is slow and public sector employment is close to 70 per cent. With limited non-oil revenues and high spending pressures, Muscat will face increasing budget deficits and will have to consider sensitive subsidy reforms.

In terms of foreign policy, Sultan Qaboos' studied neutrality might be difficult to maintain in the face

of a changing regional context. Muscat's balancing act between the US, Iran and the GCC might become untenable. For one thing, the GCC states, especially Saudi Arabia and the UAE, have become increasingly aggressive in response to regional instability and the challenge posed by Iran's advances. Since the Arab uprisings, Saudi Arabia has intervened, along with other Gulf states, in Bahrain, Yemen and Syria, and has closed ranks against Iran. It has rebuffed efforts by the Iranian president and foreign minister to visit Riyadh and has undermined efforts initiated by Oman and taken up by Qatar to organise a summit with the foreign ministers of Iran and the GCC. Under such a scenario, non-alignment may come to be viewed as antagonism rather than neutrality, and Oman may feel pressure from the other GCC states to fall in line. US stated aspirations for a smaller footprint in the region and its deference to Gulf allies on regional matters will only further this dynamic. It is security cooperation with the West that has enabled Oman's independence from both Iran and Saudi Arabia.

That said, with Western backing, Muscat might still be able to render some useful mediating services. Having forged a role for itself from which it derives credit and recognition, Oman has shown its willingness to try its hand with Yemen and Syria. While it is unlikely to be able to bring Saudi Arabia and Iran closer, it might be able to encourage talks on specific security crises

such as that in Yemen. At the very least, it has the contacts, the experience and the political will.

Further complicating matters is the issue of the Sultan's frail health and the lack of clarity in terms of his successor. Will the Sultan's legacy of pragmatism, neutrality and autonomy survive him? Mediation efforts are linked to the Sultan. State institutions need to develop the skills and the contact base in order to maintain neutrality and pragmatism. The foreign policy principles the Ministry of Foreign Affairs lists on its website, based on the development and maintenance of good relations with all Oman's neighbours, are all very well.¹³ But the weak foreign-policy institutional culture, the extreme concentration of power in decision-making and the thorough identification of the state with the figure of the Sultan could prove problematic.

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