however, condoning Iraq's actions): none of them was, or was likely to become, an actual ally to the regime in Baghdad. The option of attacking Israel as a way of 'regionalising' the crisis in Iraq's favour, did remain open, but the impact of missile attacks in the course of the first month of fighting was limited in both military and political terms—even though Saddam derived a symbolic 'honour' from it in some Arab and Muslim quarters.

4 THE MILITARY BALANCE IN THE GULF: ONE STEP FORWARD TWO STEPS BACK

Armed conflict, which was the most prominent form of inter-state politics in the Gulf in the 1980s, is in many ways history's ironic reply to the constant accumulation by the Gulf states over the preceding decade of ever more sophisticated weaponry. The war now terminated between the neighbouring countries of Iran and Iraq was the product *par excellence* of 'hot politics' as opposed to 'cold war', and while it lasted, it continually undermined political stability in the entire Gulf region. It can be argued that since the cease-fire the after-effects of that conflict have fuelled inter-state competition and politico-economic uncertainties to such an extent that they have drawn virtually all the Gulf states into a new crisis, bringing about the large scale military intervention of the dominant international actors in this region.

But the condition of 'no war-no peace' which prevailed between Iran and Iraq from July 1988 to September 1990, and which was perhaps more restrained than cold war, ought to have given little cause for comfort, since, as became obvious with the Iraqi invasion of Kuwait in August 1990, it was an equation that could degenerate easily and perhaps irredeemably into a 'war-no peace' situation between Iraq and other Gulf states in addition to Iran, and this time with the inevitable involvement of the superpowers and other regional and global actors. In these circumstances, the pressures to militarise, to re-arm and to modernise are as great as in the course of any actual conflict. The Iraqi invasion of Kuwait has accelerated the process of militarisation and sophisticated arms procurement in the Gulf to such an extent that even as the drama of the 'new' Gulf crisis was unfolding, major new multi-billion dollar arms deals between Saudi Arabia and its Gulf allies and the industrialised countries were being finalised.

The military balance in the Gulf—that is, the kind, the quantity, the variety and the quality of military hardware at the disposal of the Gulf belligerents—is a crucial component in assessing the security environment of any given situation. But it also has special significance, given

the crisis that has resulted from the Iraqi invasion of Kuwait, and the dilemmas facing all the parties affected by the crisis. Sometimes of even more importance than the military hardware deployed at any one time, however, are the qualitative factors that also affect the military balance. Besides battle experience, a determining factor in many circumstances, there are elements within the geopolitical, ideological, political and socio-economic realm—that is, the strategic and geostrategic environments—which both assist and hinder the play of forces in their military habitat. An analysis of a combination of the military and geostrategic balances gives us a fairly full picture of the contemporary balance of power in the Gulf—an area rich in vital mineral resources, marked by ideological diversities, and quite central to the security calculations of the great and major powers alike. A concise presentation of the factors determining the balance of power in the Gulf over the past decade and now will therefore enable us to look into the crystal ball of the 1990s with a little more confidence, and perhaps allow the brave to make more intelligent guesses as to the medium-term future of the Gulf.

Geopolitics and military power in the Gulf

On the eve of the Iranian revolution two military machines dominated the Gulf region, as Table 4.1 shows: the Imperial Iranian Armed Forces and the Armed Forces of the Arab Socialist Republic of Iraq. For most of the 1960s and 1970s, and while the Soviet Union was grooming Iraq to be its power broker in the Gulf, the Western camp (led by the United States) was busy consolidating its position by continually strengthening the Iranian-Saudi Arabian 'Twin pillars'. This 'dual' Western policy, enhanced by the greater oil revenues accruing to these states in the 1970s, introduced—perhaps inadvertently—a structural element of competition into the bilateral relationship: the ruling elites of Tehran and Riyadh were encouraged by this to bid for relative supremacy (i.e., among the three Gulf powers) as well as for absolute supremacy (i.e., between each other) within the same theatre. The three Gulf powers of Iran, Iraq and Saudi Arabia thus gradually narrowed their geopolitical vision—and with it their respective definition of the 'national interest'—in consort with the established rubric of great power politics and prevailing global (zero-sum) superpower security considerations. Even Iran's grandiose vision of dominating the Arabian Sea region and of playing the counter-weight role to India in South Asia, were functions of the Imperial Army's unchallenged authority in the region on one level, and of Tehran's strategic interests in being supreme ruler in the Gulf on another.

TABLE 4.1 The military balance in the Gulf, 1978–88

	1978	1980	1982	1984	1986	1988
Combat Aircraft						
Iran	459	445	95	80	60	50
Iraq	339	332	330	500	500	500
S. Arabia	171	136	128	205	226	182
GCC	—	—	248	392	459	382
Tanks						
Iran	1870	1985	1210	1950	1000	1000
Iraq	1800	2850	2400	4000	4500	4500
S. Arabia	325	380	450	450	550	550
GCC	—	—	910	989	1155	1170
Major Naval Craft						
Iran						
A	3	3	3	3	3	1
B	4	4	4	4	4	2
Iraq						
A	—	—	—	—	—	—
B	—	—	1	1	5	5
S. Arabia						
A	—	—	—	—	—	—
B	—	—	—	4	4	8
GCC						
A	—	—	—	—	—	—
B	—	—	—	4	4	8

Source: Based on IISS, *The Military Balance* (London, various years).
Note: A = Destroyers; B = Frigates.

Likewise, Saudi Arabia has traditionally viewed itself primarily as a Gulf state, and until recently has shown little politico-military interest in developing its Levant or East African (Red Sea) roles. Incidentally, it is the only Middle Eastern state that has a geographical claim on all three important Middle Eastern theatres of conflict. It would therefore be easy to subsume Saudi Arabia into one, or a combination, of the Arab-Israeli, the Iran-Iraq (and/or Iraq-GCC) or the Horn of Africa

conflicts. The fact that the Gulf Cooperation Council is by name and nature an exclusively Gulf Arab regional body merely underlines the Saudi perception of the Kingdom as being first and foremost a Gulf state, and also indicates the importance that Saudi Arabia attaches to the Gulf region for its national security.

Paradoxically, Riyadh's increased interest in its western borders in the 1980s can be attributed directly to the politico-military tensions in the Gulf. The prolonged 'tanker war' in the Gulf compelled the belligerents, as well as almost all the other Gulf states, to look for alternative routes to the Strait of Hormuz for the export of their petroleum—and, if practicable, for the importation of industrial and consumer goods as well. Iran, for instance, planned a pipeline system that would deliver Iranian crude to newly-constructed export installations along its Gulf of Oman coastline, and eagerly pursued discussions with Turkey and the USSR for the use of their territories (and facilities) for oil exports. The Iran-Iraq War underlined the importance of the Petroline pipeline (capacity 3.2 million b/d) that connects Saudi Arabia's Eastern Province to its Red Sea loading terminal at Yanbu (and, in this context, also shows the significance of the maritime dimension of the war), thus compelling Riyadh to develop a more balanced geopolitical perspective of the Kingdom's role.[1] While it provided a safe exit route for Saudi, Iraqi and Kuwaiti oil during the war, this pipeline network has been the catalyst uniting the two shorelines of the Saudi state into a single security equation. The linking of Saudi Arabia's strategic vulnerabilities in the east with the threats to its security in the west has led to the integration (and expansion) of its security calculations, and has had a direct influence on the military balance in the Gulf.[2]

The gradual spread of Saudi Arabia's industries to its Red Sea coast—which, it must be said, was partly an indicator of the endemic insecurities in the Gulf, and the direct economic linkages that were being created between the Gulf and the Red Sea, meant that the Saudi navy needed a higher profile in the latter region. The increased significance of the Saudi industrial capacity in the west on the one hand, and the emergence of the Red Sea region in general as an area of major international strategic as well as of growing economic importance on the other, has made the modernisation and strengthening of the Kingdom's Western Fleet—in line with the already well-equipped Eastern (Gulf) Fleet—a major priority. But the advantage to be derived from possessing numerous naval facilities (in the two international 'hot spots' of the Gulf and the Horn of Africa) is squarely matched by the increase in target vulnerabilities. Saudi Arabia's high territory-

to-population ratio means that if its military forces are spread too thinly on the ground, monumental security vacuums are created. In purely military terms, therefore, the Kingdom is caught between its exogenous strategic strengths and its indigenous demographic weaknesses. Until this imbalance is addressed and corrected, the benefits to the Kingdom of its rapid military build-up during the 1980s will remain in question. And needless to say, the greater the emphasis on technology-intensive firepower and defence systems as a way of compensating for the inadequate supply of personnel, the more deep-rooted and structural the involvement of 'imported' technical staff and operational personnel will become for the maintenance and use of the accumulated systems.[3] Secondly, the coming to life of the Red Sea theatre has brought closer other geopolitical vulnerabilities that affect the Kingdom's standing in the Gulf. The increased strategic significance of the Red Sea region to the superpowers has resulted in a hardening of regional and extra-regional attitudes towards politico-military and ideological state orientation there. Accordingly, while Riyadh may legitimately be preoccupied with assessing the impact on its interests in the Red Sea of military developments in Israel, its major Western ally—the US—would be more interested in focusing attention on the Soviet Union's close ties with the states around the Bab al-Mandab choke-point; Ethiopia and Yemen. The crucial role of Ethiopia, and, until recently, of the PDRY in guaranteeing a viable Soviet presence in the Red Sea and East African/Indian Ocean regions cannot be over-emphasised. This is all the more so in the context of the following:

—the significance of the Red Sea as an alternative maritime passageway (to the NATO-guarded Strait of Gibraltar) for the Soviet Union;

—the pro-Western domination of the Suez canal region as the most immediate gateway to the Mediterranean (and the Black Sea);

—the formalisation of politico-military ties between three of the Red Sea resident countries (Egypt, Jordan and Yemen) in yet another politically-moderate and objectively pro-Western regional organisation;

—the presence of two staunchly pro-Western countries (Somalia and Djibouti) in the Bab al-Mandab area;

—the permanent US military presence on the island of Diego Garcia which puts a premium on any regionally-based Soviet naval access to the Indian Ocean—as facilitated by the Yemeni island of Socotra;

—the Soviet-assisted growth and expansion of the Indian army and the USSR's impressive naval expansion in the Indian Ocean in the last five

years which has turned India—a close Soviet friend—into an important regional superpower, whose firepower now represents a potential threat to Western interests there. The Soviet Union, therefore, needs to remain close to the 'action' in the Indian Ocean, as well as to its long-term military and strategic investments in India;

—the importance of the Red Sea region to the US Central Command's contingency plans to mobilise thousands of troops and huge quantities of military equipment across the Levant and the Red Sea regions to meet any actual or perceived threats to Western interests in the Gulf, which means that a Soviet presence there is almost automatic.[4]

Significantly, while the tensions arising out of the situations prevailing in Ethiopia and the Horn of Africa can be easily fitted within the US-USSR confrontational framework, Riyadh and Washington diverge over how to formulate the threat that Israel poses to the Kingdom. Riyadh regards the threat from Israel as strategic, based on the imperatives of the on-going Arab-Israeli conflict and an Israeli military superiority with regard to individual Arab states, while the United States sees little cause for alarm as it eagerly—and in accordance with the requirements of the Central Command—'bunches together' Egypt, Israel, Jordan and Saudi Arabia in an attempt to form an unbroken security chain from the Mediterranean (and the Red Sea) to the heart of the Gulf. So, although America may regard the Israeli military presence in the Red Sea and the Horn of Africa as an asset, Riyadh will probably continue to view it with concern. Paradoxically, and based on other experiences (such as the 1981 bombing of the Iraqi nuclear reactor, the 1985 air raid on the PLO headquarters in Tunis, and the numerous attacks on Lebanese targets), the higher the level that they attain in military sophistication and preparedness, the more vulnerable the Saudis will feel to pre-emptive Israeli attacks. Israel's threats to neutralise Saudi Arabia's recently acquired long-range surface-to-surface missiles from China, and Riyadh's low-key justification for their deployment (which was stated to be solely in the Gulf region), clearly illustrate the latent tensions existing between Israel and its Levant neighbours, and the way in which more modern and dangerous weapons, in the process, can pose unforeseen multi-dimensional threats to non-belligerents. Thus, if questions of man-power and of the diversification of targets and possible aggressors are the primary influences on the Kingdom's military presence in the Gulf, other issues concern the potential divergence of interests between the US and Saudi Arabia over developments in the Red Sea and the Israeli military presence there.

Looking back, it is possible to discern in the late 1970s, the emergence of a three-way military tussle—rather than a stable 'balance of power' situation—between Iran, Iraq and Saudi Arabia, that could ultimately have undermined the stability of the other Gulf littoral states and disrupted the profitable *status quo* on which the two great powers and the major allies alike were capitalising. But the Iranian revolution and the overthrow of the Pahlavi regime in early 1979, the Soviet intervention in Afghanistan in late 1979, and the start of the Iran-Iraq War in 1980 halted this process, altering considerably the balance of forces in the Gulf, and inevitably transforming the landscape of local competition in the entire area.

Arms transfers and the military build-up in the Gulf

In terms of the actual transfer of arms to these three local powers in the 1970s, competition was squarely at the superpower level: Iran relied heavily and Saudi Arabia almost exclusively on the US, while Iraq relied most heavily on the Soviet Union. But European countries too were actively developing a market niche for themselves, and French, British, Italian, Czech, East and West German arms were routinely purchased by either or both Iran and Iraq, while the smaller Gulf states purchased some Western European weapons. Before the Iranian revolution, for example, while Britain was capitalising on its good relations with the Shah, France was seeking a new market for its sophisticated weapons in Iraq and the expansion of military ties with the smaller Gulf states. Thus in a sense, the experiences of the oil-boom years and the well-established ties between the major Gulf states and the important European arms suppliers served inadvertently to place the European Community's two prominent arms manufacturing countries—France and Britain—on opposing sides in a (regional) South-South conflict; this conflict had the potential not only severely to disrupt the general economic recovery of the leading advanced capitalist and newly-industrialising countries during the 1980s, and to compromise vital Western interests in a region as crucial to NATO as the European landmass itself, but also to affect adversely the Community's own fast-moving economic and political unification plans.

Although they were relatively junior partners of the major Gulf states during the 1970s, the presence of the European arms suppliers in the region symbolised the changing military relationships that were to become the hallmark of the 1980s and beyond. The military balance has, therefore, been transformed in ways that were not wholly unexpected during the 'oil decade' but which are certainly surprising as

TABLE 4.2 Value of arms transfers to the Gulf states, cumulative 1979–83 and 1982–86 ($mn)

Total	USSR	US	Fr	UK	FRG	PRC	Pol	Czech	Other
Iraq									
A 17,620	7,200	—	3,800	280	140	1,500	850	40	3,810
B 31,740	15,300	—	4,500	70	625	3,300	525	410	7,010
Saudi Arabia									
A 12,125	—	5,100	2,500	1,900	525	—	—	—	2,100
B 16,715	—	6,100	6,800	1,200	90	—	—	—	2,525
Iran									
A 5,365	975	1,200	20	140	5	230	40	—	2,755
B 8,405	240	10	40	80	—	1,200	20	30	6,785
Kuwait									
A 450	30	180	—	50	70	—	—	—	120
B 1,120	220	230	420	20	210	—	—	—	20
Oman									
A 565	—	80	20	430	—	5	—	—	30
B 890	—	70	30	525	240	5	—	—	20
Qatar									
A 765	—	10	40	310	—	—	—	—	5
B 830	—	10	650	160	—	—	—	—	10
UAE									
A 620	—	20	350	90	110	—	—	—	50
B 380	—	90	—	210	—	—	—	—	80
Bahrain									
A 120	—	10	40	—	40	—	—	—	30
B 135	—	70	10	5	40	—	—	—	10
GCC									
A 14,645	30	5,400	3,350	2,780	745	5	—	—	2,335
B 20,070	220	6,570	7,910	2,120	580	5	—	—	2,665

Source: US ACDA, *World Military Expenditures and Arms Transfers 1984* and *1987* (Washington, DC, 1984 and 1987).

Notes: The GCC figures are the authors' calculations.

The figures mentioned in this table exclude a number of significant arms transfers to Saudi Arabia, Iran and Kuwait. Since these data were compiled, Saudi Arabia has made four significant arms deals: (i) the $8 billion Anglo-Saudi al-Yamamah I of 1986; (ii) the $3.3 billion deal with China for the transfer of 60 or so CSS-2 SSMs; (iii) the 1988 $25 billion Anglo-Saudi al-Yamamah II deal, and; (iv) the 1990 $21.5 billion US-Saudi arms deal. Kuwait meanwhile had concluded a $2 billion deal in 1988 with the US. Iran had already received a consignment of weapons from China worth about $2 billion in 1987-88, and another $4 billion agreement for the supply of modern Chinese arms was reached in 1990. Iran's largest arms deal with the USSR, worth more than $2 billion was reached in 1989 after the cease-fire with Iraq.

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far as the current balance sheet and future projections are concerned. Indeed, the relentless and simultaneous arming of the two adversaries throughout the Iran-Iraq War by the established arms-manufacturing and exporting countries as well as by the increasing number of Third World suppliers, is a sign of our times: we have the era of horizontal proliferation of arms industries in the world, accompanied also, and for the first time, by a definite vertical movement. In other words, not only has the number of supplier countries increased dramatically in the last 15 years, but so too have the variety and quality of military hardware indigenously developed, produced and offered for export.[5] The Iran-Iraq War provided an unprecedented market and a launching platform for many of these budding arms exporters as they attempted not only to consolidate their reputations and their positions internationally, and, of course, to pursue the logical strategy of obtaining badly needed foreign revenues for further research in the military field, but also to gain access to cheaper oil—or extra foreign currency—as a means of alleviating the burden of international debt repayments.

As will be seen later, the pattern of arms transfers changed. Initially this was at the expense of the superpowers, as the industrial countries of Europe expanded their exports to the littoral states, and was soon followed by the position of the many Third World arms producers who competed with both the superpowers and their European allies. This process has given the major Gulf states a perceptibly higher level of diplomatic leverage in their extra-regional relations, ultimately enabling just about all the Gulf purchasers to be allowed even more 'preferential' treatment.

The revolution of 1979 and the subsequent war undoubtedly took their toll of Iran's military prowess. During the course of the conflict—and particularly in the last three years of the fighting—the country's powerful and well-equipped armed forces were depleted at an alarming rate, which culminated in the loss of some $2 billion worth of military hardware to the opposition National Liberation Army (NLA) in 1988,[6] defeat in naval battles in the Gulf at the hands of the 'resident' US Navy there, and a general decline in firepower and equipment sophistication as the source of its weaponry shifted from the traditional Western (mainly American) suppliers and moved Eastwards and Southwards.[7]

Iraq and Saudi Arabia, on the other hand, have diversified the origins of their military supplies, and have at the same time significantly improved the quality of firepower at the disposal of their armed forces. The transfer in the course of the 1980s of the advanced air-superior and interdictor Tornadoes and F-15 fighters to Saudi Arabia, and of the

TABLE 4.3 Defence expenditures of Iran, Iraq and Saudi Arabia, selected years, ($mn)

	1968	1970	1972	1974	1976	1978	1979	1980
Iran	495	779	926	5,500	9,500	9,938	3,974	2,736
Iraq	252	294	310	2,701	1,417	1,988	2,328	7,051
S. Ar.	321	387	941	1,808	9,038	10,355	14,184	14,444

Source: IISS, *The Military Balance* (various years).

latest Soviet-made MiG-29 fighters, Su-25 attack aircraft and Dassault-Breguet Mirage F-1 and Super Etendard fighters to Iraq, epitomise this trend.[8] Saudi Arabia, of course, utilising its five AWACS aircraft, has created a complex system of ground-based and airborne early warning and defensive measures (command, control, communications and intelligence—C³I) to complement its increased firepower.

The political turmoil of the 1970s and the military uncertainties of the 1980s in the Gulf induced similar patterns of arms procurement in the smaller Gulf Arab states. In the increasingly important field of airpower and airborne force projection, the US-Kuwaiti agreement in 1988 to transfer the advanced McDonnell-Douglas F/A-18 fighters and accompanying Maverick G anti-ship and Harpoon and Sidewinder missiles to Kuwait has been the most dramatic purchase from amongst the smaller GCC countries, somewhat overshadowing the equally significant airpower purchases of the other members. The Kuwaiti and Qatari purchases of the Mirage F-1, for instance, have been matched by Abu Dhabi's acquisition of the Mirage 2000 fighter (delivery was halted for a time because of differences, now apparently resolved, over the aircraft's avionics and airborne weapons specifications), and by Bahrain's purchases of the General Dynamics F-16 fighter and Oman's ordering of the Tornado (later cancelled and replaced with an order for the BAe-manufactured Hawk jet trainer/light fighter).[9]

Thus we see that in the military realm, four processes were occurring simultaneously:

(i) the size of Iraq's armed forces was greatly increased in the 1980s, and the quality of military equipment at the forces' disposal was

improved to such an extent that the Iraqi army was now comparable to those of Israel, Egypt and Syria. Indeed it was second only to the Israeli defence Force in overall sophistication and military readiness. In addition, it remained the only Gulf Arab army with extensive offensive and defensive battle experience;

(ii) Saudi Arabia and the other GCC states increased the rate of incoming weapons transfers in absolute terms in the 1980s, and, in the process of diversifying their suppliers, raised the level of sophistication in their general procurements;

(iii) Iran's armed forces suffered in absolute and in relative terms as the depletion rate, the formidable black and grey arms market prices and the Western arms embargo began to bite. So, just as its Arab neighbours were improving the quality and quantity of weapons in their armouries in the 1980s, Iran was being forced to accept 'second best' by relying heavily, and increasingly, on older Soviet-bloc arms and military equipment originating in China, North Korea, Vietnam, Libya and Syria;

(iv) the two Gulf War protagonists, Iran and Iraq, still distantly followed by Saudi Arabia, invested heavily in military R&D and indigenous development and manufacture of weapons (including ammunition) as a means of by-passing externally-imposed embargoes, and of reducing the range of foreign purchases, and in order to obtain a more visible independence of political and military action.[10]

In sum, the military balance in the Gulf moved continuously against Iran in the 1980s, reversing the country's superior military edge of the 1970s.[11] It is this factor, coupled with the relentless improvements in the quantity and quality of weapons transferred to the Gulf Arab states, that has reduced the three-way military 'tie' of the 1970s to the two prominent Arab contenders—Iraq and Saudi Arabia. Saudi Arabia, the leading force the GCC, enjoys the support and confidence of all the Western countries. It has demonstrated an increasing independence of action in national security considerations but also in important matters of weapons purchases—the latter perhaps a function of the competition amongst the Western arms manufacturers themselves, and between them and the former Communist countries and the growing Third World arms makers—by having successfully obtained sophisticated arms from both sides of the Atlantic, as well as the 2,000+ km range IRBM CSS-2 surface-to-surface missiles (SSMs) from China.

On the other hand, Iraq continued—until the Kuwait invasion—to receive standard hardware and sophisticated arms from the Soviet Union, while also buying advanced fighters and firepower from France,

and indeed obtaining Western and Third World military technology (particularly in the field of missile development) to compensate for the gaps left by its other purchases. Politically, as already mentioned in Chapter 3, Baghdad was displaying a more 'moderate' foreign policy orientation, pursuing an integrationist strategy within Arab fora (note for example its role in the creation of the ACC), and establishing improved economic and diplomatic ties with the major OECD countries during the 1980s. Ultimately it was these apparent changes in its policies which assisted Iraq in obtaining even the most inaccessible equipment, and which played a significant part in convincing its military suppliers and economic partners alike that the dreaded hard-line Ba'th system of the 1970s had given way to a 'moderate' regime under President Saddam Hussein.

Thus, as far as the military balance is concerned, it is clear that while Iran was re-equipping its armed forces with much older and less sophisticated Soviet-bloc hardware in the 1980s, its Gulf neighbours were busy upgrading their armed forces with new generation weapons systems that were designed to meet the challenges of the 1990s and beyond. What are the immediate and medium-term consequences of this process? First, it is unlikely that the Gulf arms race, which began in earnest in the mid-1960s, is going to slow down now simply because the Iran-Iraq War has ended, particularly as, even before that conflict had been resolved, a new crisis—directly involving one of the belligerents—had already erupted.

Secondly, because of the absolute military superiority over Iran achieved collectively by the Gulf Arab states, and as a way of strengthening itself in the face of the new crisis and the resulting large foreign deployment in and around the Gulf since August 1990, Tehran will have no choice but hastily to re-equip both the regular armed forces and their 'Islamic' (i.e., the *Pasdaran*) counterparts.[12] Indeed the relative balance which they arrived at in the 1980s is already under severe strain. The dynamics of rearmament (replacing old equipment and upgrading ageing ones) ensures that even the best equipped army will continue to seek additions and improvements to its current stockpiles as well as to obtain yet more sophisticated arms. Furthermore, the inherent competition between Iran and Saudi Arabia on one hand and among the GCC states themselves on the other, will fuel the arms race, regardless of the status of Iran's armed forces. In addition, Iraq and the GCC states are aware that for the immediate future Iran can always draw upon the qualitative factors—its larger population, strategic advantages, and natural resources—to compensate for its (temporarily) weaker military condition.

Thirdly, political competition among the three local powers will continue, as in the past, to manifest itself in an all-encompassing arms race, notwithstanding the general recognition of the destabilising consequences and damaging effects of the Gulf War. Fourthly, Iraq and Iran will be compelled to modernise and rebuild their armed forces in order to eradicate the gaps and weak fronts in their respective military command structures and to modernise their weapon systems to meet the challenges of 'the other side' and of the 1990s at large. Fifthly, the international proliferation of arms manufacturers since the mid-1970s has made this a 'buyer's market', and has thus increased competition among the major arms producing countries to secure for themselves a healthy portion of the lucrative Gulf market. They will therefore continue to push for more contracts, in the first instance with the Gulf Arab states, and, as the political climate improves, with Iran.

Sixthly, the imperatives of *strategic interdependence* provide sufficient military and geopolitical linkages between the Gulf countries and Israel for each to be affected by developments in the other.[13] Thus, even if the local motivations were removed, the situation in the Levant, South Asia and around the Red Sea and the Arabian peninsula, and their competing interests in various countries of these regions, would still provide enough impetus for the major littoral states to maintain the momentum of their rearmament at significantly high levels.

Last but not least, the Iraqi invasion of Kuwait has affected the regional balance of power so dramatically that even if relative peace returns to the Gulf, fear and uncertainty will continue to fuel the arms race throughout the region for a considerable time to come.

One can offer examples from the 1980s to illustrate the disequilibrium of arms transfers to the Gulf states during the eighties in a pattern which is characteristic of this significant decade in the Gulf's history. By the end of 1984, Iran's airforce had lost a substantial number of the fighters and other aircraft purchased by the Shah. Of the 140 Northrop F-5E and 28 F-5F Tiger fighters only 55 remained operational; of the 177 F-4Es and 32 F-4D Phantoms a total of 45 were airworthy; of the six P-3F Orion maritime surveillance aircraft only two were functional; of the 80 sophisticated Grumman F-14 Tomcats only 12 flew, and of the 43 C-130H transport aircraft only 12 were in active service.[14] To compensate for this high rate of depletion, the Iranian armed forces had little option but to resort to equipment 'cannibalisation' and to rely more heavily on domestic military-industrial supplies, to shop among other Soviet arms-user states and to hunt out essential US-made weapons, parts and other equipment from 'neutral' Third World and Western European countries. Thus, by the end of 1986, Iran had

purchased some low-quality aircraft (40 Chinese-made J-7 (MiG-21) fighters and 12 J-6 (MiG-19) interceptors), in addition to 260 T-59 main battle tanks (MBT) and a substantial quantity of SAMs from China, accounting for the bulk of its Soviet-bloc military hardware.[15] For its US-made arsenal, Iran reportedly received 18 F-14s, 18 F-5s and 46 Skyhawk aircraft from the 'grey' market and obliging Third World countries, as well as some 80 aging M-48 MBTs and over 100 M-113 APCs, attack helicopters, artillery pieces, Sidewinder missiles, and a variety of ammunition from Vietnam.[16]

In retrospect, the Islamic Republic's cancellation of the major arms ordered by the Shah, including the seven AWACS early-warning aircraft, the 160 F-16 fighters and the 400 Phoenix missiles from the US, and the 1,350 Shir-1 and Shir-2 tanks (improved versions of the Chieftain) and Rapier SAMs from Britain, considerably weakened the fighting capability of the Iranian armed forces for two main reasons: first, many of the sophisticated systems ordered by the Shah's regime found their way into the armouries of Iran's regional competitors and, secondly, the armed forces suffered directly for not having access to these advanced weapons systems, that had been due for deployment in the 1980s, in the course of the fighting.[17]

In sharp contrast to Iran's predicament, five Gulf Arab states (Saudi Arabia, Oman, the UAE, Bahrain and Iraq) were taking delivery of, or had agreed to purchase, sophisticated state-of-the-art military equipment throughout this period. By the end of 1986, Saudi Arabia was receiving of the 72 multi-role, all-weather Panavia Tornadoes it had ordered; the UAE had begun receiving 18 French-made Mirage 2000 fighters; Bahrain, the 12 F-5E/F Tigers and the 12 General Dynamics F-16C/D Falcon fighters; and Iraq, the 40 MiG-29 Fulcrums and a significant number of Su-25 attack and Su-24 Fencer all-weather strike aircraft, as well as over 30 Mirage F-1 fighters.[18] As for MBTs, Saudi Arabia took delivery of 40 M-60 A3 and over 1,000 Brazilian-made Engesa; Bahrain, of 54 M-60 A3; the UAE, of 35 OF-40 MK2. Iraq, for its part, obtained 150 T-55, T-62 and T-72 MBTs. In addition, in the same period, two Gulf Arab countries obtained some 2,100 sophisticated airborne missiles (Saudi Arabia acquired 1,800 AIM-9 Sidewinders and AGM-84 Harpoons; Oman got 300 AIM-9 Sidewinders).[19] Furthermore, among other naval equipment obtained, Saudi Arabia's purchase of eight major missile-equipped vessels, nine missile boats and three torpedo boats significantly enhanced the Kingdom's naval capability.

As already stated, the military balance had by the mid-eighties shifted firmly against Iran, with Iraq on the one hand and Saudi Arabia

(and its GCC allies) on the other achieving a realistic military superiority over Iran, as well as a relative balance in levels of sophistication with each other. Since the GCC purchases were not co-ordinated at either the planning or the procurement stages the Council's operational procedures remained nationally oriented, thus somewhat reducing the value of a direct comparison between the GCC forces and those of Iraq—or indeed of Iran.

A direct comparison hides another significant weakness of the GCC military build-up in the 1980s, in addition to, and in direct consequence of, that mentioned above: national sourcing has been so diverse as to hinder any real co-ordination in, and the serious consideration of, weapons inter-changeability. In 1990 the GCC members were, for example, deploying four varieties of modern American-made fighters (F-5 Tiger, A-4 Skyhawk, F-15 Eagle and F-16 Falcon), four from France (Mirage-5, Mirage 2000, Mirage F-1 and Alphajets), three from the United Kingdom (Tornado, Jaguar and Hawk), and one from Italy (Aermacchi). MBTs were purchased from the US (M-60 A1 and A3), from the UK (Chieftain and Centurion), France (AMX-30), and Italy (OF-40 MK2) and from Brazil (Engesa). Iraq, by contrast, deployed only Soviet and French fighters, and Soviet (and captured Iranian Chieftain, M-48 and M-60) MBTs. In the 1980s Iran purchased only US and Chinese-made fighters and British, Soviet and American tanks. So, while the GCC figures may look good on paper, and the military equipment deployed is impressive, the GCC members' armed forces are far from the united fighting machine that distinguishes the northern neighbours of this group of states. In this, alas, lies the final weakness and the Achilles heel of the southern Gulf states with regard to both Iran and Iraq.

The Gulf strategic balance

The strategic balance still remains rather precarious and fluid in the Gulf. External relations, political stability and economic diversity and development greatly affect military alertness and capability. In the last analysis, therefore, factors beyond training, efficiency and military preparedness determine a regime's confidence in providing a viable deterrence, maintaining its position in regional circles, and advancing its interests in extra-regional fora. In its 1973 strategic survey of the region the International Institute for Strategic Studies (IISS) commented that 'the current willingness to supply arms [to the Gulf states] may therefore be creating the danger that potential disputes will be fuelled. Iran's growing strength, and that of Saudi Arabia, [however]

may have exactly the opposite effect: that of helping to bring about stability . . .'[20]

Nearly two decades later, and after a revolution and a war that shook one northern Gulf regime to its foundations and threatened to undermine the continuity of the other, only limited prospects for stability based on military might remain. Certainly the deterrent effect of a strong and well-armed military force cannot be over-emphasised, but the current willingness to supply arms to the Gulf states may result in further hostilities rather than in bolstering stability. This is primarily because, in essence, the absence of a strong and explicitly pro-Western Iran has transformed the strategic landscape of the Gulf region sufficiently to enable us to look beyond the 'Twin Pillars' strategy of the previous era, and to develop a triangular model of the contemporary balance of power in the Gulf.

The political and ideological changes in the Gulf since 1979 have created a new canvas of inter-state relations. Remarkably, of the 'ten Sheikhs, a King, a Sultan, a Shah and a radical Baathist President'[21] who ruled the Gulf countries a decade ago, only one regime—the Pahlavi Dynasty in Iran—has followed its leader to oblivion.[22] To all intents and purposes, all the other Gulf states still display many of the same regime characteristics and ideological premisses that they did in the 1970s. But the establishment of an Islamic Republic in Iran has fundamentally altered the loose (conservative) monarchical/dynastical and (radical) republican regime divides that before 1979 had prevailed in the Gulf for over thirty years.

It would seem that, far from undermining its Muslim neighbours, the attitude and strategy of the Islamic Republic inadvertently initiated an unprecedented period of elite continuity, domestic stability and surgical elite control in virtually all the Gulf Arab countries. Usually synonymous with political control and a range of repressive measures, such 'stability' has increased the manoeuvrability of these regimes, enabling them to pursue their 'national' interests more assertively with regard to their neighbours and in important fora such as OPEC, OAPEC and the Arab League; it is in fact precisely the confident and unhindered pursuance of 'national', as opposed to Arab, policies by both Iraq and Kuwait (albeit with different aims after the implementation of the cease-fire agreement between Iran and Iraq) that can be said to have played a part in bringing about the final rupture between the two neighbours on 2 August 1990.

Thus, while the Islamic regime in Iran may draw strength from its domestic powerbase, its external posture during the years of the First Republic has, in many direct and indirect ways, assisted the

consolidation and internal position of the ruling regimes in the other Gulf states to a degree where the two sides can confront each other at the start of the 1990s on an almost equal footing.

From the strategic viewpoint, the 1980s arms race in the Gulf was qualitatively different from the armament programmes that accompanied the first oil-boom of the 1970s. First, it occurred at a time of financial crisis in virtually all the Gulf states. Secondly, it was fuelled by war and was not run purely for prestige and competition. Thirdly, and perhaps most notably, we see, with the end to the Iran-Iraq War, three distinct identities emerging in the Gulf, each trying to function independently of the others but also to co-operate with the others to the extent that the fundamental interests of each are not threatened. Since 1979, and in particular since the GCC was formed in 1981, these three political forces—Socialist Ba'thist Republicanism, Radical Islamic Republicanism and Traditional (Islamic) Monarchies—have emerged in their own right. Ironically, while the pre-1979 alliance between Iran and Saudi Arabia against 'radical' Iraq was based simply on the 'moderate' and pro-Western position of the two monarchical systems, their politico-ideological and religious differences in the 1980s have been highlighted by their attempts to gain a monopoly over the 'word of God', a rivalry that has sometimes virtually marginalised the Iraqi dimension.[23] In addition, the arms race is, in a way, a precautionary measure taken by each in order to maximise the benefits to each arising from the transformed environment: some states, such as Kuwait and Saudi Arabia, have pre-empted the formalisation of these new structural conditions; others, e.g. Iran and Iraq must still complete their period of transition towards peace before their ideological stance for the 1990s can be confirmed, while the rest—the other GCC states—must soon begin to take stock (a) of the consequences of an end to the Iran-Iraq War; (b) of the Iraqi invasion of Kuwait; (c) of the military modernisations under way in Saudi Arabia; and (d) of the foreign military build-up (Arab and non-Arab) in Saudi Arabia.

The ideological lines have therefore been redrawn. This is the first time since the British withdrawal from the territories 'east of the Suez' that three ideological currents have converged simultaneously in the Gulf. Their differences affect the way the three counteract, and also orient themselves towards, other regional issues and forces as well as external influences. The following are a few examples:

—all three have become heavily involved in Lebanese politics, which were for so long the preserve of Syrian and Israeli intrigue: Iran assists the Muslim parties, supported by Syria; Iraq has provided military

equipment and funds for some Christian forces, also supported by Israel; Saudi Arabia has been instrumental in putting together the Arab League peace plan which poses a direct challenge to Syrian (and by extension Iranian) authority, and is also against Iraq's long-term strategy against Syria and Iran in the Lebanon.

—Iran and Saudi Arabia have become direct parties to the Afghan war, although supporting competing anti-regime forces: Iran provides close military and political support for the eight Shi'i groups in the Mujahidin coalition; Saudi Arabia supports the more numerous Sunni groups, and has participated in negotiations between the Mujahidin, Kabul and the Soviet Union, even hosting a meeting in the Kingdom between the interested parties, and thus completely by-passing Iran (which borders Afghanistan and accommodates some three million Afghani refugees).

—all three have taken strong positions on the Palestine issue: Iran has opposed the PLO and its peace proposals for a 'limited' and secular Palestinian state in the Occupied Territories; Saudi Arabia has officially recognised the new Palestinian entity in the West Bank and the Gaza Strip, crediting the PLO representative with ambassadorial status (ironically doing so ten years after Iran had initiated this policy by turning the Israeli mission in Tehran into the PLO-run Palestinian Embassy); Iraq has come vehemently to support the Fatah movement's line and to accept the current PLO strategy against Iranian and Syrian opposition (again, ironically, only years after having hosted the notorious Baghdad summit which created the Steadfastness Front to oppose both the Camp David Accords and the 'direct talks and mutual recognition' policy advocated by the US and Egypt). However, since the beginning of the Kuwaiti crisis, Baghdad has again been courting the radical Palestinian factions (both PLO and non-PLO).

The political alignments in the Gulf itself have also been transformed beyond recognition since the Iran-Iraq War. Most of the GCC states developed extensive ties with Iraq, and in their continuing efforts on behalf of the Iraqi war machine (see Chapter 3), helped to sustain the Ba'thist Iraqi polity. Furthermore, the Joint Military Command set up in October 1980 by 'radical' Iraq and 'moderate' Jordan to assist the former in its war effort, as well as 'renegade' Egypt's military and diplomatic support for Iraq (in addition to Cairo's offer to protect the other Gulf Arab states), gave rise to a new Arab regional body, that was not exclusively 'Gulfian', and was certainly not as ideologically homogeneous as the GCC. The Arab Cooperation Council, established in early 1989, brought together Iraq, Egypt, Jordan and North Yemen (now a united Yemen). It could be called the 'Iraqi war effort

supporters' club', and as such was readily distinguished by its anti-Iranian and anti-Syrian/Libyan bias. Although basically an economic grouping, the ACC provided Iraq with a new identity and with a regional lease of life. It also equipped Baghdad with formal support from two important Arab actors (Egypt and Jordan), thus raising its standing in the Gulf with regard to the GCC and the economic club that ties Iran to the other two important non-Arab Muslim Middle Eastern countries, Turkey and Pakistan. Also, by the virtue of belonging to the ACC (see Chapter 3), Iraq was able to claim an indirect stake in the affairs of the Arabian peninsula (through Yemen), the Levant (through Jordan) and North/East Africa (through Egypt).

The establishment in less than a decade of two Arab regional groupings that include virtually all of Iran's Gulf Arab neighbours, increased the pressures on Iran to establish firm regional alliances that would counter the force generated by this 'club-identity'. The rejuvenation of the 1975 arrangement with Turkey and Pakistan for joint military procurement and production may provide one viable solution. But it seems clear that to upgrade the current economic arrangements between these three states to a more engaged politico-military level, there will first have to be significant improvements in US-Iranian relations. Given Iran's demonstrated willingness to iron out its differences with many of Washington's Western and regional allies, this may not be an altogether impossible development.

More immediately, therefore, and as far as regional actors are concerned, Iran may have to rely on Israel and Syria (and Libya) respectively for military and politico-military support. Should Iran's bilateral ties with these countries formalise into joint policy and executive agreements, then Iraq will, at the very least, become 'routinely' vulnerable to threats from Iran and Syria simultaneously along both its western and eastern borders. One immediate impact of this military line-up would be a split in Iraqi force deployment, and subsequent reductions in the concentration of the army along the Iranian border and in the scale of resources available for the protection of Iraq's eastern flank. By the same token, even if any military emergencies develop along its western flank, Iraq will not be able (assuming that peace talks with Iran fail to lead to substantial improvements in the security environment) fully to re-deploy its armed forces for fear of opening 'windows of opportunity' for renewed Iranian military threats. Additionally, the opening of the Kuwaiti front by the Iraqis, and the virtual surrounding of this front by potential or actual enemies is likely to tie down Iraq's forces primarily to its southern and eastern borders, followed by the deployment of deterrent forces along its western and

northern borders. Thus, in the prevailing circumstances, Iraq's military involvement in the Levant (whether in the form of operations against Syria, interference in the Lebanon, co-ordination with the Hashemite Kingdom, or muscle-flexing towards Israel) must necessarily remain rather limited. Again, the Gulf crisis arising from the Iraqi invasion of Kuwait could change all this: Baghdad may well choose to open another front against the UN/allied forces lined up against it either by raising its offensive military presence in Jordan or by attempting a surgical military strike against Israeli territory. The advantages of this move for Iraq would presumably be in the unification behind Baghdad of the divided Arab regimes, isolation of Egypt, Saudi Arabia and Syria (its greatest Arab competitors), increased support for its new regional agenda, the turning of Saddam Hussein into an Arab hero and, last but not least, the undermining of the American role and position in Saudi Arabia in particular and in the Middle East generally. One might note in passing how, as an element of the same equation, Iraq's neighbouring ACC partner, Jordan, would also be exposed to threats of the sort indicated above—from Syria (partly on behalf of Iran and partly due to Damascus' own opposition to Iraq), and from Israel (partly in response to Amman's formal association with Iraq, a country under great suspicion in Israel).

In strategic terms, the GCC countries may also be hostile towards such an informal (but potentially powerful) Arab/non-Arab axis, for even in purely reactive terms it exposes Saudi Arabia, their most powerful partner, to both Gulf (Iranian) and Red Sea (Israel) threats simultaneously. Indeed, from the Syrian perspective, and since it does not belong to either the ACC, the GCC, or the Arab Maghreb Union, Damascus may have little choice other than to cultivate closer strategic ties with Iran and probably to receive guidance, encouragement and material incentives from the Soviet Union in the process. Syria's military participation against Iraq in Saudi Arabia in the summer of 1990 and its simultaneous efforts to maintain close relations with Iran, illustrate well the strategic dilemmas the Syrian state is facing, as well as its related and consistent inability to consolidate single or group alliances without damaging other interests. And although Israel is conscious of the inherent fragility of such Arab fora, it will continue to be wary of the three exclusively Arab entities (with their varying degrees of military strength) that surround it. Therefore and with American approval, Israel will need to draw closer to non-Arab Iran for a modicum of strategic regional co-ordination—as has been the case in the past, *overt* politico-military co-operation need not ever occur.

In all this, there was one unlikely development that tended to preoccupy the Iranian, Syrian and Israeli military planners alike: an Iraqi-Saudi Arabian alliance. Although the 1990 Gulf crisis may have put a definite end to this scenario for the foreseeable future, such an alliance would certainly have induced serious regional consequences. For one thing, it would have united a well-equipped and battle-hardened army with another well-armed pro-Western one. It would also have resulted in a 'semi-circle' of mutually reinforcing hostilities and subsequent persistent instabilities that would have involved Israel, Syria, Iraq, Iran and Saudi Arabia. It will be apparent to the reader that a development of this sort could have paralysing consequences for the inherent problems in the region from the Levant to the Gulf, and that it would make them all the more intractable—with or without an end to the Iran-Iraq War, a 'satisfactory' resolution of the invasion of Kuwait, or the ending of the global Cold War. As things stand, however, the Iraqis have precipitated a different line-up of forces in the Gulf and in the whole region.

As discussed in Chapter 1, the death of Ayatollah Khomeini in June 1989 and the consolidation of the pragmatic/realist line in the Islamic Republic's foreign policy, which had taken shape a year earlier, will have a positive influence on the strategic balance in the Gulf by continuously strengthening the basis of the Second Republic. Marked by the absence and by the influence of the all-powerful patriarch on Iranian domestic affairs and foreign policy, the Second Republic is further characterised by the desire of its leadership to move away from the initial decade of intransigence, non-conformity and isolation towards the discovery of a new, non-confrontational, but still influential, regional identity—as opposed to a new regional role—for itself. Additionally, the Second Republic will be compelled to continue to mend fences with the Western countries, to pursue friendly diplomatic and economic (and military) relations with the Soviet Union and China, as well as to seek an improved relationship with the Arab states.

As it had no official diplomatic relations with its most powerful Gulf neighbours—Iraq and Saudi Arabia—for long periods during the 1980s, Iran remained relatively isolated in the Gulf. This isolation was compounded by the amicable relations that existed between Iraq and many GCC countries during the war. At the same time, however, Tehran has always been careful to cultivate its good relations with Oman and with a number of the shaikhdoms of the UAE. Following Iran's acceptance of the cease-fire in the war and its conciliatory Gulf strategy, the existing ties between Tehran and these GCC states have improved even further (see also Chapter 3). In this context, one notes

Velayati's well-received visit to Kuwait days before the Iraqi invasion of that country, and the continuing high-level exchanges between the exiled Kuwaiti ruling family and Iranian officials, improvements in Iraqi-Iranian relations notwithstanding. Iran can therefore use these channels both talking to Saudi Arabia and for exerting pressure on Iraq in the peace talks, and can, of course, exert influence over other regionally-based bilateral and multilateral matters. Iraq's invasion of Kuwait and the subsequent Saudi reaction has removed Tehran's previous ability to score valuable strategic points against Baghdad and the moderate Gulf states by driving a wedge between them. Saudi Arabia, still riding high on its successful initiative to isolate Iran diplomatically when required, must be conscious that its other GCC partners did not follow suit in breaking relations with Iran in 1988, and also that any warming of relations between Iran and the smaller GCC states may fracture the remarkable and durable cohesion of the Council in a period of grave crisis in the Gulf. Non-unity of purpose, and diversions in regional strategy and outlook, and level of the mutual commitment, may call into question the reason why the GCC was created in the first place, and may reduce its importance merely to that of a reactive body of small and vulnerable Arab countries afraid of being manipulated by their bigger and more powerful northern Gulf neighbours.[24] We do not, however, predict the demise and disintegration of the GCC in the foreseeable future, particularly as it also successfully manages to adapt to serve and protect the interests of its members beyond the Gulf itself. At the same time, Saudi Arabia's 'holding out' against Iran in the 1980s, established its position as an important corner-stone of traditionalist monarchism against the two other essentially competing politico-ideological currents in the Gulf.

A change of emphasis for the future?

Under the sub-heading 'The aim of war is to eliminate war', Chairman Mao Tse Tung wrote in one of his most celebrated texts:

> 'War, this monster of mutual slaughter among men, will be finally eliminated by the progress of human society, and in the not too distant future too. But there is only one way to eliminate it and that is to oppose war with war, to oppose counter-revolutionary war with revolutionary war . . . History knows only two kinds of war, just and unjust'.[25]

Chairman Mao's lofty pronouncements on war notwithstanding, the Iran-Iraq War has demonstrated more clearly than ever before that not all modern conflicts can be reduced merely to 'just and unjust', and that

the 'progress of human society', far from eliminating war, can have precisely the opposite effect—of indeed prolonging it. As we have seen, in the Iran-Iraq War there was no real victor and certainly no vanquished, and very little difference between what the belligerents emphasised as right and wrong. The war produced only victims. After the border skirmishes and the initial Iraqi invasion, Iran did oppose 'war with war' but as the history of the war has shown this act did not eliminate war. On the contrary, as well as leaving behind a legacy of bloodshed and destruction, the war created an atmosphere of mistrust, tension and uncertainty in the Gulf that is likely to remain for many years to come. Add to this the additional problems that have arisen as a result of the Iraqi invasion of Kuwait, and the pitfalls in the way of those who pursue an acceptable and fair resolution of this crisis, and it should be obvious that the process of arming and rearming provides neither solutions to nor desirable preconditions for regional security. Often all that is provided are new tools for prolonging a crisis.

Under these conditions, the rush by the belligerents to rearm and the pace at which the non-belligerent Gulf states have been modernising their armouries will only provide further fuel for other confrontations and possible wars. Although it is very hard to put a value on the worth of deterrence, it is not too difficult to see how, at least in the Gulf context, the structures and rules of deterrence could be misconstrued as the preparation for hostilities. Strong armies may not rid the region of war and if another war does occur, such strength may only help to make it longer and bloodier. The acquisition of modern surface-to-surface missiles by the major Gulf states means that the next war need not even bring the hostile armies out on to the battle field; Iran and Iraq could deploy their varieties of domestically-produced and foreign-supplied missiles with both conventional and non-conventional warheads (the latter still only chemical), and Saudi Arabia could deploy its CSS-2 IRBMs armed with conventional warheads (and if required, with 'imported' chemical weapons), against virtually any target in the Gulf, the Levant, East Africa, parts of the Indian sub-continent and even some Soviet territory as well.

The military threshold is therefore rising in the Gulf and it is more than ever clear that if at all possible, political solutions must be sought for this region's problems. Following the 'second cold war', the new détente between the superpowers and their respective power-blocs has already borne fruit in the Gulf in the form of Security Council Resolution 598 and US-USSR agreements over the Iraqi invasion of Kuwait, and is prompting a new resolve to find workable and non-ideological solutions to international problems and other regional

TABLE 4.4 Gulf military manpower estimates, selected years (000's)

Country/ Year	Total popula- tion	Total armed forces	As % of popula- tion
Iran			
1978	36,365	413.0	1.4
1981	39,665	260.0	0.7
1984	42,500	755.0	1.8
1987	49,900	654.0	1.1
1989	54,370	604.0	1.1
Iraq			
1978	12,470	212.0	1.7
1981	13,835	252.0	1.8
1984	14,900	642.0	4.3
1987	15,900	1,117.0	7.0
1989	17,840	1,000.0	5.6
Saudi Arabia			
1978	7,730	58.5	0.8
1981	10,395	51.7	0.5
1984	11,000	51.5	0.5
1987	11,500	73.5	0.6
1989	13,489	65.7	0.5
GCC			
1978	8,892	121.9	1.4
1981	11,544	133.3	1.1
1984	15,051	137.3	0.9
1987	15,910	163.8	1.9
1989	18,683	164.9	0.9

Source: IISS, *The Military Balance* (various years).

Note: The authors' calculations are based on the data available from IISS. All population figures are estimates.

conflicts. And yet there is little evidence of any respite in the drive by the great and major powers to 'militarise' the Third World. This is nowhere as obvious as in the Middle East. According to IISS, the

Middle East (including North Africa) spent some $63 billion on defence and defence-related projects in 1986, the GCC states accounting for at least $23 billion of this total and Iran and Iraq for a further $19 billion.[26] According to recent SIPRI figures, Iraq has, on average, spent about 25 per cent of its GDP on military expenditures since 1978; in Iran this had risen to about 53 per cent of GDP by the mid-1980s, up from about 7 per cent in 1979; Oman's has averaged about 22 per cent; Saudi Arabia's stands at about 16 per cent; and Bahrain's, Kuwait's and the UAE's at an average of 4.5 per cent, 11 per cent and 6 per cent of their GDPs respectively.[27] Discernible trends for the 1990s, furthermore, do not provide much room for optimism. The start of the decade with yet another situation of crisis in the Gulf has virtually ensured that the arms race in the Gulf and its related hinterland will continue unabated. In the aftermath of the Iraqi invasion of Kuwait, the US has rushed to equip Saudi Arabia, its closest Gulf ally, with increasing quantities of ever more sophisticated American military hardware. The 1990 Saudi-American arms deal that was reported to be in excess of $21.5 billion, and which matched the principal arms transfer agreement signed between London and Riyadh in July 1988, marks the return of the US as the largest arms exporter to the Gulf's richest arms market. The new package, which is intended to augment arms transfer deals totalling $10 billion that have been signed between the two countries since 1988, includes the sale of 24 more advanced F-15s, as well as Lockheed KC-130H tankers and C-130 transporters, 12 AH-64 Apache attack helicopters, a further 150 (in addition to the 315 already contracted for) M1 A2 MBTs, more than 350 Patriot anti-aircraft missile systems, 150 TOW anti-tank missile launchers, nine multiple launch rocket systems with 2,000 rockets, and probably four more E-3 AWACS.[28] In September 1990, Brazil's Avibras announced the sale of 10,000 rockets for the Astros II multiple launch rocket systems that had already been sold to Saudi Arabia, and France confirmed the finalisation of a $3 billion arms deal for the sale to the Kingdom of missiles and missile systems and frigates. Apart from providing a profitable outlet for the 'Cold War surpluses', the readiness of outside powers to transfer new and sophisticated weapons systems to the Gulf during a crisis situation indicates that the conflict mentality prevails in any Gulf-related diplomatic dilemmas. Iran's announcement early in October 1990 that it had started taking delivery of Soviet-made MiG-29 fighters as part of a multi-billion dollar Soviet arms transfer and training agreement that had been reached during President Rafsanjani's visit to Moscow in June 1989, indicates that the pattern of sophisticated arms procurement is a general Gulf problem (see Chapter 5). However, in

view of what has already been said about the poor status of the Iranian armed forces, the procurement from the Soviet Union of sophisticated weapons systems (that are likely over the next few years to include the transfer of the Su-24 long-range strike aircraft and modern tanks and artillery systems), is not an escalation of the arms race as such, but rather is an essential part of a replenishment policy.[29] It is important to note, nonetheless, that this Irano-Soviet arms deal marks a clear departure for Tehran in arms procurement. The deal also illustrates Tehran's readiness in concrete terms to modernise and diversify its weapons sources, and its willingness to expand its politico-military relations with its long-feared northern neighbour. Conversely, this breaking into a traditionally Western-reliant market also represents a first for the Soviet Union, which is in the process of loosening its close military ties with its erstwhile allies in the Middle East (Algeria, Iraq, Libya, Syria and Yemen). The fundamental changes in the Soviet Union's foreign policy under President Gorbachev, the end to the Iran-Iraq War, and the change of government in Iran have all helped to accelerate the process of close co-operation between the two states. The Iraqi invasion of Kuwait and Moscow's response to Iraq's action are likely to put further strains on the traditional alliance between the two, thus paving the way for even closer Soviet relations with Iran and the other Gulf states.[30] If present trends continue, the Gulf will by the mid-1990s have become, relatively speaking, as militarised as the central European front had been—precisely at a time when a strong drive towards de-militarisation is in evidence in Europe!

With the tradition of competition intact, and with the problems associated with mistrust very much in evidence, the relevance to the Gulf situation of Stephen Goose's general comments about war in the post-1945 era can be easily appreciated: 'One outstanding feature of post-World War II armed conflict appears to be conflicts rarely come to a definitive conclusion; fighting may wane for months or even a year or two, only to resume at even higher levels'.[31] In the absence of negotiated peace, today's military balance in the Gulf and the disequilibrium that has resulted offers no long-term optimism and provides only a limited deterrence value to those who are currently in the lead—until the next time. The experience of the last twenty years shows that any lead in the hardware military balance acquired by one or more of the 'established' states can diminish as quickly as it appears, thus further fuelling uncertainties. The precarious strategic balance between the littoral states and their slowly emerging politico-ideological competitive structures can only encourage further intrigue in the Gulf itself, as well as in other regional hot spots: Afghanistan, the

Lebanon and the Arab-Israeli conflict are the more obvious venues. As each party tries to establish (or to create, as the case may be) a constituency outside the Gulf arena itself, this can, under both normal and emergency conditions, provide vocal support and behind-the-scenes protection; hence the opportunities for outside interference in regional matters also increase.

In spite of the rapid military build-up in the Gulf in the 1980s, the significant transformations in the military balance, an inconclusive war, an unprovoked invasion and occupation of a sovereign Gulf state and a critical regime change over the past decade in one of the key Gulf states, it is still forces outside and beyond the Gulf which ultimately determine the balance of power in this most important stretch of water and its shoreline states.

5 DEFENCE INVESTMENT AND MILITARY PROCUREMENT STRATEGIES OF IRAN AND IRAQ

In the previous chapter we discussed the regional strategic balance and the ways in which the related military balance affected relations between the belligerents themselves and with their other Gulf neighbours. The domestic context of these military relations will be considered in the present chapter. We will address primarily the position of the two belligerents during and after the Iran-Iraq War, will also and examine their indigenous arms-making capacities. Each country's military position during the war, as well as its international ties (whether of recent origin or long-established), will be shown to have played a critical part in enabling their respective ambitions to materialise.

Defence and the Second Republic

Despite the idiosyncracies in the Islamic Republic's defence strategy and in its conduct of the war with Iraq between 1980 and 1988, a constant streak of pragmatism was visible beneath the veneer of confrontationalism and rejectionism. The politico-military elite—the high-ranking military personnel and their clerical and non-clerical technocratic allies in the political establishment—was responsible not only for the planning and execution of the war effort on a daily and routine basis, but also for supervising the country's military procurements for the Islamic Revolution Guards Corps (IRGC: the *Pasdaran*) and the regular army on the one hand, and for the republic's domestic defence production efforts on the other.

The leaders of the Second Republic, from President Rafsanjani to the supreme leader Ayatollah Khamenei, have been involved in the nation's defence policies since 1980, many having served on important executive and decision-making committees and bodies. Khamenei, as the former President and the chairman of the Supreme Defence