Princeton Policy Task Force:
Rebalancing U.S. Relations in the Gulf
Joint Report

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America’s relationship with the Muslim world cannot and will not be based on opposition to al Qaeda. Far from it. We seek broad engagement based upon mutual interests and mutual respect.

— President Barack Obama

In the fall of 2009, a Princeton University Task Force led by Ambassador Barbara Bodine began researching ways to rebalance relations between the U.S. and the Persian Gulf. Since taking office, President Obama and his administration have voiced intentions to revitalize relations with the Muslim world, move past security-based relationships and work towards partnerships based on a broader spectrum of mutual interests, all in the hopes of creating more sustainable, long-term relations.

As America begins the drawdown in Iraq, the escalation of the war in Afghanistan, the global economic crisis, and the persistence of terrorist threats, its relationship with the Arab Gulf has come into greater focus. Though of vital policy interest since the promulgation of the Carter Doctrine, U.S. relations with the Gulf had in the last eight years grown shortsighted and heavily militarized, focused on maintaining access to oil and deterring hostile forces. This Task Force examines how America can capitalize on the changing tides of history, and proposes ways of furthering partnerships with host nations on issues of mutual interest, including bettering bilateral relations through improved public diplomacy; strengthening civil society, economic practices, and political reform; improving regional relations; pursuing democratization through the inclusion of Islamists; and recalibrating counterterrorism efforts and the military footprint to fit the strategic needs and reflect the inherent values of both the United States and the Arab Gulf countries.

This report is the summation of individual research conducted by the contributors to yield a more holistic understanding of U.S.-Gulf relations. The paper outlines and discusses sixteen policy recommendations to the US Department of State aimed at rebalancing relations with the Persian Gulf. The goal is to exchange America’s current highly militarized engagement in the region for a more nuanced and balanced partnership with host nations.

We begin by examining opportunities for cooperation on a domestic level within the Gulf states, on the topics of civil society, political reform, the inclusion of Islamists in democratization efforts, and economic policy. We continue by discussing how the United States and the Arab states of the Persian Gulf can partner to better regional relations, specifically as they concern Iran and the Middle Eastern peace process. We conclude with recommendations on how the U.S. government can pursue counterterrorism cooperation in the future and how it could restructure its military footprint in the Gulf so as to best achieve U.S. strategic interests.
The U.S. is well situated to support the Arab Gulf governments as they seek to enhance their domestic legitimacy, better interact with civil society, and more effectively develop human capital among their populations. The history of U.S. policy in the region demonstrates that the U.S. cannot effectively foster these reforms if it is perceived as an outsider seeking to unilaterally impose its will and/or its ways on the Gulf states. Rather, these reforms will be best supported and encouraged through partnerships of equal footing between the U.S. and the Gulf states.

Forging and maintaining such partnerships requires that the U.S. deals with the domestic realities of the Gulf states while retaining a vision of greater reform and liberalization, including: a preference for gradual rather than radical political reform, accepting the presence and popularity of moderate Islamists, and participating in dynamic Arab media outlets that the U.S. has thus far failed to engage. These realities should not be considered obstacles to be confronted, but rather opportunities to be embraced for the potential that they hold for promoting meaningful domestic reform that is realistic for the region.

Political Engagement

1. The U.S. should work with GCC governments to implement and/or augment constitution-like documents, make parliaments more representative, independent, and effective, and promote de jure and de facto protection of the rights to assembly, speech, and association.

The U.S. should work constructively with host governments to devise gradual and country-specific implementation plans for the above areas of reform. American officials should further emphasize these reforms consistently at all levels in renewed bilateral relationships, highlighting the following possible courses of action.
GCC governments could make parliaments more representative through an increase in the proportion of elected deputies and by granting candidates greater freedom to campaign. GCC governments could also grant parliaments broader negative legislative abilities and the powers of interpellation and budget review. Where parliaments or other elected bodies already have these powers, they should be enabled to carry them out by lesser supermajorities.

Certain political freedoms should also be enshrined in constitutions, Basic Laws or other such documents, where they are not, and protected in practice. The aforementioned reforms will enable citizens in partner countries to hold their governments accountable, increase transparency, and ensure broader citizen participation in decision-making—all elements of emerging and indigenous liberal democratization.

2. As a follow-on to the Cairo speech, President Obama or a top State Department official should deliver an address at the National Endowment for Democracy (NED) to lay out a positive U.S. vision for encouraging democratization in the Arab states of the Persian Gulf. Include U.S. engagement of moderate Islamists in the Gulf as part of this vision.

U.S. engagement with moderate Islamists is crucial to any credible, collaborative effort to support democratization in the Arab Gulf. As the Obama administration formulates and implements a specific plan for this effort, U.S. engagement with moderate Islamist groups, regardless of whether they support all aspects of U.S. policies and programs in the region, should be included because it signifies a true American partnership with the Gulf on its path toward democratization—a relationship that is in tune with the region’s realities and aspirations and not just U.S. security and economic interests. Symbolically, announcing a plan that incorporates engagement of moderate Islamists at the NED, which was established in 1983 with the specific objective of promoting democracy abroad, would illustrate that engagement is in service of this long-standing American foreign policy goal. Working toward this goal requires that the U.S. be considered a credible democratizing force, which, in the Persian Gulf, requires that it offer the same support to moderate Islamists as it does all other political parties and movements.

3. The U.S. should engage moderate Islamist political parties and movements\(^1\) in the Gulf through increased institutional programming through such partners as the National Democratic Institute (NDI) and International Republican Institute (IRI).

Historically, NDI and IRI, in conjunction with the USG and other governments and organizations, have engaged with moderate Islamists on two levels: through campaign training and through institutional

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\(^1\) Adopting the definitions that are widely used in the research on this subject, this report considers “Islamists” to be those who believe that political life should be governed by Islamic practices and beliefs, and “moderate Islamists” to be those Islamists who are non-violent and committed to democratic principles.
programming. While campaign training should continue, institutional programming should be the primary avenue for future engagement with moderate Islamist groups. Programs such as constituent services trainings and parliamentary committee strengthening projects support Islamists on equal footing with other politicians while also strengthening the institutions in which they work, thereby creating counterweights to the executive branches and ruling families in the Gulf and creating checks-and-balances systems that protect democratic processes. Furthermore, institutional programming communicates that the U.S. is serious about its commitment to engage moderate Islamists. By demonstrating that USG-funded organizations will not abandon the Islamists with whom they work if these Islamists are elected, institutional programming demonstrates genuine US investment in moderate Islamists’ overall contributions to the Gulf’s democratic processes.

4. The U.S. should increase funding for U.S. NGO programs that partner with Gulf CSOs to elevate their political impact and train future government leaders

Increased funding for U.S. NGOs that work directly with Gulf civil society organizations (CSOs) complements diplomatic efforts to expand the power of legislatures and judiciaries vis-à-vis the executive branches by cultivating the human capital of future parliamentarians, civil servants, and senior ministry officials. The U.S. government should increase funding for the National Democratic Institute (NDI), Vital Voices, and IREX in order to strengthen ties with women’s business organizations, youth groups and youth wings of political societies, journalists, and aspiring politicians, including moderate Islamists. In particular, the U.S. should allocate more funds to the NDI initiative that supports the formation of a GCC Municipalities Association. This particular NDI program would help link civil society initiatives to political reform and extend civil society beyond the capitals and into the rural areas. In addition, the U.S. Department of State’s Middle East Partnership Initiative should receive more funding to distribute to U.S. NGOs and to use for joint projects, such as the Businesswomen’s Network organized with Vital Voices.

**Public Engagement**

5. The U.S. should shift its approach toward Al-Jazeera and other major Arab satellite television networks to one of collaboration and dialogue rather than confrontation through increased participation in Arab media programming and engagement with Arab media professionals

The U.S. should place more emphasis on systematically engaging the Arab public sphere through increased participation of U.S. officials in televised debates and politically-oriented talk shows in Gulf media outlets. The U.S. should use this venue as a springboard for important discussions, dialogue, and the spread of information within media structures that are already seen as legitimate by the majority of people within the Arab public sphere. To facilitate this, more funding and resources should be allocated to language training for American officials posted in Persian Gulf countries. U.S. embassy
officers should pursue dynamic, sustained partnerships with the Gulf media and Arab media professionals to encourage more accurate, sophisticated understandings of the U.S. and U.S. policies among Gulf publics. This will help mitigate public opposition to amicable relations with the U.S., and will give Gulf governments and rulers more maneuverability in their dealings with the U.S. on a broad range of issues.

6. The U.S. should support human capital development in the Gulf through the promotion of partnerships that emphasize critical educational areas through skill-specific educational exchanges, stronger linkages between U.S. and Gulf institutions of higher learning, and an internship program that complements educational reforms.

The U.S. should support skills development in critical areas such as science, math, and English through initiatives such Peace Corps operations that promote educational improvements, teacher training, and youth development and the expansion of the English Access Microscholarship Program. Additionally, the State Department should facilitate a greater number of partnerships between Gulf and American educational institutions, particularly through exchanges that emphasize essential skill sets and areas in which Gulf governments are currently looking to expand their human capital, such as technical capabilities, business skills and economically significant research. The U.S. should work with Gulf states to create a system of internship programs for youth that promotes social inclusion and fills the transitional gap between education and formal employment in a more immediate manner than educational reforms. A U.S. government-supported internship program would have the credibility not present in informal sector employment, enabling youths to be active in their communities and acquire a broader set of skills necessary for employment in the private sector.

Economic Engagement

7. The U.S. should increase private-sector economic activity by offering investment insurance for foreign and local private firms operating in GCC countries through enhanced Overseas Private Investment Corporation (OPIC) agreements; encourage partner governments to pursue pro-business policies and restrict expansion of the public sector into certain burgeoning industries.

Because of extensive state involvement in the economies of the GCC, political liberalization will entail economic liberalization as well. The dominance of the public sector reinforces the state’s political control. Citizens, even if legally enabled to dissent individually, in civic associations, or in parliament, may refrain from doing so for fear of endangering their livelihoods or career prospects.

The United States could promote the growth of the private sector in GCC countries through expanded OPIC activity and agreements. In Bahrain, Kuwait, and Oman, OPIC could support more American companies and provide some funding to more local businesses. The US could seek OPIC
agreements with the remaining GCC states. Such efforts could encourage economic activity apart from the state.

The United States could also foster the growth of private industry through adoption of pro-market reforms such as reduced business regulation and trade liberalization. The US could also pursue FTAs with Kuwait, Bahrain, Qatar, Saudi Arabia, and the UAE, to reduce trade restrictions. The GCC countries have competitive advantages in natural gas, petroleum, petrochemicals, energy-intensive heavy industry, and tourism. Of these, tourism offers opportunity for the growth of the private sector. The United States might promote this growth by advising GCC countries to restrict further state involvement in this industry, to limit crowding out of private enterprise.

8. The U.S. should encourage, and where lacking, initiate links between U.S. and GCC businesses as a means of developing mutually beneficial private sector growth in the GCC. This is in line with recognizing the potential of GCC businesses to act as a regional economic engine for the wider Middle East.

Both the U.S. Dept of Commerce and OPIC should facilitate the efforts of organizations like the U.S.-Bahrain Business Council, the U.S.-UAE Business Council, the Qatar Foundation, and the Abu Dhabi Future Energy Company, all of which work to establish strong U.S.-GCC private sector partnerships. They have the potential to create high value-added private sector enterprises in the Gulf that are confident in investing abroad. GCC businesses can profit from the management know-how and technical expertise of well-established firms in the U.S. to complement their more sophisticated asset allocation as a result of the last oil boom.

“Realities of the Gulf should not be considered obstacles to confront, but rather opportunities to embrace for the potential that they hold to promote meaningful and organic domestic reform.”
Rebalancing the U.S.-Gulf relationship to emphasize a partnership of equal players is a means of addressing outstanding regional issues. As the previous section acknowledges, the U.S. has already made inroads in areas of economic partnership that can be further strengthened. Politically, there are multiple challenges that the U.S. has either left off the table or engaged only unilaterally. The U.S. has in the recent past failed to establish sustained dialogues with Gulf states regarding the Arab-Israeli conflict, Middle East peace process, Iran, and nuclear proliferation. Maintaining regional and bilateral dialogue on topics of mutual concern is the first step towards ensuring a more stable, equal, and fruitful U.S.-Gulf relationship. The recommendations below address this goal in detail.

**Israeli-Palestinian Conflict**

9. The U.S. should involve the Gulf states as a support structure for the Middle East peace process once Israeli-Palestinian negotiations have resumed.

The support structure should aim to include Gulf states as distinct players and should consist of a regional consensus and framework augmented by bilateral initiatives directed at Israel, the Palestinians, and the process. The U.S. has traditionally focused its policy too much on the Arab League and the GCC as a unit. This has historically resulted in gridlock. The U.S. should therefore formulate specific, bilateral approaches to each Gulf country within the parameters of the new regional consensus that strengthens the flexibility of the regional support structure. The regional approach should endorse the Abdullah Plan, ignored by the US in both its 2002 and 2007 iterations, and promote the Arab Quartet. Bilateral approaches can include encouragement of low-level initiatives such as the establishment of trade offices, investment in the Palestinian territories, and involvement in multilateral working groups.
Such a support structure brings the Gulf states into the peace process as partners with a stake in the outcome but not a role in the negotiations.

**Endorse the Abdullah Plan:** President Obama should make a public address or present a strategy for the peace process that includes an endorsement of the Abdullah Plan. This would solidify the plan’s reaffirmation of UN resolutions, expression of an Arab consensus, delineation of what a regional peace settlement could look like, and conveyance of an Arab willingness to make peace with Israel. Acknowledging the plan would, in these ways, help form the basis of a regional consensus.

**Promote the Arab Quartet:** The U.S. should create a venue for the involvement of the underutilized Arab Quartet: Egypt, Jordan, Saudi Arabia, and the UAE. The U.S. can capitalize on the Quartet’s founding purpose to serve as the Arab counterpart to the Western Quartet by encouraging a resumption of meetings and emphasizing its parallelism by holding a joint summit of the Arab and Western Quartet. U.S. efforts to increase the importance of the Arab Quartet can help craft the regional framework of the support structure for the process.

**Iran**

10. The U.S. should promote regional cooperation and dialogue with Gulf states on next steps with Iran and establish a U.S. interests section in Tehran

Only by recognizing and incentivizing the Gulf states’ position, stake and power in the Persian Gulf will the U.S. be able to identify opportunities to indirectly influence Iran on issues of regional cooperation, including nuclear proliferation, stability in Iraq and Afghanistan, and terrorism in the Levant. This new approach calls for immediate engagement with Iran’s leadership on its nuclear program, but also for a broadening of the agenda. Selective engagement and cooperation should not hinge upon an all-or-nothing approach to Iran’s nuclear program.

Following the Baker-Hamilton Iraq Study Group Report, the U.S. should explore areas of regional cooperation with Iran and its neighbors in the Gulf. In order to do so, the State Department should establish a diplomatic interests section in Tehran. Modeled after the U.S. Interests Section in Cuba and the recently announced section in Pyongyang, a similar arrangement in Tehran would provide the appropriate forum for bilateral contact while remaining short of full diplomatic relations. Iran is the only nation in which the U.S. has no presence whatsoever.

The Obama Administration should engage Iran’s leadership on topics of mutual interest while avoiding regime change rhetoric and policies. By replacing the State Department’s Iran Democracy Fund with the Near East Regional Democracy Fund, the Administration correctly recalibrated a selective democracy promotion into a broader, ongoing regional program. The U.S. should expand this program.
11. The U.S. should sign 123 Agreements with Gulf states to both enhance US-Gulf economic cooperation and demonstrate to Iran incentives for nuclear cooperation.

Military intervention will not guarantee nonproliferation, nor will hollow calls for a nuclear-weapons-free zone (NWFZ) stop Iran from pursuing nuclear capabilities for the immediate, or even foreseeable, future. Although regional cooperation remains a long-term imperative for the nonproliferation regime, the U.S. cannot rely on these negotiations for immediate engagement.

Through bilateral 123 Agreements with the Gulf states, the U.S. can establish a safe and replicable model in the region in accordance with the Nuclear Nonproliferation Treaty (NPT). The U.S. should fully the UAE 123 Agreement and conclude similar 123’s with Bahrain and Saudi Arabia, conditional on their governments’ adherence to transparency, export control laws and the 2007 Proliferation Security Initiative. By avoiding explicitly “anti-Iranian” policies, such as these 123 Agreements, the U.S. can leverage its influence in the region and promote the Gulf states as mediators that bridge the gulf between U.S. and Iran.

“Only by recognizing and incentivizing the Gulf states’ position, stake and power in the Persian Gulf will the U.S. be able to identify opportunities to indirectly influence Iran on issues of regional cooperation”
Rebalancing U.S.-Gulf relations falls finally on a critical assessment of America's security relationship with the Gulf. The US implicitly assumed responsibility for Gulf security in the 1970s with the departure of the British and explicitly in 1980 with the promulgation of the Carter Doctrine, which set the terms of US vital interests in the region. While the Gulf will remain dependent upon an external guarantor, it is not prudent to assume that the Central Command-centric approach or current footprint are set in stone. Operations in Iraq are on the downswing and the “surge” in Afghanistan begins to reverse in 2011. Over the past two decades, the size and sophistication of Gulf militaries has reached the stage that, on paper at least, the Gulf collectively is a match for Iran. It is also reasonable to question whether the current force structure in the Gulf is politically tenable long term to our Gulf allies or prudent use of U.S. power. This section examines how the U.S. can best, in consultation with state partners, restructure and recalibrate our security relations and force structure to support our mutual security interests within the context of broader strategic goals aimed at furthering bilateral and regional partnerships.

The U.S. and the Gulf share many mutual security interests: nuclear proliferation, combating terrorism and terrorist financing both in the Gulf and abroad, defense against antagonistic regional actors, and the unimpeded flow of energy resources and trade. As such, there is considerable opportunity for extending the spirit of partnership described throughout the paper to U.S. security policies.

**Counterterrorism**

12. The United States should enhance and expand its anti-terrorism assistance efforts in the Persian Gulf

The U.S. should work with GCC governments to enhance their domestic counterterrorism capacities. U.S. anti-terrorism assistance (ATA) concerns a variety of American agencies and departments, including the Department of State, the Federal Bureau of Investigation, and the Central Intelligence
Agency; it involves a wide range of intelligence sharing and training activities. ATA efforts in the Persian Gulf are already substantial, but their effectiveness could be enhanced by increased funding, more definitive executive direction, and greater regional coordination.

Consistent with a shift away from military-focused relationships with GCC nations, the U.S. should expand those ATA programs designed to enhance civilian counterterrorism and intelligence sharing capacity, and increase their funding. To ensure effective allocation and employment of these additional resources, the U.S. government should designate a specific department or agency, possibly the Department of State’s Office of the Coordinator for Counterterrorism, as the executive coordinator of all civilian international ATA. This executive department should aim to develop complementary ATA programs that pursue strategic counterterrorism aims in the Persian Gulf.

13. The U.S. should work with and encourage GCC governments to improve the development, but particularly the implementation and enforcement, of counterterrorist financing regimes and legislation

The majority of GCC nations have devised robust counterterrorist financing (CTF) legislation, but have failed to effectively implement and enforce it, especially in informal financial sectors. Several GCC governments, specifically those of Kuwait, Oman, and Dubai, have yet to develop adequate legislation to deal effectively with terrorist financing; this is a critical first step that should be pursued wherever lacking. Additionally, the U.S. should encourage GCC governments to work with the U.N. Counterterrorism Committee to develop and distribute informed lists of individuals and organizations of interest in pursuit of the implementation of United Nations’ Security Council Resolution 1373. The U.S. should better coordinate its in-country CTF assistance to reduce overlap and identify deficiencies. Beyond this, it remains to GCC governments to muster the political will to enforce their own laws. The U.S. should, through international institutions as well as bilateral diplomacy, stress to GCC countries the absolute necessity of effective CTF efforts, and make clear that properly monitored financial sectors are a critical pillar of sustainable domestic, regional, and international stability.

**Military Footprint**

14. The U.S. should enhance diplomatic and security dialogue with Gulf States on the definition of current and potential threats to our mutual interests while instituting joint strategic planning to include base access, prepositioning, military sales, training, and exercises.

Formalize regular diplomatic and security dialogue between the U.S. and its Gulf partners to better define the nature of the threat going forward and the tools available to each side to best address these, as the US conducts regularly with allies and friends in Europe and Asia. Joint strategic planning would
build consensus and cooperation on issues such as base access, prepositioning, military sales, training, and exercises.

At the 2008 Manama Conference, as incoming Defense Secretary under the Obama Administration, Dr. Robert Gates complemented this strategic transition with a high-level address reaffirming that the Gulf remains an area of vital national security, reemphasizing that the American partnership is enduring, and underscoring that Gulf states are full partners in this effort.

15. The U.S. should include within planning parameters proposals to significantly reduce ground-based assets and shift to stronger reliance on over-the-horizon naval and coast guard presence.

A gradual drawdown of U.S. ground forces from the Gulf and a corresponding shift to over-the-horizon naval posture promotes U.S. and Gulf strategic interests by minimizing the high-profile military presence that stirs domestic Gulf opposition and fuels extremism in the region. Furthermore, with the end of the war in Iraq and a revamped diplomatic approach to Iran, there is less of a strategic need for a large military footprint in the Gulf, barring enforcement of potential economic sanctions against Iran; rather, both the U.S. and the Gulf’s security needs—reliable access to Gulf oil, counter-proliferation, a non-threatening Iran, counterterrorism, etc.—may be met with a robust naval force.

16. The U.S. should consult closely with GCC member states on enhanced interoperability of GCC member state security assets both within the GCC and with the U.S. and other partner states.

Improved GCC defense capabilities would minimize both U.S. and Gulf fears of a diminished U.S. presence—namely, an aggressive, hegemonic Iran and a resurgent Iraq. The Gulf States possess underestimated military potential; however, this potential may only be realized if GCC countries can improve their coordination and pool their resources. Moreover, as of the moment, full battlefield capacity relies on American technical support for full implementation. By implementing this recommendation in tandem with a gradual withdrawal, the United States may still project the power necessary to its strategic interests while also empowering GCC states in acquiring sustainable, long-term, and organic defense.

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2 This recommendation in its entirety, including its description, is adapted in some form from Andrew Gallo, “The United States and the Persian Gulf: Security Strategy for the Obama Administration,” Princeton University Graduate Seminar directed by Ambassador Barbara Bodine, Spring 2009. Wording has been changed in places, however details, inspiration, and guidance have been drawn from Gallo, who deserves full academic credit.

3 Ibid.

The above recommendations all derive from the real potential to constructively evolve the relationships between the United States and GCC governments. The mutual dependence once dictated by oil and security priorities need not, and should not, provide the framework for 21st century U.S.-Gulf relations. Instead, the U.S. should seize the opportunity at hand, one predicated on GCC maturation and development, and strive to cultivate robust partnerships of mutual respect and reward with the nations of the Persian Gulf.

“‘We will listen carefully, we will bridge misunderstandings, and we will seek common ground.’”

- President Barack Obama
The joint report is a synthesis of the findings presented in the contributors’ individually authored policy papers. For sources and further reading please consult the full-length papers. Copies of the full-length papers can be made available upon request.

**U.S.-Iran Relations: Bridging the Gulf**
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Iran presents a strategic threat to regional stability and US interests in the Persian Gulf through its pursuit of nuclear capabilities and its support of the terrorist groups Hezbollah and Hamas. The United States, however, is limited in its policy options due to the absence of formal diplomatic relations with Iran. As both US allies and Iran’s neighbors, the Gulf states have a shared stake in the future of US-Iran relations. The appropriate US policy will integrate the Gulf states and Iran into a common diplomatic framework.

**Political and Economic Reform in the Countries of the Gulf Cooperation Council**
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The United States should partner with the member-states of the Gulf Cooperation Council (GCC) to promote gradual political liberalization. Because of extensive state involvement in the economies of the GCC, political reform will entail economic liberalization as well. American interests in the region, including energy commodities and continued military base access, can be best protected by stable, legitimate states. The states of the GCC could enhance their stability and legitimacy by pursuing continued gradual political and economic reform. As such, the U.S. should continue to engage with these countries to promote reform. The U.S. should support certain political reforms, chiefly the implementation or augmentation of constitution-like documents, protection of basic political freedoms, and increasing the percentage of elected officials in and the power of majalis (assemblies, singular mājlis), as these will allow citizens in partner countries to push for further liberalization. The U.S. should also support the growth of the private sector in partner countries to enable citizens to challenge and check government without fear of losing public sector jobs.

**Ending the War: Pursuing Counterterrorism Effectively in the Persian Gulf**
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This paper offers a series of recommendations designed to enhance U.S. counterterrorism efforts in the region. The strategy presented aspires to three goals: increasing international cooperation, shifting the focus of efforts onto ideology, and continuing to counter the financing of terrorism. It calls on the U.S. to first reassess its international counterterrorism objectives, and reconsider how it articulates its aims and strategies. It recommends the U.S. seek significant engagement with Persian Gulf partners, and foster mutually beneficial relationships that match strengths with weaknesses. In regard to GCC governments, it advises the multilateral pursuit of a coordinated and mutually reinforcing counterterrorism strategy. The Persian Gulf possesses the capability to address the threats of takfiri terrorism and the global jihadi movement adequately and effectively; today’s task is to understand how to best access and exercise that capability.

**United States Engagement of Moderate Islamists and the Credible Promotion of Democratization in the Persian Gulf**

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For more than a decade, US government-funded organizations have been quietly engaging with moderate Islamist political groups in the Middle East and North Africa. While difficult to measure precisely, the results of these efforts have been largely positive from the US strategic standpoint: supporting a competitive alternative to extremist Islamism and establishing bonds of professionalism and trust between the moderate Islamists and their American partners. Despite this, these programs have gone largely unpublicized, and a misguided public debate still focuses on “whether,” not “how,” the US should engage with Islamists. To fully capitalize on the advantages that engagement with moderate Islamists can lend to a new, more credible US approach to promoting democratization in the Persian Gulf under the Obama administration, the US government should continue and expand its (albeit indirect) engagement with moderate Islamists in the Persian Gulf while also taking greater public responsibility for these efforts and making them a more central piece of US policy in the region.

**The United States, the Gulf, and the Middle East Peace Process: The Gulf as a Support Structure**

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The United States has traditionally left the Gulf states out of the peace process despite numerous Gulf attempts to be involved. However, President Obama is committed both to reshaping America’s approach to foreign policy and to dedicating much of his administration’s efforts towards the peace process. As such, the United States should craft a regional role for the Gulf states as a “support structure” for the process and actively engage the Gulf countries within the regional consensus through bilateral approaches. The U.S. can help foster Gulf relations with Israel and Hamas, initiate multilateral working groups on regional issues, encourage investment projects in the Palestinian territories, and enhance consultation with the Gulf states to build this regional support structure. This paper recommends that the U.S. government endorse the Abdullah Plan and promote the Arab Quartet, and employ building block tools including the
revival of a multilateral working group structure and the deepening of Gulf investment in and dialogue with Israel and the Palestinian territories. Further, it recommends engagement policies on a country-by-country basis.

U.S. Public Diplomacy in the Persian Gulf: A Reorientation Toward More Effective Engagement of Youth and Media in the Region
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Contemporary diplomatic relations between the United States and the countries of the Persian Gulf continue to be plagued by significant asymmetry in the U.S. approach to diplomacy in the region and a communicative gap between the United States and Gulf populations caused by a lack of effective public diplomacy in the Gulf. Public diplomacy is a crucial component of overall diplomacy, and as a result weak public diplomacy undermines the efficacy of overarching diplomatic efforts. While public diplomacy must be backed by traditional diplomacy and policy initiatives, it nonetheless plays a significant supporting, underlying role that to date has been underutilized and underacknowledged. The U.S. should seek to build better, more productive collaboration between the United States and the Persian Gulf states through the implementation of policies that demonstrate and encourage genuine dialogue with Gulf publics rather than unilateral promotion of U.S. interests and values. To do this, the U.S. should reorient its public diplomacy strategy in the Persian Gulf to emphasize engagement with youth and media outlets in the region. This shift has far-reaching implications for an array of broader issues such as economic development and stability, security concerns, Islamic extremism, and the effectiveness of U.S. partnerships with Gulf governments.

U.S. Civil Society Promotion in the Persian Gulf
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Although Gulf civil society has progressed markedly over the past decade, civil society organizations (CSOs) face burdensome legal limits on their operations and have encountered difficulty achieving political reform. The U.S. Government should increase its support for Gulf civil society to support our values of human rights and President Obama’s vision of a relationship with Middle Eastern countries based on “mutual interest and mutual respect.” The Gulf governments should continue to demonstrate a willingness to ease restrictions on civil society in order to comply with their constitutions, international law obligations, and maintain legitimacy by satisfying their populations’ desires for political reform. In order to ensure that civil society lays a foundation for a future democratic transition, the U.S. Government and embassies, U.S. NGOs, Gulf governments, and Gulf CSOs must work together to balance government and private sector support for CSOs and translate single-issue improvements into widespread political and social change. Given these prerequisites, the U.S.’s goal should be to enable Gulf CSOs to achieve tangible and consequential political reform. To do this, the U.S. should encourage Gulf governments to lift burdensome legal restrictions on CSOs, augment funding to U.S. NGOs that work with Gulf CSOs to enhance their contributions to political reform, and continue to collect data and partner with other countries and organizations to improve U.S. programming.
A New Footprint: Reshaping the U.S. Military Presence in the Gulf States
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For the past decade, the U.S. military’s posture in the Persian Gulf has been dictated by the requirements of the wars in Iraq and Afghanistan. This will continue to be true to some extent until the conclusion of the war in Afghanistan, at which point the United States should bring home the bulk of its air and ground forces from the region, returning to a naval-based presence. In the meantime, it would be wise for the United States to empower its Gulf partners to fill the air and ground defense roles that U.S. forces have filled in recent years, and to “soften” the often intimidating image of its military installations and forces.

Restructuring US economic ties with the GCC
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GCC countries have been transformed from sleepy backwaters defined by pearl diving and palm cultivation into vibrant, optimistic, and diversified economies. After the 1973 oil boom, GCC countries devoted their oil wealth to providing basic services for their people, creating energy and capital intensive industries that harnessed the GCC’s comparative advantages, and developing a vibrant service sector (Dubai and Bahrain in particular). That said, GCC countries need to complement their huge capital investments with a highly-skilled domestic workforce, which has been lacking thus far, and subsidies for services and industry cannot be sustained in the long run. With these challenges in mind, the US should seek to engage GCC countries by aligning their needs and interests with the US’. Human capital development, US-GCC business joint-ventures, and GCC foreign investments both in the US and in the Middle East are all areas with potential for greater partnership.