

Holler for a Marshall

'Winning the peace' has become the latest jargon after the Gulf crisis. It juxtaposes the politics of war and peace, making them both objects of policy. Peace does not follow war, it is the next stage of policy implementation. The major resource in the armoury of peace is money. Peace is to be bought.

US Secretary of State Baker's talk of a 'Marshall Plan' for the Middle East uses a 20th century cliché for post-war development which implies the victor will help the vanquished. Reference to the Marshall Plan conjures up the image of American largesse reconstructing war-torn Europe after the allies' defeat of fascism in the post-war world of 1945.

The irony that military defeat by the United States could bring prosperity was even made the plot of a Peter Sellers' film *The Mouse that Roared* in which a tiny European principality declared war with bows and arrows in order to achieve wealth.

Yet while the Marshall Plan may have been presented as a strategy for reconciliation and rebuilding, it had another critical dimension. US capital transfers were the economic com-

ponent of the policy of creating capitalist bulwarks against communist encroachment from Eastern Europe and China. The apparent largesse was a down payment for the continued prosperity and dominance of industrial capitalism, not just for the economic health of the recipient states. The transfer of US capital for reconstruction was to guarantee the incorporation of the defeated states within the capitalist order and halt the expansion of communism.

By the same logic, defeat of the US brought the reverse. Socialist North Vietnam's successful incorporation of the South saw it punished by the US which denied it vital capital for post-war reconstruction.

Iraq's defeat will not bring it American largesse primarily because it has wealth through oil and because

the regional political imperatives of clientage earlier shaped by the Cold War have passed. Any capital transferred to Iraq for reconstruction will be mortgaged against future national oil incomes. The reconstruction of Kuwait will also, in theory, be paid for by future Iraqi oil incomes in the form of reparations. This was one of the UN conditions Iraq was forced to accept to achieve a ceasefire.

It's not that the US has been averse to spending billions of dollars to buy peace in the region. For several years around half the US foreign aid budget (about \$US15 billion) has gone to Middle East client states—notably Israel and Egypt—largely as a product of the Camp David agreements of 1978. Israel has just received an additional \$840 million from the US to cover costs incurred as a result of the Gulf war. This payment was also in recognition of the restraint shown by Israel in not responding to scud attacks to preserve the US alliance against Iraq.

The contours of 'pax americana' for the region can be seen in the way the Arab alliance against Iraq was secured. The US brokered deals which brought capital transfers to Morocco and Syria from the Saudis and Kuwaitis to ensure their commitment of troops.

Similarly, Egypt received Saudi and Kuwaiti money to compensate it for lost incomes from tourism, workers' remittances and Suez Canal transit earnings. In addition, one-third of Egypt's \$US50 billion external debt has been written off by the US and Saudi Arabia with the prospect of another one-third being written off by the G7 group of industrial countries.

Other deals the US brokered to gain co-operation for pursuing its war policy have included a 50% increase in textile sales to the US market for Turkey; a \$US4 billion loan from Saudi Arabia and the Gulf Emirates to Moscow, and consideration of the USSR for 'most favoured nation status' to get access to US loans for US grain and corn exports.

As well as rewarding supporters the alliance has punished opponents of



Darkness at noon: Kuwait's troubles are far from over.

the Arab and Western alliance against Saddam. The US has strongly criticised Jordan for its stance on the invasion and threatened to cut back aid and grants. Expatriate communities working in the Gulf states have been targeted for eviction for their governments' support of Saddam. Around 1.5 million Yemeni workers have been evicted from Saudi Arabia—thereby denying Yemen workers' remittances, a major source of national income.

Palestinians have also become unwelcome residents throughout the con-

servative Gulf states. With the 'liberation' of Kuwait they have become a primary target for recriminations as Iraqi sympathisers. There were some 350,000 Palestinians in Kuwait before the invasion. But given the stance of the PLO during the war and the fact that many of these held Jordanian passports—a state which opposed the coalition policy in the Gulf—it is unlikely that many will be allowed to remain.

The Middle East will be reconstructed with oil incomes from the region continuing the existing pattern of ex-

change of goods and services for the importation of goods and services. Reconstruction will simply reinforce the enormous dependence of the region on the core capitalist countries who had already secured large contracts for rebuilding Kuwait before the guns fell silent.

Just as Arab oil states were asked to fund the war, it is their capital which will be used for reconstruction and buying the peace.

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Future Shock

In much of the discussion on Kuwait during the Gulf crisis there was an assumption—logical enough, one would think—that the State of Kuwait was populated by Kuwaitis; as if it were, in fact, a homogeneous society made up of Kuwaiti nationals. This is, of course, not so. Kuwaitis are a minority in their country, and have been so for 25 years. Even among those who can legally call themselves Kuwaitis, there are large numbers who are unenfranchised (as well as many who are generally discontent), while almost no civil or political rights are allowed to the numerous immigrants.

In considering what kind of society Kuwait was, and what it will become in the future, the role of the non-indigenous workforce and the inequalities within Kuwait society itself must be looked at. Also, as so often in such a context, political stability is directly related, not only to social justice but also to economic order and prosperity. Amid the devastation in Kuwait today, as thousands of newly-returned Kuwaitis take one look and promptly leave again; as political dissidents gird themselves for the battle; and as highly-skilled expatriate workers are expelled, the future does not look good.

The rapid growth of the oil economy, from the 1940s on, brought a huge inflow of immigrant workers, so that Kuwait became almost overnight a multi-ethnic society. As early as 1965 the indigenous Kuwaitis were already outnumbered by the non-Kuwaitis.

Having at their disposal the talents and will to work of large numbers of highly-skilled immigrants (mostly Arabs from Egypt, Syria, Lebanon, Iraq and, above all, from Palestine) many Kuwaitis opted out of the development process.

The reluctance to participate was visible even in school; scenes such as that of the Minister of Education, unsmiling and tight-lipped, presenting prizes to Palestinian and Egyptian students while their Kuwaiti peers sat shame-faced, were common. The same situation prevailed in business and government, where the top positions were nominally held by an often absent Kuwaiti, while the expatriate Arab manager got on with the actual job. As the social scientist Laurie Brand describes it, "the Kuwaiti economy has developed almost independently of the labour of the indigenous population".

In a booming economy and extensive social welfare, potential tensions between different groups of the indigenous and non-indigenous populations, and between the rulers and the ruled, were overlooked. But as economic growth slowed, tensions developed.

Some Palestinians unwisely took the attitude of "Kuwait would be nothing today if it wasn't for us", while the Kuwaiti response was that, without Kuwait, they would still be in refugee camps. Such emotions could become intense; some Arabs have referred to Kuwait's 'hiring' of a foreign army as just another version of the "why do it yourself when you can pay someone else?" mentality of the Kuwaiti elite.

In the 70s, as the numbers of educated Kuwaitis grew, so did the perception that the immigrants could and should be replaced by locals; a policy of "Kuwaitisation" was thus adopted. Then, as now, efficiency and experience were often sacrificed for political expediency. The fact that so many of the returning Kuwaitis now speak of the urgent need for a new socio-economic order—one in which reliance on immigrant workers is greatly reduced—is proof in itself of past failures in this respect; as Kuwait's ambassador to Washington recently expressed it, "most Kuwaitis were spoiled beyond imagination".

Whether Kuwaitis are, overnight, going to learn to run their own

electricity plants or to sweep their own streets is highly debatable; at the time of writing the city remains without power, and the piles of uncollected rubbish persist.

Of all the immigrant Arabs, it was the Palestinians who formed the largest and most influential group; no discussion of the development of Kuwait can ignore their role. Because the beginning of Kuwait's oil production in 1946 happened to coincide with the first large exodus of Palestinian refugees in 1948, Kuwait was a natural destination for these stateless but highly educated people.

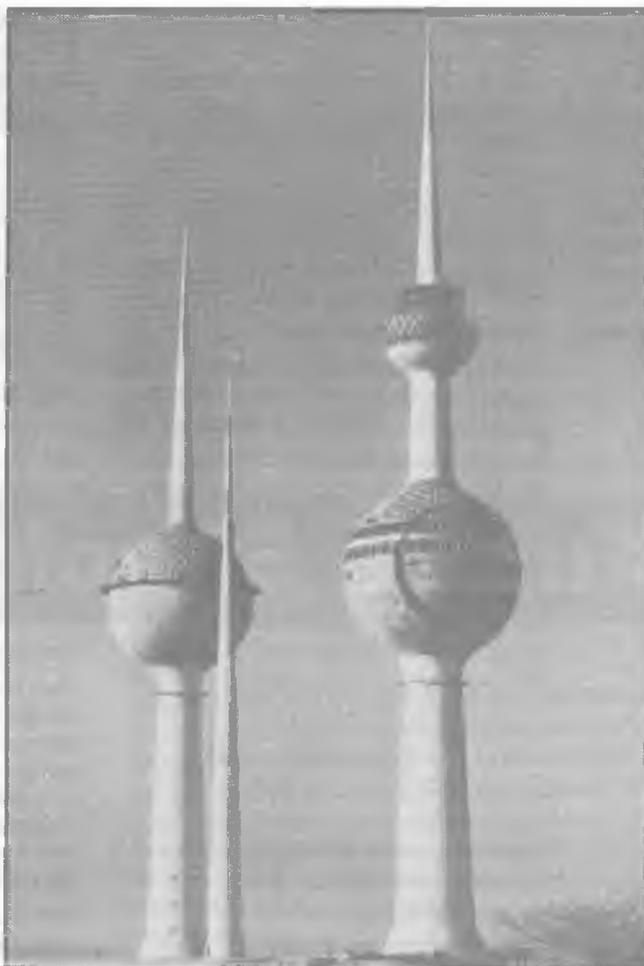
Kuwait gave them economic prosperity and physical security, but never allowed them either civil or political rights. Along with all other immigrants, they have never been allowed to own property, vote, own a passport or become a citizen. Upon retirement age, they must leave.

Of some 400,000 Palestinians—fully a quarter of the total population of Kuwait—only 2,000 Palestinians ever succeeded in being naturalised. The Director of Passports himself had no passport of any kind for years, and even when he was finally given one it was not accompanied by citizenship. Historically, Palestinians have never attempted to subvert the state, but are being treated as traitors anyway.

Today, because of the PLO's stance, and despite declarations by the former Kuwaiti resistance that many Palestinians actively helped them, they are being rounded up, tortured and expelled for 'disloyalty' to a state that (some of them feel) never gave them much reason to be loyal in the first place.

Yet it was not immigrant groups alone who were excluded from the system; the ruling elite's narrowly exclusive policy on citizenship and enfranchisement applied to many indigenous individuals as well. Only about 10% of the total number of Kuwaitis are eligible to vote at all.

Parliament has, of course, been



Kuwait City's famous water towers.

suspended by the Emir for most of its existence, so that elections were a rare occurrence. But even so, the vote was denied to all women, to anyone whose family was not already in Kuwait in 1920, and to anyone whose family has not been in continual residence since then. One group thus marginalised was the bedouin; since their nomadic lifestyle presumably was at odds with the 'continuous residence' requirement, they were given passports but not citizenship.

It has become a cliché to say that the invasion has destroyed the status quo. But change (not necessarily all good) is in the air. The first victims will be—already—the Palestinians. Some will 'disappear', most will be replaced by Egyptians, Syrians and other more ideologically suitable workers. The ejection of thousands of unemployed West Bankers will not cause the Kuwaitis to lose much sleep, but will be crucial for the Israeli-Palestinian

conflict and thus for the region. Kuwait's history of support for the Palestinian cause will be forgotten, especially if the returning regime recognises Israel. And at the nuts-and-bolts level in Kuwait, the decades of expertise which the Palestinians represented will be dissipated overnight.

The Kuwaitis will be neither able nor willing to manage their reconstruction without immigrant workers, despite current rhetoric to the contrary. In the post-war economic chaos, political and social demands for participation and equity will be greater than ever before, and (under martial law) less likely to be met than ever before; a dangerous combination. Once the immigrant scapegoats have been 'punished', who will be blamed next for the inevitable failures?

The Emir, who was in no hurry to return, is clearly aware of real internal opposition. Damage to the exiled regime's legitimacy has been considerable. Former resistance members now openly challenge the 'five-star-hotel exiles' who are returning in the apparently

fond hope of taking up the reins of government exactly where they left off.

Grievances on the part of the opposition obviously go deeper than the mere issue of who stayed behind to fight and who ran away, and further back in time than last August. Shiites and fundamentalist Muslim groups can be expected to emerge along with the secular nationalists. The issues of just who should be entitled to participate in the reconstitution of the state, and of what kind of state Kuwait should become, are exposed as never before. The issue of participation—economic on the part of the Kuwait workforce, political on the part of all groups in society—will not go away.

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Peaceniks

The Soviet leadership tried belatedly to negotiate a political resolution of the Gulf crisis but was unable to dissuade the Bush administration from going many more miles for war. Ironically, while Gorbachev has tried hard to gain favour in Washington, his February diplomatic initiative was given a hearing only in Baghdad and some non-aligned capitals. The Western nations expressed their dissatisfaction with Soviet policy politely, but in private they were not amused.

The failure of Soviet diplomacy during the second Gulf war has broader implications than Moscow's inability to stop the first Gulf war between Iraq and Iran. In the first case, it is doubtful whether the Soviet Union can still be regarded as a great power. More significantly, the fresh breeze of 'new thinking' which enlivened Soviet foreign policy somewhat in recent years has now petered out.

Gorbachev's peace initiative was the culmination of more than a month of intense activity by Soviet diplomats trying "to prevent a further escalation of the conflict" as *Pravda* put it, after the US and British bombing of Iraqi cities began in mid-January. This search for a diplomatic end to the war was motivated by Soviet concerns that such bombing, according to *Izvestia* "already goes beyond the limits of the UN Security Council mandate". Broader concerns were also expressed in Soviet commentaries about the USA's traditional "preference for force instead of persuasion" which, if allowed to go unchecked, could lead back "to the times of the Cold War".

Despite these concerns, many Soviet officials apparently believed that Washington would listen to their advice. The joint communique issued in late January by US Secretary of State James Baker and Soviet Foreign Minister Alexander Bessmertnykh was interpreted as "opening a real alternative to continuing such a dangerous war", not as an empty compromise designed by the US government to retain Soviet support for the war. Gorbachev and his advisers seem to have laboured under the strange illusion that they could some-

how "disarm the American 'hawks'", even while Zbigniew Brzezinski, the former hawk who had centred an 'arc of crisis' myth on the Persian Gulf at the end of the 1970s, was quoted in the Soviet press as saying with regret that Bush would accept no outcome other than "the unconditional capitulation of Saddam Hussein".

A minor reason why the Soviet leadership misread US intentions was their exasperation with Saddam Hussein. He was recognised even by conservatives in Moscow as a ruthless dictator whose invasion of Iran in September 1980 had made matters worse for Soviet diplomats as well as for most people in the Middle East. Gorbachev interpreted Saddam Hussein's invasion of Kuwait as "an act of treachery and a blatant violation of international law". While continuing to negotiate with Baghdad, Moscow supported Washington's demand that the Iraqi leader be brought to account as soon as possible, and avoided raising the question of whether the allied forces had any more right than Saddam Hussein to destroy the lives of the Iraqi people.

Another reason why the Soviet leadership underestimated US military intentions was its concern to establish a system of 'collective international security' based on the United Nations, without addressing existing global problems of massive military, ecological, economic and cultural insecurity. Gorbachev's answer to conservative critics like Russian communist leader Ivan Polozkov who chide him for losing erstwhile allies is to stress the importance of co-operation among the big powers.



Yevgeni Primakov - the Soviet envoy who failed.

Yet the failure of the UN Security Council to discuss the Soviet-Iraqi cease-fire proposal shows that 'collective security' is unobtainable without a major reversal of the militarisation which has blighted Western and other societies for many decades. The Soviet government's declaration of 24 February noted that a "military instinct" had led the US and its allies to reject Iraq's basic acceptance of UN Security Council resolutions. This instinct was already strong in August and was bolstered rather than checked by the military blockade of Iraq. While an editorial in *Pravda* on 23 February claimed that "no one has the right to issue one-sided ultimatums", the US was able to do this precisely because of the support which many governments, including the Soviet Union, had given to the allied military build-up in the Gulf.

The main reason why the Soviet leadership failed to stop the second Gulf war is that it was concerned above all to preserve very good relations with the US. Gorbachev's personal envoy, Yevgeni Primakov, declared on 22 February that "the Soviet Union has not taken any steps behind the back of the American administration and will not sacrifice its

relations with the United States". This policy reflects the increasingly precarious domestic situation of the Soviet elite. Last year saw the failure of a final attempt to impose market forces gently on the Soviet population, amid growing pressure for regional autonomy and independence. With few friends left at home, Gorbachev is keen to retain the support of great and powerful allies abroad, even though any help they eventually give him will probably be too little and too late to avert the social explosion which KGB chief Vladimir Kryuchkov warned of last July.

The effects of the Gulf catastrophe on Soviet society will almost certainly be greater than the limited influence of the Soviet leadership on the course of

events in the Middle East. In terms of foreign policy, the influence of the liberals may be on the wane. The military will no doubt use the situation to avoid disarmament, despite Defence Minister Dmitri Yazov's recent statement that "it is impossible to excuse those who annihilate an innocent people". Soviet diplomacy may become more conservative for a while, but it will continue to be open to more public scrutiny than before 1988. A coalition of conservatives and radical democrats in the Russian parliament overwhelmingly passed a resolution criticising Soviet support for the allied military build-up.

Domestically, the repercussions of the Gulf catastrophe will clearly be greatest in Azerbaijan and Central

Asia. Demonstrations against the war took place in Baku and Tashkent, despite restrictions on civil liberties. Moscow's already discredited image among the impoverished Muslims of the South and East will now be worse, and republican governments there may face strong public pressure to adopt their own independent foreign policies toward the Middle East. This might exacerbate tensions between some Russians and local nationalities, adding to existing conflicts among the latter which result from economic poverty, cultural intolerance and political repression.

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SHIFTING SANDS

It is a remarkable fact that the state supposedly at the centre of the Gulf crisis remains a cipher. Practically no one gives a fig for the restoration of Kuwaiti sovereignty under its 'legitimate' government. At best, Kuwait is treated with indifference; at worst, it has almost become the villain of the piece. The Independent on Sunday wrote it off, in a startlingly virulent phrase, as "a nasty little country"—as if its size somehow makes things worse.

At bottom is the suspicion that the Iraqis may be right: that Kuwait isn't really a country at all—that, as a correspondent to the *New Statesman* wrote, it was "invented by western imperialism". But there is a good case to be argued that the British are responsible for today's troubles, not because they invented Kuwait but because, 77 years ago, they sold it down the river. Kuwait is as much a victim of imperialism as a beneficiary.

At the turn of the century, Kuwait (which had existed, at least as a city, for more than 150 years) hovered uneasily between Ottoman and British domination. The Ottomans had exercised a loose 'suzerainty' over Kuwait for at least 60 years, but their empire was falling apart. The Russians were planning to set up a coaling station in

the Emirate, and the Germans wanted to extend their Berlin-Baghdad railway there. Britain—realising that if it didn't get Kuwait, someone else would—signed a secret holding treaty with the Sheikh of Kuwait in 1899, which stated simply that the Sheikh would not make international agreements with any other state, without approval from the British government.

The British, whose main interest was in naval security in the region, rather than in taking sides in land disputes, were never very enthusiastic about this arrangement, and, even after the treaty was signed, some members of the government still had misgivings. In a highly undiplomatic note, the Marquess of Lansdowne, the foreign secretary in 1902, wrote: "We have sad-

dled ourselves with an impossible client in the person of the Sheikh. He is apparently an untrustworthy savage, no one knows where his possessions begin and end."

In fact, although the actual boundaries were fuzzy, the broad picture was fairly clear. Kuwait's territory was three times its current size. In 1905 the Ottomans held Bubiyan, the larger island near the mouth of the Shatt-al-Arab, and the Kuwaitis had large estates along the Shatt (now Iraqi territory), but otherwise the Iraq-Kuwait border was much as it is now.

The southern border, by contrast, was much further south, stretching 160 miles into what is now Saudi Arabia, and the internal frontier was further west. These were de facto borders, based on the territory the Sheikh of Kuwait could actually control. Kuwaiti military power was far from insignificant: in 1900, a Kuwaiti army captured Riyadh, 500 miles from Kuwait City (but later lost it). Had Kuwait been only slightly more successful, rather than Saudi Arabia, might now be the dominant state of southern Arabia.

In 1913 the British concluded an agreement with the Ottomans (who still controlled Iraq), redrawing Kuwait's borders. Kuwait was not a party to the

agreement: it was a purely private Turko-British arrangement. The treaty was never ratified, because the first World War intervened.

After the war control over Iraq passed to the British, who in 1921 established it as an independent monarchy. The British controlled Kuwait, and to a large extent Najd (part of present day Saudi Arabia). They drew the borders as they chose, their main criterion being to create large and powerful states that would be friendly to British interests.

The story of how the borders were redrawn is a classic episode in imperialist map-making. Lieutenant-Colonel H R P Dickson, later the British political agent in Kuwait, gives an atmospheric account in his memoirs. Representatives of Najd and Iraq met at the oasis of 'Uqair—Sir Percy Cox, the British Resident in Arabia, presided, and Najd was represented by its ruler, Ibn Sa'ud.

The main business to settle was a border dispute between Iraq and Najd. After six days there was no agreement. "Sir Percy," recalls Dickson,

"took out a red pencil and very carefully drew in on the map of Arabia a boundary line...This gave Iraq a large area of the territory claimed by Najd. Obviously to placate Ibn Sa'ud, he ruthlessly deprived Kuwait of nearly two-thirds of her territory and gave it to Najd..." Dickson continues:

At about nine o'clock that evening, there was an amazing sequel. Ibn Sa'ud asked to see Sir Percy alone. Sir Percy took me with him. Ibn Sa'ud was by himself, standing in the centre of his great reception tent. He seemed terribly upset. "My friend," he moaned, "you have deprived me of half my kingdom. Better take it all and let me go into retirement."

Still standing, this great strong man, magnificent in his grief, suddenly burst into sobs. Deeply disturbed, Sir Percy seized his hand and began to weep also. Tears were rolling down his cheeks. No one but the three of us was present and I relate exactly what I saw.

The emotional storm did not last long. Still holding Sa'ud's hand, Sir Percy said: "My friend, I know exactly how you feel, and for this reason I gave you two-thirds of Kuwait's territory."

Later Sheikh Ahmad of Kuwait asked Sir Percy to explain why it was that he had been deprived of most of his country at the slash of a red pencil.

Sir Percy replied that the sword had proved mightier than the pen, and that had he not conceded the territory, Ibn Sa'ud would certainly have picked a quarrel and taken it, if not more, by force of arms...Sheikh Ahmad then asked if Great Britain had not entered the war in defence of the rights of small nations.

Sir Percy admitted that this was correct...Thus faced with a fait accompli Sheikh Ahmad agreed to add his signature to the agreement.

To the day of his death he believed that he had been unjustly treated and would regale his intimates with talk of this nature: "I was not present at the discussions at 'Uqair, 300 miles away, nor was I kept informed of what was happening there. I trusted Sir Percy as my father, and would certainly not have minded if a few miles of my territory had been taken from me, but to be robbed of two-thirds of my kingdom without a say in the matter, and to see it given to another was hard indeed."

The puzzle remains: why did the British create a state which they knew at the time was militarily unviable? Why not incorporate it into either Iraq or Saudi Arabia?

In 1983 the Palestinian historian of the Gulf, Ahmad Abu-Hakima, gave what, in retrospect, looks like a prescient answer. Kuwait, he wrote, "was viewed as a buffer state, preventing friction between Iraq to the north and Saudi territories to the south".

Jolyon Jenkins

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PRICE RISE

As from 1 April, the cover price of *ALR* will rise to \$4, an increase of slightly over \$1. At the same time the basic subscription rate for one year will rise from \$25 to \$35. We have strenuously avoided this price increase for as long as possible. The last time the cover price of *ALR* rose was in February 1988, more than three years ago. And, as we point out in our resubscription notices, the price of a year's subscription in 1990 was actually less per issue than in 1989. The new cost per issue for the standard one-year subscription will be \$3.30: three years ago the same cost was \$2.50.

A large measure of the increase is simply in response to the rise in the costs of production of *ALR* in the three years since February 1988; over that time most prices have risen by over 25%. However, our expansion and move to monthly publication in 1990 has added a burden of additional costs which we're simply no longer able to carry. In that sense, the price increase is the cost of the bigger, better and more lively *ALR* you've enjoyed since February last year.

Our apologies to readers for this additional burden on their finances in this time of economic hardship. Readers unfortunate enough to have been smitten by the rising tide of unemployment should note that our concessional rates for unemployed, students and pensioners will still apply.