

SUMMARY - GULF ROUNDTABLE SERIES

PARTICIPATING SCHOLARS

Dr. John Waterbury is the former president of the American University of Beirut, and the first president to reside in Beirut since 1984. Prior to assuming that post in 1998, he taught politics and international affairs at Princeton University's Woodrow Wilson School of Public and International Affairs for almost 20 years. There, he concentrated on the political economy of the developing world, with special attention to the Middle East. His publications cover a wide range of topics, including Middle Eastern politics, the political economy of public enterprise, and international development. He earned his PhD in public law and government from Columbia University in 1968 and taught at the University of Michigan and in Egypt, Italy, and France before joining the Princeton faculty. In recent years, he has been spending an increasing amount of time in the Gulf. ■

High Ambitions and Hard Realities in the Gulf

The countries of the Arab Gulf are approaching a crucial set of decisions about their economic and social development. Near-term wealth and complex incentive structures make the problems more difficult to solve, but no less important. Dr. John Waterbury, Professor Emeritus at Princeton University, contended that Gulf countries' efforts to wrestle with the problems of higher education, workforce development, and expatriate labor will shape domestic economic and political dynamics for decades to come. He delivered his remarks at a Gulf Roundtable held at CSIS on September 26, 2011.

For several years, Gulf countries have signaled their desire to build diversified economies. By spearheading the creation of King Abdullah University of Science and Technology in Saudi Arabia five years ago, the Saudi king demonstrated his commitment to this ambitious goal. Abu Dhabi's leaders have declared a goal of deriving 60 percent of economic activity from the non-oil sector by 2030. But beyond the initial gestures, Gulf states have yet to develop detailed approaches to achieve economic diversification. However they do so, higher education will play a crucial role.

The evolution of higher education in Gulf countries can be broken down into two phases. In the initial phase, oil-enriched Gulf countries established domestic institutions of higher learning for the first time in the 1960s and 1970s. For countries that had broad illiteracy and little secondary education, suddenly being able to educate young people without sending them abroad was a huge accomplishment.

In the second phase, beginning in 2000, Gulf leaders increasingly talked of being "world-class" in all aspects of social and economic life. According to Waterbury, this narrative has contributed to a desire to build elite universities.

To do so, Gulf governments have invited U.S. academic institutions to advise local universities and establish campuses on Gulf soil. All parties understand that in order to succeed, the quality of education that foreign campuses deliver must be consistent with that of the home campus, and that students admitted to those institutions must be of equal caliber to their peers in the United States. Looking at the domestic scene,

THE GULF ROUNDTABLE SERIES

The CSIS Middle East Program launched the Gulf Roundtable in April 2007 to examine the strategic importance of a broad range of social, political, and economic trends in the Gulf region and to identify opportunities for constructive U.S. engagement. The roundtable defines the Gulf as the United Arab Emirates, Saudi Arabia, Oman, Qatar, Bahrain, Kuwait, Iraq, and Iran. The roundtable convenes monthly, assembling a diverse group of regional experts, policymakers, academics, and business leaders seeking to build a greater understanding of the complexities of the region. Topics for discussion include the role of Islamist movements in politics, the war on terror, democratization and the limits of civil society, the strategic importance of Gulf energy, media trends, trade liberalization, and prospects for greater regional integration. The Gulf Roundtable series is made possible in part through the generous support of the Embassy of the United Arab Emirates. ■

then, Gulf governments must ensure that local students develop the skills to excel in these international educational institutions so that the local population is not excluded and alienated.

The incentive structure in Gulf countries makes that harder to do. In Abu Dhabi, for example, many find that a high school diploma is adequate to guarantee a well-paid public sector position. Some see no need to work hard in school or pursue years of additional study. While Emirati leaders recognize that local talent needs to be redirected from the public to private sector, many locals consider private sector jobs too risky. Turning that around would require redirecting resources from social welfare toward rewarding entrepreneurial behavior, a task that few governments are well suited to perform.

Waterbury also explained how the wealth of Gulf universities has skewed faculty ratios. Gulf universities have used their resources to attract excellent senior administrators, and they have the money to create new positions for junior faculty. Nonetheless, universities generally thrive on the activities of mid-ranking faculty members, productive scholars at the height of their careers. Few of the successful mid-ranking scholars in the Arab world have joined these universities, preferring to stay at institutions such as the American University of Beirut with a long history of excellence.

Alongside higher education issues, Gulf governments will have to make critical decisions regarding their expatriate workforces. How should they absorb these populations? How does their presence affect domestic political calculations? These are questions with which Gulf leaders will have to wrestle for years to come. For example, Abu Dhabi has expressed its desire to lead the semi-conductor, aerospace, and biomedical fields, yet to excel in these fields, expatriates must continue to carry a significant part of the workload for years to come. In the longer term, there is likely a tradeoff between accomplishing quick results with imported labor and investing decades of effort into creating and sustaining a robust local workforce.

International challenges highlight the importance of domestic issues like these. Therefore, in addition to domestic labor challenges, Waterbury discussed how Gulf countries have reacted to this year's Arab uprisings. Unrest in Bahrain caused considerable alarm among its neighbors, and several GCC states have invested billions of dollars in increased wages in the last year to head off unrest. However, those same generous public welfare packages reduce the

incentives for Gulf nationals to pursue private sector careers.

In all of this, the United States is not considered the bulwark it once was. Gulf leaders believe the United States has been naïve about Iranian intentions and has abandoned its regional allies. Perceiving instability in Egypt and a Shi'a takeover of Iraq, the Saudis have pushed for Jordan and Morocco to join the GCC. Saudi Arabia and Turkey may begin cooperating on Syria and collaborating to counteract Iranian influence. Qatar has also been playing a more active role. After Lebanon nearly descended into civil war in 2008, Qatari leaders brokered fruitful negotiations between concerned parties. In Libya, Lebanon, Pakistan, and Somalia, Gulf countries have helped address dire humanitarian conditions.

However, the Iran-Saudi rivalry looms large in Gulf leaders' consciences. Sectarian tensions color the Saudi-Iranian rivalry, and religious concerns are paramount to Gulf diplomacy and politics. Gulf states share a deep sensitivity to Shi'a Islam, which is tied to fear of Iran and enhanced by unrest in Bahrain. Nevertheless, Gulf governments have generally projected an image of moderate, tolerant Islam. They now sponsor global events that challenge traditional religious norms and want to be evaluated more along Western standards of academic excellence rather than Islamic credentials. ■

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