The Political And Economic Repercussions Of The Omani Neutrality Policy

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Abstract

Since Qaboos assumed power in 1970, the Sultanate of Oman has followed a neutral foreign policy aimed at resolving regional and international problems through peaceful means and avoiding political and military escalation. The Omani policy of neutrality began with Oman's neutral position in the Iran-Iraq War of 1980-198. Then it maintained the same neutral policy with the most important issues, especially the Syrian crisis and the Yemeni crisis. The Sultanate of Oman has followed a neutral, pragmatic policy towards all issues that threaten regional and international security, and perhaps the Iranian nuclear file is an example of this. Omani foreign policy reflected political and economic aspects that benefited the Omani interior, as the country witnessed political and economic development and stability as a result of the neutral strategy that the Sultanate of Oman followed with both international and regional issues.

Key Words: Oman, neutrality policy, economy, politics, foreign policy.

Introduction

Recently, Omani foreign policy has received a high level of attention from interested parties, researchers, and specialists, in addition to its prominent role regionally and internationally regarding many sensitive and complex issues. This interest is due to the effective and influential role of Oman's balanced which is neutral, and flexible foreign policy. The neutrality strategy is one of the major stanchion of the foreign policy of the Sultanate of Oman, which began after the arrival of Oman Sultan Qaboos bin Said ruling in 1970. Pragmatic foreign policy has become the basis for dealing with countries in light of the international system and its interactions. The Sultanate of Oman was able, in a short period of time, to establish the foundations of political institutions capable of strengthening the foreign policy apparatus. The Sultanate of Oman played a major role in solving many important regional problems, such as the war in Syria and Yemen. It also used a neutral approach towards other issues, such as in the Iran-Iraq war of 1980-1988. It also stood against the spread of terrorist groups in the Middle East and the Arabian Gulf. The pragmatic, neutral foreign policy followed by the Sultanate of Oman reflected positively on the internal environment of the Sultanate of Oman and in the political and economic aspects.

Page 2394 Abbas Jaber Abdullah The Political And Economic Repercussions Of The Omani Neutrality Policy

1. Omani neutrality policy "selected models"

Omani foreign policy since the founding of the state has not changed where Sultan Qaboos bin Said laid out the standards and foundations of Omani foreign policy very precisely, as it is based on what can be called in political science "positive neutrality". Positive neutrality is the most prominent feature of the Sultanate of Oman, which all specialists agree on since the arrival of Sultan Qaboos bin Said to power on July 23, 1970¹. At the beginning of the rule of Sultan Qaboos bin Said in 1970, the Arab nation was emerging from the defeat of 1967, and Egypt and the Arab world were trying to start a new era, and Sultan Qaboos came at this time of Arab change. Since the Sultanate of Oman joined the Arab League in July 1971, it has reserved for itself the political option of not entering into any conflict. The most prominent position that made clear to everyone the Omani foreign policy approach was when rejected the Arab League's boycott of Egypt after it signed the peace treaty with Israel in 1979, and sought to restore relations in 1987 and succeeded in doing so².

In every celebration of the Omani National Day, the Sultan emphasized the principles of The foreign policy of the Sultanate of Oman. Qaboos defined it in the Sultanate's celebrations in 2007 by saying: "The features of foreign and internal policy are based on neutrality and comprehensive, sustainable development, and at the same time on friendship, peace, positive dialogue, coexistence, and avoiding conflicts"³. In addition to its position towards the First Gulf War 1980-1988, when the Gulf states sided with Iraq in its war against Iran, the Sultanate decided not to boycott Iran and took the role of mediator until the war ended⁴.

Regarding the Omani position towards combating terrorism and crises in Middle Eastern countries, Qaboos sought to maintain its regional and international standing, not interfere in the internal affairs of countries, and cooperate with international and regional organizations to help limit the spread of extremist ideology and terrorism in the Arab Gulf region in general⁵. The Sultanate has taken it upon itself to participate in international and regional conferences and agreements related to combating terrorism. It has increased its financial control over the balances and financial aid that are transferred within the Sultanate to companies, individuals, and charities. In addition to criminalizing sectarianism according to Omani law, this is what distinguishes it from the rest of

¹ Echague, A. "Oman: the outlier." Fundación para las Relaciones Internacionales y el Diálogo Exterior 27 (2015). P 34.

² Neubauer, Sigurd. "Oman: The Gulf's Go-Between." Arab Gulf States Institute in Washington 1, no. 7 (2016): p 2.

³ Ibid, p 7.

⁴ Ibid, p 11.

⁵ Valeri, Marc. "Oman's mediatory efforts in regional crises." (2014). pp 65-66.

the Gulf countries. It did not participate in any military operation outside its borders that would threaten the security and stability of the region⁶.

The Yemeni crisis is one of the most prominent controversial issues between the Sultanate of Oman and the Arab countries, as the Sultanate made its position on the crisis in Sanaa early clear. Despite the fact that the Yemeni crisis is one of the most important files affecting Gulf security currently, this prompted the Kingdom of Saudi Arabia in 2015 to form a broad Arab coalition and launch the "Decisive Storm" military operation against the Houthi strongholds in Yemen, in cooperation with the joint Arab coalition. However, the Sultanate of Oman practiced its traditional policy of positive neutrality and non-interference⁷. The internal affairs of the Arab countries, and refused to participate with their armed forces in the operation, avoiding the spread of the conflict into their territories by virtue of the neighbourhood, and the tribal interference between the Yemeni and Omani peoples⁸.

The Sultanate of Oman has taken a position towards the crisis in Syria since its outbreak in 2011, rejecting armed operations aimed at overthrowing the regime of Syrian President Bashar al-Assad. Muscat called for opening the door to dialogue between the various parties to reach a peaceful outcome that guarantees the rights of all parties. As well as the necessity of adopting peaceful methods to settle the crisis and resolving it through diplomatic methods and dialogue, and not interfering with parties outside the crisis, since the crisis is internal. It had a position, unlike the Gulf Cooperation Council countries, regarding the Syrian crisis and its situation, so it kept its embassy open to support its neutral position towards that crisis. It also tried to reach a peaceful solution by holding some talks between the Omani Foreign Minister, Yusuf bin Alawi, with his Syrian counterpart, Walid al-Muallem, in Muscat in 20159.

The Sultanate of Oman played an effective role in the negotiations that took place amongst the US and Iran, as the Sultanate of Oman sought to bring about rapprochement between the West and Iran regarding the Iranian nuclear program, and sought to keep war away from the region, as happened in Iraq in 2003¹⁰. Sultan Qaboos expressed this by saying: "The two parties must sit together and talk together". An Omani initiative has emerged for the first time, presented by a diplomatic envoy to the Ministry of Foreign Affairs America in 2008¹¹. It is for

⁶ Al-Bolushi, Maryam. "The effect of Omani-Iranian relations on the security of the Gulf Cooperation Council countries after the Arab Spring." Contemporary Arab Affairs 9, no. 3 (2016): pp 383-399.

⁷ Phillips, Sarah. Yemen and the politics of permanent crisis. Routledge, (2017). pp 45-46.

⁸ Ibid, p 50.

⁹ Colombo, Silvia. "Foreign policy activism in Saudi Arabia and Oman. Diverging narratives and stances TOWARDS the Syrian and Yemeni conflicts." In Foreign Relations of the GCC Countries, Routledge, (2018). pp. 54-70.

¹⁰ Binhuwaidin, Mohammed. "Oman's response to a rising Iran: A case of strategic hedging." Journal of Arabian Studies 9, no. 1 (2018): pp 1-6.

¹¹ Ibid, pp 7-9.

the Sultanate to act as a mediator for secret nuclear talks between the United States and Iran. Before that, on December 23, 2006, the UN Security Council issued Resolution No. 1737, which prevents any country from handing over or selling to Iran any equipment, equipment, or technology that could assist it in nuclear and ballistic activities. In addition to freezing the assets of ten companies and 12 people related to the programs. The decision also imposes economic and trade sanctions in specific areas related to uranium enrichment and reprocessing, and projects related to heavy water reactors and the development of ballistic missiles¹².

The Sultanate of Oman played a pivotal role in this agreement and its arrangement more than six years ago. It were held secret meetings in 2009 between the Americans and the Iranians on the coast of Muscat. his initial understanding between the two parties was considered the nucleus of the recent agreement that took place between Iran and the six major countries (5+1). The role of the Sultanate of Oman was greater than just a mediating role that facilitated the negotiation process. Also, in the moments when the negotiations faltered, the Omani role resolved the situation positively¹³.

Oman refuses to enter into regional alliances, as it refused to transform the Gulf Cooperation Council into a union, because this union, in Oman's view, is an alliance directed against Iran. Oman takes into account its partnership with Iran in the strategic Strait of Hormuz and the commercial and oil interests it has with Iran. In this case, Oman has a different approach towards Iran and wants to benefit from the connection with the Gulf states to enhance security cooperation, and not enter into a regional alliance with them. Despite, Oman rejection of the Gulf Union project and its rejection of the unified Gulf currency in view of the negative effects of this currency. It signs and ratifies the Gulf security agreement that enhances cooperation in pursuing outlaws from all Gulf Cooperation Council countries¹⁴.

In this case, Oman has a different approach towards Iran and wants to benefit from the connection with the Gulf states to enhance security cooperation, and not enter into a regional alliance with them. Oman, despite its rejection of the Gulf Union project and its rejection of the unified Gulf currency in view of the negative effects of this currency, signs and ratifies the Gulf security agreement that enhances cooperation in pursuing outlaws from all Gulf Cooperation Council countries. This approach can be found in the expression of the Omani Minister of Foreign Affairs, Bin Alawi, where he stated categorically, rejecting the idea of union, saying: "The Sultanate of Oman will not join the Gulf Union if it is

¹² Ibid, pp 9-12.

¹³ Al-Bolushi, Maryam. "The effect of Omani-Iranian relations on the security of the Gulf Cooperation Council countries after the Arab Spring." Contemporary Arab Affairs 9, no. 3 (2016): pp 383-399.

¹⁴ Al Zubair, Mohra. "Oman, Iran, and the United States: An Analysis of Omani Foreign Policy and Its Role as an Intermediary." PhD diss.,(2017). pp 45-48.

established, and Oman's reservations include political, economic, and military reservations". It rejected the urgent need to expand the Peninsula Shield Force, given that the region is not in a state of war¹⁵.

2. The political repercussions of neutrality on the Omani interior.

Since Sultan Qaboos came to power, he has sought tolerance and moderation and set the general framework for Oman's foreign policy by strengthening the bonds of friendship with the countries of the world without distinguishing between one country and another. He worked to achieve justice and prosperity by building civil institutions that exercise these responsibilities. He embodied that vision by saying: "Peace is a doctrine we believe in and a goal we seek without neglect" 16. The important point that helped the Sultanate of Oman to achieve a pragmatic internal and foreign policy is the peaceful transfer of power. This phenomenon was the result of external political calm in the face of regional and international changes. Therefore, this phenomenon was one of the features of the modern renaissance or uprising led by Sultan Qaboos in the region, in contrast to the regional countries that monopolize power. It is worth noting that the transfer of power in the Sultanate is based on legal foundations that led to a radical change that took place from a state of isolation to openness, and then from absolute rule to a state of law and institutions. The political system of the Sultanate of Oman was formed according to the Islamic and democratic Shura Council, based on the written legal document that was announced in 1996 and was called the Basic Law of States, which it guaranteed the establishment of hereditary rule in the Sultanate¹⁷.

Another result that accompanied foreign statesmanship was Omani political stability at the internal level. Most Arab countries suffered from political instability, but the Sultanate of Oman enjoys great political stability. This was reflected in the Political Stability Index issued by the World Bank, which measures the process of exercising power, changing governments, and the government's ability to formulate and implement policies. The value of this index ranges between 2.5 to express the highest degree of political stability and negative 2.5 to express the lowest degree of political stability¹⁸. This indicator indicates that, thanks to the pragmatic policy, Oman enjoys good levels of stability in general and is among the most stable Arab countries. The value of this indicator was positive

¹⁵ Han, Jianwei, and Hassan Hakimian. "The regional security complex in the Persian Gulf: The contours of Iran's GCC policy." Asian Journal of Middle Eastern and Islamic Studies 13, no. 4 (2018): pp 493-508.

¹⁶ Al Handhali, Khalil Yahya. "National Identity And Its Impact On Shaping Oman's Contemporary Foreign Policy." Master's thesis, (2018). pp 24-34.

¹⁷ Phillips, Sarah G., and Jennifer S. Hunt. "'Without Sultan Qaboos, we would be Yemen': The renaissance narrative and the political settlement in Oman." Journal of International Development 29, no. 5 (2017): pp 645-660.

¹⁸ Baabood, Abdullah. "Oman's independent foreign policy." In The Small Gulf States, Routledge, (2016). pp 107-122.

for all years and exceeded 0.8 in most years. It ranked second in the Arab countries after the State of Qatar. This is a positive indicator and is consistent with the Sultanate of Oman's achievements in the field of human development. This is because it has achieved great success in growth and development over the past four decades thanks to the adoption of both the external and internal strategic planning policy that has been followed since Qaboos assumed power¹⁹.

There are a number of facts that helped achieve political stability in the Sultanate of Oman, perhaps the most prominent of which is the centralization of political decision-making that the Sultan possesses in terms of both representation and implementation, the weak influence of political institutions on political decision such as the Advisory Council or the Shura Council, and the lack of political parties in the Sultanate Oman.It means that the process of decision-making and implementation depends on the Sultan's directives without the need to consult with others to obtain their opinion. This helped the Sultan move more freely in supporting political stability in the Sultanate with great force at the internal and external levels²⁰.

The stable internal political situation of the Sultanate of Oman was due to the pragmatic foreign policy adopted by the Omani ruling authority in its Gulf and international relations. Some American writers specializing in Arabian Gulf affairs describe it as having a positive impact on the Omani interior. Especially after the political speeches and continuous escalation of some Arab Gulf states with their regional surroundings, which returned with negative outcomes that reached the point of boycott and political division, which generated negative adverse results at home, as happened recently in the State of Qatar²¹. The Omani policy of neutrality excluded the Sultanate of Oman from the outcomes of the tense regional situation. Hence, that the Omani decision maker began to focus internally on developing many important joints in the country. The Sultanate of Oman advanced three places in the global innovation indicators during the past few years after the absence of its name in that field. It rose to 77th place in 2017 and eighth in the Arab world after being ranked 88th globally in 2003 in the Global Innovation Indicators issued by the World Intellectual Property Organization (WIPO) of the United Nations²².

3. The economic repercussions of neutrality on the Omani interior

¹⁹ Al Zidjaly, Najma. "Memes as reasonably hostile laments: A discourse analysis of political dissent in Oman." Discourse & Society 28, no. 6 (2017): pp 573-594.

²⁰ Saffioti, Gaia. "Political stability and contemporary challenges in the sultanate of Oman." (2018). pp 23-27.

²¹ Ibid. pp 27-33..

Abusharaf, Rogaia Mustafa. "The Omani-Zanzibari Family: Between Politics and Pedigree in an Empire on the Rim." Hawwa 16, no. 1-3 (2018): pp 60-89.

Some believe that as a result of the neutral foreign policy that Oman followed, it became called the Switzerland of the East, and that Muscat is equivalent to Geneva politically and economically. In fact, this description came from the constants and visions that began to characterize the state internally and externally, and many different nationalities began coming to Oman for stability as it is considered a welfare state. The policy of diplomacy and neutrality on the external level provided sufficient time to retreat internally and in the economic fields. It have seen this clearly through an increase in the population growth rate at a rate of 2.2% annually, in addition to an increase in the number of arrivals to Oman for reasons related to security, stability, and large investments, aside from the peaceful coexistence that the Arab countries have become completely devoid of The rate of economic growth increasing in a continuous and coordinated ²³. manner was an important factor in classifying the Omani individual as one of the middle classes, after the majority of the population was destitute before Qaboos assumed power. Indeed, rich classes of the Omani people appeared and began to match Gulf people with great wealth. Stability in Oman led the state to take care not only of its citizens, but providing facilities and incentives to investors of different nationalities. In addition to amending some laws that specialize in foreign investors, so that the state attempts to remove obstacles facing investors. For this reason Oman is currently one of the most attractive countries for direct and indirect investment in the industrial and real estate fields²⁴.

The stability of the Sultanate's external environment made the government in Oman resort to a new stage in strengthening its economy by implementing a number of royal orders issued by Sultan Qaboos bin Said, and this is what actually happened in 2011. Indeed, 2011 was marked by the beginning of implementing the eighth five-year plan of Oman, that will continue till 2015. This plan is considered a fourth episode within the framework of the long-term development strategy approved for the period from 1996-2020, which is represented in the future vision of the Omani economy. The plan aims to achieve growth of the national economy and enhancing well-being for society. The Royal Decree adopting the eighth five-year plan stipulates a number of goals that the government seeks to achieve, including achieving annual growth in the national economy of no less than 3%. It is stimulating local demand, developing exports, encouraging investment, and developing a new strategy to raise productivity and optimal exploitation of natural resources, productive capacities, and existing infrastructure²⁵.

²³ Benkari, Naima. "Urban development in Oman: an overview." WIT Transactions on Ecology and the Environment 226 (2017): pp 143-156.

Hamid, Zarinah, and Ruzita Mohd Amin. "Oman's economic diversification cum trade structure."
Omani Journal of Applied Sciences (2017): pp 21-34.
Ibid, p 23.

In the past, the Omani economy was unilateral (oil-based, meaning dependent on oil revenues). Today, the attempts of the Omani authorities to diversify the economy are still continuing, and this is what actually happened when the Oman Sultanate attracted approximately \$20 billion in foreign investments in key areas such as transportation, logistical services, construction, tourism, strengthening the railway network, and oil refining as well. Like Bahrain, the Sultanate faces the greatest economic risk in the Gulf Cooperation Council countries in the event of a faltering oil price²⁶. Hence, It depended on an economic strategy that contributes to developing the sectors of industry, agriculture, tourism, and fishing to diminish the oil sector's contribution to the economy from 46% to 9% of the gross domestic product by 2025. Based on some indicators that issued by the World Travel and Tourism Council, the Sultanate of Oman attracted approximately \$662 million in the fields of travel and tourism in 2016, an increase of 11.7% in 2013²⁷.

In addition to the above, there are many indicators that made Oman a country with an economic dimension internally and externally, in terms of conducting business activities in 2011. The report issued by the International Finance Corporation and the World Bank showed that the Sultanate of Oman was able to improve its global ranking in the field of ease of doing business. It ranked 57th globally, third in the Arab world, and 41st globally out of 178 countries in the Global Corruption Perceptions Index, according to the annual report of Transparency International for the year 2010²⁸. The report of the World Economic Forum (Davos Forum) on international competitiveness for the year 2011/2012 praised that the Sultanate ranks 32nd out of 142 countries included in the report. The Global Economic Freedom Report for 2011, issued by the Canadian Fraser Institute, indicated that the Sultanate was ranked 28th globally out of 141 countries included in the report worldwide. Oman also obtained the first place at the Arab level of judiciary in the global classification conducted by the Canadian Fraser Institute in cooperation with the International Research Foundation²⁹. Hence, the Omani judicial system classified amongst the twenty preferable judicial systems at the global level. The Sultanate was also ranked fourth in the Arab world and forty-first globally in the Global Peace Index, according to the annual report for 2011 issued by the Institute of Economics and Peace in Sydney, Australia. Also, the Sultanate ranked first in the Arab world and 29th in the world in the Anti-

²⁶ Calabrese, John. "Oman's Transition to a Post-Oil Economy: Arching Toward Asia." Middle East Institute (2018). pp 23-30.

²⁷ Ibid, pp 31-32.

²⁸ Al Musawi, Ali Sharaf. "Oman." E-Learning in the Middle East and North Africa (MENA) Region (2018): pp 285-287.

²⁹ Ibid, p 289.

Money Laundering and Terrorist Financing Index through the efforts of the National Committee to Combat Money Laundering and Terrorist Financing³⁰.

Conclusion

Indeed, the influential role that the Sultanate of Oman currently plays leads us to say that the neutral-pragmatic strategy is directly linked to Omani decisionmaking. This policy depends mainly on Sultan Oaboos politically, economically, internally and externally, who was unique and distinguished by his neutral approach and his non-aligned policy. It clearly notice the extent to which Omani politics was greatly influenced by the long period during which Sultan Qaboos ruled the country since 1970. As a result, these policies were characterized by stability and continuity of neutrality with the parties in the region surrounding Oman, with noticeable activity in the recent period by Oman as a mediator in the region's crises, starting from the Iraq-Iran war and ending with the Yemeni and Syrian crises and the Iranian nuclear file alike. It also started from the Iraq-Iran war to the Yemeni and Syrian crises and the Iranian nuclear file alike. Omani politics also succeeded in achieving the difficult equation of reconciling its foreign policy and its internal policy, as the neutral policy was reflected in the Omani interior. This policy worked to achieve political and economic stability for continuous periods until Oman began to be called the Switzerland of the East.

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³⁰ Han, Zhibin, and Xiaoaian Chen. "Historical exchanges and future cooperation between China and Oman under the 'Belt & Road'Initiative." International Relations and Diplomacy 6, no. 1 (2018): pp 11-15.

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