

# Expanding GCC membership: The positive outlook

**TRADE**

**If the GCC can successfully negotiate free trade agreements with other countries and if these agreements are successful, then it is successful enough to expand**

**Bashar H. Malkawi**



Since the beginning of Gulf Cooperation Council's (GCC) existence, a number of countries have expressed an interest in joining the GCC. Iraq, Yemen, and now Jordan and Morocco are candidates for inclusion in the GCC. Several reasons seem to make sense for these countries to join the GCC, including cultural similarity, common language, and a generally liberal economic system. There is also a great deal of trade between these countries and the GCC. For example, Jordan's merchandise trade with the GCC block amounts to 69.8 of total trade. Saudi Arabia, Kuwait, and the UAE are the biggest investors in Jordan. Moreover, large and growing numbers of Arab workers are recruited in the GCC to satisfy employment demands.

The expansion of the GCC could prove beneficial for a number of reasons, listed below: The GCC would form part of an area covering a vast portion of the Middle East and Asian continent. Access to these larger markets for materials and manufactured products would be

highly advantageous. Elimination of tariffs and other trade barriers between the GCC and new members would witness an increase in trade between the countries concerned. Breaking down barriers between GCC national markets and new members help create a single market where goods, people, money and services can move around freely.

The interests expressed by Jordan and Morocco, among others, raise some questions about the GCC accession process itself and call for clarification. In contrast, the European Union implemented a mechanism whereby if a country's application is accepted, it becomes a "candidate country" and begins negotiations with the European Commission to determine the specific membership terms for that country - a process which can take several years to complete.

Moreover, there is no requirement of geographical nexus between the GCC and new members. Thus, theoretically, Egypt, Lebanon, and Sudan may request joining the GCC in the future. While GCC membership is technically open to others, in particular within the Middle East, the GCC may be reluctant to proceed with accepting new members from other continents.

Admitting new members into the GCC bloc raise specific concerns. Extending the integration process before a template "integration model" has been developed and proven successful to a number of other countries could be tricky. Furthermore, engaging in a process of economic integration with Jordan and Morocco with different levels of economic development can be challenging. GCC countries have larger and more prosperous markets than other countries. In addition, the average worker in the GCC is more likely to earn more and pay fewer taxes than the average worker in other countries. To counter such a problem, the GCC



UAE Foreign Minister Shaikh Abdullah bin Zayed Al Nahyan, Jordann Foreign Minister Nasser Judeh and other officials during a ministerial meeting of Gulf Cooperation Council member states in Jeddah. — AFP

might need to create a development fund or bank to aid countries with the most need. The development fund or bank would involve all GCC member states by contributing according to the proportion of each state's economy. Allocations of funds can be made to poorer regions wherever they are located in the GCC.

Another problem represents itself in cross-border mobility. The GCC labour markets could be flooded with skilled and unskilled workers which may lead to tensions - due to taking native jobs or cause a drop in wages for native workers - within GCC member states. In the first phases of integration, the GCC could impose quotas on the number of workers coming newly acceding countries. These quotas would be relaxed over time and ultimately abolished at a later stage of integration. In addition, the number of Arab workers living in other GCC member states could decline if there is an economic progress in their home countries

as a result of integrating with the GCC. There can be another way to consider the relation between the GCC and its neighbouring countries. Perhaps the relation between the GCC and its neighbouring countries can be thought of as creating an informal long-term relationship, rather than an actual short-term formal relationship.

This kind of relationship creates a link and a channel of communication. It could be viewed as statements of intent, meant to create, nurture, and establish a generalised relationship and a tradition of cooperation among these countries, rather than an actual free trade area agreement or customs union within the short term. In this case, the formal relationship can follow once the GCC has developed its own integration template for expansion.

The bottom-line question as to whether the GCC is successful enough to be able to expand and absorb other economies can be extremely

hard to answer. The European Union has been struggling with this question for many years. Perhaps the only way in which it can be answered is retrospectively; if the GCC can successfully negotiate free trade agreements with other countries and if these agreements are successful, then it was developed and successful enough to expand.

The GCC needs to examine its potential membership negotiations with interested countries to determine whether any of its norms, negotiating styles or positions, or other factors have negatively affected its ability to implement agreements or successfully conclude membership negotiations with potential new members. expansion.

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Palestinian statehood supporters gather near the United Nations in New York. — AFP

## Civil compromise to conflict

**MIDDLE EAST**

**Though the single state is more popular among Palestinians, many are apprehensive of choosing this path**

**Khaled Diab**

Is it possible to have statehood without a state? This is the puzzling question raised by the dramatic Palestinian bid to seek United Nations membership which Palestinian President Mahmoud Abbas launched with a rousing speech to the General Assembly last Friday.

However, for the Palestinian plan to work requires not only that the Palestinians succeed in acquiring UN membership, but also in mobilising the international community, despite its dismal track record over the past two decades, to bring pressure to bear on Israel. The

likelihood of either happening is highly questionable, as the US threat to veto any possible resolution at the Security Council amply demonstrates. This underlines the fact that the UN bid is unlikely to change the Israeli-Palestinian dynamic on the ground and could even make matters worse.

So, with the two-state solution caught between the rock of Israeli-Palestinian deadlock and the hard place of international dithering, what can be done?

In my view, the space to create two states on the pre-1967 borders has largely disappeared. The upshot of this is that Israelis and Palestinians are effectively living in a single state, albeit one that is largely segregated and in which millions are disenfranchised. Since questions of statehood seem irreconcilable for the foreseeable future, it is best to focus on tangible 'bread and butter' issues until the situation improves enough to enable an honest and broad public debate on the bigger picture. In short, the Palestinian national struggle should be transformed into a civil rights movement for equal rights. Activists on both sides should join forces to demand full citizenship, the

right to vote and full mobility for both Palestinians and Israelis to live and work where they please. For different reasons, this course terrifies many Israelis and Palestinians. Such worries reflect historical and psychological anxieties, heightened by the maximalist visions of extremists on both sides, more than they do real future possibilities.

Most Israelis currently worry that a single-state resolution would spell the end of Israel as a Jewish state. However the demographic trend - a growing Palestinian population - underpinning Jewish fears will not go away regardless of the outcome. So the question is whether to handle this growing segment of the population justly or unjustly. With a secular democracy guaranteeing the rights of all, the millions of Jewish Israelis will give the future state an unmistakable Jewish character, albeit one that is part of a melting pot of other identities.

Though the single state is more popular among Palestinians, many are apprehensive that by choosing this path, they will be legitimising the occupation and surrendering their rights. But this process will act as the final nail in the

coffin of the occupation as everywhere in mandate Palestine becomes open to Israelis and Palestinians alike, and the future army, drawn from both sides, redefines its role as the protector of all.

Once everyone in Israel-Palestine has become enfranchised, the ground-work will be laid for a truly democratic, grassroots resolution to this conflict. Although the de facto single state may act as only a stepping stone on the path to two independent nations, Israelis and Palestinians may, after years of intense collaboration, decide that their future is best served by continuing to live closely together in one bi-national, democratic, secular country.

Or they may opt for a looser union. In that case, the state can adopt a federated model which affords Jews and Arabs the bells and whistles of statehood, such as separate flags and national anthems. Non-territorial community governments would represent them wherever they live on the land, while issues common to both sides, such as defence and foreign policy, would be decided in a federal parliament.

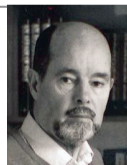
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## Millionaire Blair at his best

**ONE MAN'S VIEW**

**The difficulty is in trying to separate Blair's private from his public roles and to decide how much one influences the other**

**Phillip Knightley**



a £5.75 country house in Buckinghamshire. He has also bought properties for his children. He earns £2m a year as an adviser to J. P. Morgan, the American investment bank and an unknown amount as adviser to the insurance firm Zurich and £700,000 a year advising Khosla Ventures, founded by Indian billionaire Vinod Khosla. He has done consultancy work for the South Koreans and is paid as much as £200,000 for a speech.

He may have made as much as £9 million from public speaking since leaving office. Blair has said that he has to earn £5 million a year just to pay the wages of the 130 people who work for him.

And yet this income may be only the tip of the iceberg. Peter Osborne who presented the Channel 4 programme says that Blair's companies are shrouded in secrecy.

They are structured so that they have to disclose only a minimal amount of information concerning Blair's income or how he earns it. And Blair, or Blair's office firmly rejected requests for information.

The difficulty is in trying to separate Blair's private from his public roles and to decide how much one influences the other. His official role is to promote peace in the Middle East but Channel 4 said that there was the possibility of

a conflict of interest because he was receiving millions from governments in the area. Osborne said: "Who does Tony Blair answer to? He sets his own rules. Disclosure and transparency are required of British MPs but there seems no such requirement of Blair in his role as the Quartet's representative in the Middle East."

The Channel 4 programme said that in his role as the Quartet representative Blair persuaded Israel to open up radio frequencies so that a mobile phone company could operate in the West Bank. He also pushed the development of a big gas project off the coast of Gaza to be operated by British Gas. Both are clients of J. P. Morgan, the bank that pays Blair for acting as a senior adviser. Blair's spokesman said that Blair had promoted the projects at the request of the Palestinians and that he was not aware of J. P. Morgan's connection with the projects.

There is a larger issue. Other Cabinet ministers have also been finding that life does not end with their time in government. Patricia Hewitt, the former Health Secretary, was accused of "cashing in on her contacts" when she accepted a £55,000 a year role as adviser to the huge chemist company.

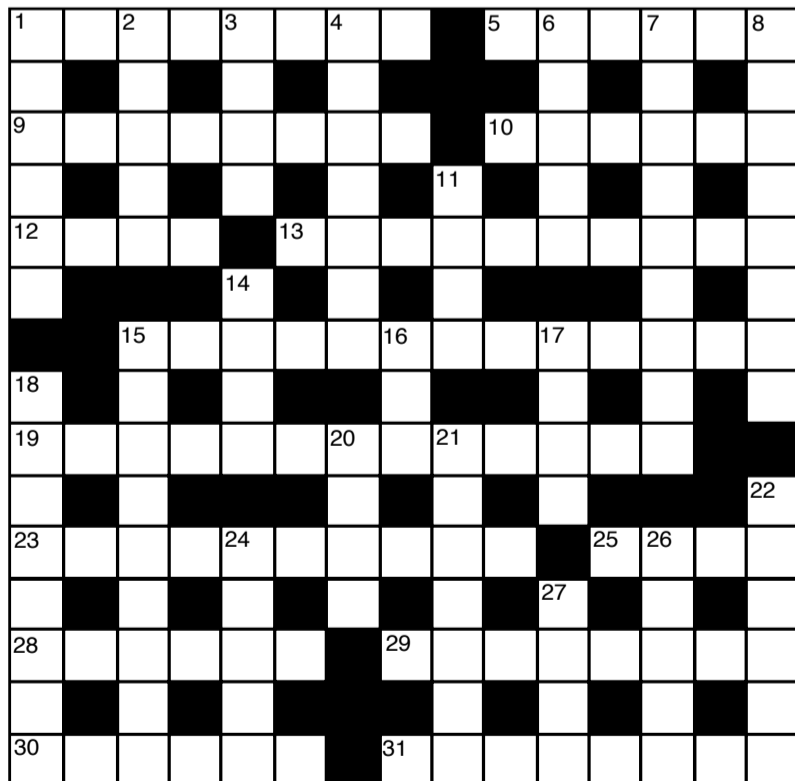
Geoff Hoon, the former Defence Secretary, was made vice president of the helicopter company AgustaWestland. He had awarded a £1.7 billion contract to the company when he was in office. There is nothing to suggest that either Blair, Hewitt or Hoon has done anything against the law. But their actions could well leave the ordinary voter with a nasty taste in his mouth.

*Phillip Knightley is a London-based journalist and commentator*



## CRYPTIC CROSSWORD

No 13976



**YESTERDAY'S SOLUTION (13975)**

- ACROSS:** 6 Washing machine. 9 Amused. 10 Nest eggs. 11 Civil war. 13 Wraith. 15 Galley. 17 Symbol. 19 Gratis. 20 Claimant. 22 Informed. 24 Mutiny. 26 Assault courses. **DOWN:** 1 Swimming trunks. 2 As is. 3 Mildew. 4 Causeway. 5 Shoe. 7 Gentry. 8 Night blindness. 12 Inlet. 14 Album. 16 Ensemble. 18 Acidic. 21 Armour. 23 Okay. 25 Tosh.

**ACROSS**

- 11 had time during royal broadcast for worship (8)  
5 U.S. soldier in gaol designed as open gallery (6)  
9 Familiar address for writer Sharples introduced (8)  
10 In this condition drunk isn't permitted to return (6)  
12 Maestro's youthful and to some extent promising (4)  
13 Piano salesman's calm about hotel and private academy (4,6)  
15 Ordering a TV briefly produces this extra cost (5-5,3)  
19 Getting together around heart of Kabul for chat (13)  
23 Sort of crime that I study in 13 (10)  
25 Finished session at Lord's (4)  
28 Act like a fool and clear off (4,2)  
29 Deliriously happy individual's red box perhaps (8)  
30 Smashing sight from Paris tower, they say (6)  
31 Writer isn't able to defend husband's taste (8)

**DOWN**

- 1 Fashionable company's weak (6)  
2 Monstrous creatures make some progress (5)  
3 Spots number in winning card (4)  
4 Guilty feeling about Rome's collapse (7)  
6 The sort of nerve needed to see one behind bars? (5)  
7 A French corps got encircled, not tossing explosive (9)  
8 Fit, a Warsaw man wields power with axes (8)  
11 Dashed off special edition (4)  
14 People always include earnest request (4)  
15 Clear victory on show (9)  
16 Primarily a woodworker's little tool (3)  
17 Gulf ruler's Queen takes note (4)  
18 28 occasionally bolted in motorcycle event (8)  
20 Fertiliser found in a river first (4)  
21 Shake it when opening a barrier (7)  
22 Not much space in trio playing in the East (6)  
24 Poetry has always intrigued Kyoto union leaders (5)  
26 Flower girl (5)  
27 Heroic adventure of Peregrine Pickle? (4)