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Jordan and the rise and fall of the Arab Cooperation Council

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ABSTRACT

This article examines Jordan's role in the creation of the Arab Cooperation Council (ACC), from its origins to its sudden demise in the turmoil of the 1990-91 Gulf crisis and war. The analysis focuses on three key factors in Jordan's foreign policy, namely, the concern with external security threats, the pressures of domestic politics, and the economic constraints on the Jordanian regime.

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On 16 February 1989, the heads of state of Egypt, Iraq, Jordan and North Yemen met in Baghdad to announce the formation of the Arab Cooperation Council (ACC). This Council appeared to be part of a broader trend in Arab regional politics, as its creation was followed the

very next day by the formation of the Arab Maghrib Union (AMU).1 Both the ACC and the AMU had been preceded much earlier by the creation of the Gulf Cooperation Council (GCC) in 1981.2 Taken together, these three alliances within the Arab world meant that 15 Arab states were members of major economic and political organizations outside of the League of Arab States. The formation of these regional blocs caused a great deal of media speculation regarding the future of inter-Arab politics. There was considerable optimism and hope placed in the three alliances, which seemed to many observers to mark the beginning of a new era in Arab politics dominated by practical steps toward economic and political cooperation, rather than ideological conflicts or inter-Arab power struggles.3

Before the Iraqi invasion of Kuwait brought the ACC to a standstill, real progress had been made toward greater political and economic cooperation between its four member states.4 This article will examine Jordan's role in the creation of the ACC in early February 1989 and trace the alliance up to its sudden demise in the turmoil of August 1990 when Iraq invaded Kuwait.5 While the lifespan of the ACC was merely a year and a half, it nonetheless revealed much about the dynamics of inter-Arab politics and of Jordanian foreign policy in particular.

In interviews with this author, some Jordanian officials stressed that the ACC-had it reached its full potential-would have been comparable not to a defensive alliance, such as NATO, but to organizations committed to deep economic integration, such as the European Union.6 This is, perhaps, overstating the case, for even the European Union itself failed to meet its own 1992 deadline for full integration. But the point remains that although the ACC did not represent full integration, neither was it just a military defense pact. And more to the point, the fact that it never approached full economic integration should not obscure the fact that this alliance represented more than a loose political and diplomatic entente. Its Jordanian architects intended to move beyond the banalities of many inter-Arab alliances by immediately stressing the importance of economic ties. The emphasis for these officials was on political economy, rather than on security or ideology, as the key to closer inter-Arab cooperation and unity. Seen in this light, Jordan's role in the creation of the ACC merits more attention than it has received. For in both its lofty goals and its more moderate achievements, Jordan's experience with the ACC may demonstrate the limits of integration and alliance-making in the Arab world, and may serve as a bridge case between the Cold War era and its aftermath.7

In order to examine the implications of this case for understanding both Jordan's foreign policy and inter-Arab relations, the analysis will focus on three key factors that have influenced Jordan's foreign policy behavior, namely, the concern with external security threats and the changing strategic balance of power,8 domestic political pressures,9 and thirdly, the importance of economic considerations in the Jordanian regime's calculations of its own security and stability.10 An examination of each of these three factors will illuminate the Jordanian role in the creation of the ACC. Since the alliance was brought to such an abrupt end, owing to an international crisis created in large part by one of its own members, most of the analysis will examine the influences on Jordanian policy-makers in the creation, rather than the unmaking, of the ACC.

THE PURPOSE OF THE ARAB COOPERATION COUNCIL

The statutes and by-laws of the ACC stated that the main goal of the alliance was "the achievement of the highest degree of cooperation, coordination, integration and solidarity among the member states."11 The ACC Charter stressed the economic dimensions of inter-Arab cooperation, in contrast to the ideological-political emphasis of earlier pan-Arab attempts at more formal unification. Absent from the Charter also was any mention of military ties amongst the member states.12 Although the ACC did eventually move in the direction of greater security coordination, at the outset, at least, the emphasis was placed on economic cooperation. All four member states came into the ACC with significant debt burdens, and all were still suffering from the decline in global oil prices during the 1980s. While Iraq, as a major oil producing country, was more directly affected by the falling oil prices, this decline also had an impact on the other three states, the domestic economies of which had become tied to the broader regional economy of oil. Egypt, Jordan and North Yemen had each become dependent on Gulf labor markets and hence on remittances from the Gulf, and each had felt the pinch of the contracting regional oil economy.

Thus, one purpose of the ACC was to facilitate labor flows between member states, and, in particular, sending Jordanian and Egyptian labor to Iraq to assist in the reconstruction that followed the eight-year war with Iran. In June 1989, at the first ACC summit meeting, the four states agreed to abolish entry visa requirements between them, thus vastly facilitating the free flow of labor. Each member state further agreed to give hiring priority to ACC nationals over all other laborers.13 Beyond concerns with labor flows, the ACC was also meant to serve as a common market to increase inter-Arab trade. Finally, an additional goal of all four states was to approach donor countries and institutions as a bloc to renegotiate outstanding debts.14 Even as the ties of the ACC states were strengthened, based on mutual economic interest, it soon became clear that the member states differed considerably in their visions of the ACC's political role. But at least initially, all four states shared in the general cooperation goals of the Jordanian policy-makers who, as mentioned above, served as the prime movers behind the formation of the new regional alliance.15

JORDAN AND THE RISE OF THE ARAB COOPERATION COUNCIL

Although the ACC member states emphasized at every opportunity the economic dimensions of their alliance, questions remained-especially on the part of neighbors such as the GCC states-regarding the motivations for, and the implications of, this new alliance. The ACC emerged in the context of major changes in the regional strategic balance of power. The Iran-Iraq war had just ended, leading to considerable anxiety in the Gulf regarding future Iraqi intentions.16 Iraq had, after all, been left out of the GCC when it was formed in 1981. The cessation of hostilities in the Gulf in 1988 marked a major strategic change in the regional system, in favor of Iraq. Throughout the war with Iran, some of Iraq's major supporters had been its new partners within the ACC, namely, Egypt, Jordan and North Yemen. Of these three, Jordan provided by far the most extensive level of support.17 Indeed, Jordan's port at `Aqaba and its overland transport routes had provided Iraq with its only major economic lifeline during eight years of war. In a

sense, the creation of the ACC simply institutionalized these bilateral linkages into a multilateral alliance.

For the Jordanian regime, however, the major regional changes that took place in the late 1980s involved not only Gulf security, but also Jordan's role in the Arab-Israeli conflict. In 1988, Jordan's King Husayn renounced Jordan's claims to the West Bank, thereby radically changing the strategic situation in the conflict and placing much of the burden of conflict resolution on the Israeli government and the Palestine Liberation Organization (PLO). With the renunciation of its West Bank ties, however, Jordan's strategic role in the region seemed suddenly unclear. So for Jordanian policy-makers the ACC became a means for Jordan to retain its relevance and influence in regional politics beyond simply its role in the Arab-Israeli peace process.18

The ACC enhanced Jordan's diplomatic and military position vis-a-vis Israel, by bringing together, in the same alliance, Egypt (the only state to have signed a peace treaty with Israel) and Iraq (a state that Israel now viewed as a serious military threat).19 Jordan was thus assured of having key allies in case of peace or war in the region. It was, therefore, in a position either to help promote peace initiatives to include even Iraq, or in the event of war, to be backed by Iraq in case it was itself attacked. One of the most common terms used by Jordanian policy-makers at that time to describe the usefulness of their alliance with Iraq was "strategic depth."20 That depth was perceived as bolstering not only Jordan's external security in relation to Israel, but also, more tangentially, the security of the Arab Gulf states (and hence Jordan's critical sources of financial aid) against threats from Iran. It should be noted, however, that this view was not necessarily shared by Jordan's counterparts in the GCC.

The strengthening of its ties with Iraq and Egypt through the ACC also enhanced Jordan's strategic position vis-a-vis Syria. Although King Husayn took great pains not to isolate or provoke the regime of Syrian president Hafiz al-Asad, the new alliance ensured a more balanced position between Jordan and its northern neighbor. Jordanian officials suggested that Syria would either join the ACC at a later date, and thus diffuse any Jordanian-Syrian tensions, or would be held in check by Jordan's powerful Arab allies even if hostility were to reemerge between Amman and Damascus.21

Thus, even without formal defense agreements, the ACC presented non-member states in the region with a formidable bloc that could act as a powerful deterrent against potential attackers. The presence of both Iraq and Egypt in the same regional alliance, however, also created considerable uncertainty and security fears in neighboring states. Marshaling together the military might of both Egypt and Iraq might have proved reassuring for Jordan's regime, but it was worrisome for the Israeli government and for the ruling regimes in Kuwait, Saudi Arabia and Syria.22 The ACC, therefore, created a profound imbalance of regional military might within the Arab world. As a reflection of this uneasiness, King Fahd of Saudi Arabia made a high profile visit to both Cairo and Baghdad in March 1989, shortly after the ACC was founded, seeking reassurances with respect to the organization's security and military intentions. Saudi anxiety was deep enough that King Fahd even signed a non-aggression pact with Iraq before leaving Baghdad.23

Largely to reassure other Arab countries, and particularly Saudi Arabia, the ACC states repeatedly stressed the economic dimensions of their alliance and denied they had any political or military intentions. But during the June 1989 meeting of their Supreme Council (made up of the four heads of state) in Alexandria, Egypt, the ACC countries called for greater coordination of their foreign policies, agreed not to use force against each other, and further committed themselves to the establishment of a joint defense pact.24

These developments may have only added to the security anxieties of Kuwait, Saudi Arabia and Syria, and reinforced their earliest suspicions regarding ACC intentions. All three countries had reason to fear any resurgence of Iraqi power in the wake of the Iran-Iraq war. In their attempts to calm such fears, the ACC states stressed that unlike the other two Arab regional organizations-the GCC and the AMU-their organization had not limited its membership to a geographical subregion and was open to all Arab states that wished to apply for membership.25

For the Jordanians, however, the key question remained what role Syria would play. For although 15 Arab states belonged to either the ACC, AMU or GCC, Syria was the only major Arab power that remained outside all three alliances. But since Syria was neither a Maghribi nor a Gulf state, the only one of these blocs that might have been accused of excluding Damascus was the ACC. From the Jordanian regime's perspective, the absence of Syria was a hindrance to the long-term success of the ACC.26 However, given the continuous hostility between Iraq and Syria, the Jordanians were well aware that bringing Syria into the ACC would be a difficult and lengthy task.27

To avoid incurring Syrian hostility to its alliance venture, Jordan kept the Syrian regime apprised of all ACC developments. King Husayn even made use of his personal diplomacy in various attempts to reconcile the regimes in Baghdad and Damascus, as a way to extend membership in the ACC to Syria. As early as 1986, well before the ACC had even come to fruition, the King had arranged a secret meeting between Syrian president Asad and Iraqi president Saddam Husayn at an air base in southern Jordan.28 This attempt at mediation and inter-Arab reconciliation was unsuccessful. But even though Jordan's various efforts failed, they did not go entirely unappreciated in Damascus, and Syrian officials made it clear that while Syria would not itself become an ACC member, it would nonetheless not oppose the grouping.29

Although the Jordanians may have felt more regionally secure as a result of the ACC, these considerations were not the only factors behind their desire to form the alliance in the first place; they viewed the military strength of their Egyptian and Iraqi allies as an additional asset to a primarily economically-oriented alliance.30 The strategic depth gained by the political-economic alliance was an added bonus, while the main concerns of the Jordanian regime remained focused on its own precarious economic position and its domestic problems.31 Thus, while the creation of the ACC caused non-member states to reexamine their strategic positions and to assess the security implications of the new alliance, external security concerns do not appear to have been the main motivation even on the part of Jordan, the militarily-weakest ACC partner (much less on the part of Egypt or Iraq). It is, therefore, necessary to look elsewhere for the primary motivations behind the ACC.

DOMESTIC POLITICS: UNREST, REFORM AND CHANGING COALITIONS

The Jordanian decision to create the ACC came in the context of increasing domestic uncertainty and regime insecurity, and was followed almost immediately by upheaval and profound domestic change in Jordan. Like many other states in the region, Jordan's domestic political and economic scene had been deeply affected by the decline in the regional economy due to the global recession in the 1980s. After the mid-1970s, the Jordanian regime had been able to ride the wave of the oil boom, growing increasingly reliant on external sources of aid to meet its budgetary needs. By the mid-1980s, however, that boom was over, as the price of oil plummeted. The Jordanian economy was seriously affected as aid and worker remittances declined and the domestic sectors of the economy contracted. Because of their own declining revenues, Arab Gulf states cut their aid to the kingdom, which only exacerbated an already difficult economic situation. Taken together, these increasingly severe economic constraints soon affected the domestic stability of the state and the security of the Jordanian regime. When the government announced its compliance with an austerity program sponsored by the International Monetary Fund (IMF), rioting broke out throughout Jordan in April of 1989.32

The April riots, sometimes referred to within Jordan as an "intifada" (uprising), reflected far more than economic unrest.33 The IMF program had merely provided the spark for an explosion of deep dissatisfaction with the regime. While the Hashimite royal family had been aware of Jordan's increasingly precarious economic position, it had sorely underestimated the political depth of the family's legitimacy crisis vis-a-vis its own society. It is perhaps ironic that this unequivocal signal to Jordan's leaders occurred within months of the founding of the ACC. Most importantly, the April riots were not really reflective of the perhaps overemphasized Palestinian-East Banker differences within Jordanian society but rather were instigated largely from within the East Bank community itself. The unrest originated in Ma'n, in the south of Jordan, a community that the regime took for granted as a bedrock constituency for the House of Hashim, given its history of support for the regime.

The domestic upheaval served as a kind of wake-up call for the regime, prompting the government to accelerate what it claimed was an already-initiated program of political reforms.34 Except for the reestablishment of parliament in 1984, for the first time since 1967, little else had been accomplished despite considerable rhetoric. In the aftermath of the 1989 riots, King Husayn attempted to adjust to the existing difficult circumstances through a limited program of political liberalization intended to broaden the basis of the Hashimite monarchy's domestic support. In a sense, the Hashimites were trying to renegotiate a kind of social contract with their people. Given the depth of public anger over IMF reforms and alleged government corruption, this required significant concessions. Within weeks of the riots, King Husayn had reshuffled the cabinet, sacked the extremely unpopular prime minister, Zayd al-Rifa'i, and announced that new elections were to be held later that year. This liberalization process was expanded in the early 1990s to include loosening government oversight of the media, lifting martial law in place since the 1967 war, and legalizing political parties.35 After earlier stalling tactics and disappointments, the political liberalization process finally appeared to be at a real take-off point, but only after the violent events of April 1989.36

What is significant about these events, even though they occurred two months after the emergence of the ACC, is that they make clear the depth of the regime's domestic insecurity as it worked to bring that alliance to fruition. The riots, in other words, did not emerge in a vacuum but from long-accumulated domestic discontent. While the riots clearly cannot be said to be the reason behind the creation of the ACC, they did have a strong impact on the direction of the new alliance's development, and on its implications for the Jordanian regime. In this difficult domestic context, the ACC became part of the foreign policy dimension of a broader adjustment program to ensure the long term viability of the Hashimite monarchy. At the inception of the ACC in February 1989, the member states had staked out goals for economic cooperation; but after the April riots, Jordanian officials pressed for more than a cosmetic political and economic alliance between the four countries. In interviews, many officials emphasized the importance of Jordan's foreign relations as the key to economic stability, and hence domestic social peace, within the kingdom.37

Meanwhile, the economic liberalization and political democratization process that began in mid-1989 opened up the system to greater political activity for the Jordanian public, including business elites who were highly enthusiastic about the ACC's economic potential. The liberalization effort, in fact, opened the way for interest groups to form together as informal policy coalitions in efforts to affect the policy process to a greater extent than ever before. These developments enhanced the political role of the commercial bourgeoisie in particular, which found that some of its interests matched those of the Jordanian regime.38 One aspect of this policy convergence was the push for greater market access not only for Jordanian labor but also for Jordanian exports. Already heavily engaged in Iraqi markets, some business people and entrepreneurs active in Jordan's export sectors wanted to increase their access to Egyptian markets and strengthen their Iraqi connection.39 For these business elites, the ACC represented an institutional and organizational structure that ensured that increased access to those markets would continue, and could, therefore, be relied upon in the long term.40

Since the export sector was dominated by Jordanians of Palestinian origin, economic liberalization may have functioned as a pay-off to coopt this key segment of Jordanian society at a particularly difficult time for the regime economically and politically. The exports that benefited most from Jordan's increased trade and investment relations with Iraq, Egypt and North Yemen, included agricultural produce, cement, fertilizers, and pharmaceuticals.41 By working with this economic elite within Jordanian society, the regime met its demands for increased inter-Arab trade.

Another sector of the Jordanian economic social structure that supported the formation of the ACC, and the strengthening of existing ties with Iraq in particular, was the construction industry.42 Business people involved in this industry, in both the public and private sectors, saw the potential for windfall profits in the post-war reconstruction of Iraq. Just as the overland transportation sector and the port of `Aqaba had benefited from the Iran-Iraq War by acting as Iraq's main supply lines, the construction industry was poised to reap the economic benefits of peace.43 A distinctive feature of Jordan's construction industry is that it is one of the most popular civilian career areas for Jordan's military officers after they retire. Those retired officers enter this profitable industry with considerable military and government connections. The extent

of retired military participation in the civilian construction sector underscores the blurred lines in Jordan between private economic interests and the public sector political elite.44 Very often public and private sectors of Jordan's overall political and economic elite actually overlap, revealing the linkages that exist between the economic interests of key domestic coalitions, such as those interested in export trade and construction, and their preferred foreign policy choices.

In sum, the ACC emerged during a period of domestic unease in Jordan. Jordanian officials may have been aware of the mounting tensions, but they clearly underestimated their depth and strength. Consequently, domestic constraints were not a key factor in the initial formation of the ACC but soon became critical to its evolution and development. These negative pressures spurred Jordanian officials to try to get more economically out of the ACC. They were joined, following the initial liberalization process, by private sector business elites lobbying for more genuine economic integration. The analysis so far has shown that considerations of domestic politics and of external security had significant influence on the development of the ACC, but were not the initial causes for its formation. For these causal factors, it is necessary to explore more fully Jordan's economic circumstances.

AID, MARKETS AND THE DRIVE FOR INTEGRATION

The founders of the ACC went to great lengths to stress the economic dimensions of this alliance, downplaying any security implications and underscoring the benefits of joint economic action. It is necessary, therefore, to move analytically beyond the Jordanian domestic political arena to place the ACC in its regional political and economic context. Regional and even global economic trends influenced not only the particular form the ACC took, but also that taken by the AMU in North Africa. Both organizations were certainly influenced by the earlier formation of the GCC. Some analysts have suggested that the very similarity in the names of the GCC and the ACC underscores the influence of the former on the latter.45

Perhaps more important, however, was the larger economic change in the global system represented by the then looming 1992 date for full European integration. Like other countries in the world, the ACC states were influenced by the shifts in the global economy in the direction of larger trading blocs. They were particularly concerned with the economic implications of European integration for their own extensive trade links with Europe.46 Economic coordination within the ACC was to include free movement of labor and capital among member states, as well as increasing communication and transportation linkages between them.47 Economic integration was also to include joint projects in manufacturing and agricultural production. In addition to agreements on cooperation in industry, agriculture, transportation, communications, and labor flow, the ACC states also agreed to greater coordination in social affairs, including education, health and cultural exchange. The agreements of the ACC made clear that the four-country organization was to be only the beginning of what would eventually become a much larger grouping dedicated to "comprehensive Arab economic integration."48

The plans of some Jordanian policy-makers were extremely ambitious. Some felt that after the hurdle of incorporating Syria had been cleared, Lebanon could easily be included, once its civil war ended.49 From there, the ACC could move on to establish direct linkages to the AMU and the GCC, thereby establishing the institutional foundations for real Arab integration.50 But these rosy expectations clashed with the economic realities of the region in the 1980s. As early as 1978, Jordan had switched its main Arab alliance from Syria to Iraq, which was far wealthier.51 Although the Jordanian-Iraqi relationship had developed politically and economically throughout the 1980s, it was not enough to forestall Jordan's mounting economic troubles. The decline in Arab aid to Jordan, in particular, was a major factor in the February 1989 balance of payments crisis for the regime-just as the ACC was founded-and led to extreme instability for the Jordanian dinar.52

The precipitous decline in oil prices in the mid-1980s, as well as in Arab financial aid and remittances from Jordanian labor, created a serious debt situation for the kingdom. Summing up the extent of Jordan's debt crisis in 1989, one economic report noted that "debt servicing has emerged as the millstone around Jordan's neck."53 One of the clearest signs of Jordan's increasing financial difficulties was the government's announcement in March 1989 that Jordan's Central Bank would cease all loan repayments to individual country lenders. This policy was announced only after the government had also made clear that it had very reluctantly turned to the IMF and the World Bank to request the rescheduling of its debt repayments.54

As noted earlier, the IMF-sponsored austerity program triggered a violent public response. If the riots of April 1989 shocked the Hashimite monarchy, they also surprised Arab Gulf states, which rushed emergency transfers of aid and even oil shipments to the kingdom in an attempt to shore up the monarchy and reestablish stability in Jordan. While the Jordanian authorities welcomed this assistance, there was nonetheless bitterness at both the state and the popular levels that such severe domestic upheavals had been necessary before Arab aid was offered to the kingdom. The official government line on the disturbances included scathing attacks on Gulf states for failing to fulfill the pledges of aid they had made at the 1978 Baghdad summit.55 In short, the Jordanian regime was quick to place the blame on policies outside its own control, rather than focus on economic mismanagement or political bungling of the country's domestic affairs. Jordanians, however, were more critical of their government, and even East Bank elites, the traditional backbone of Hashimite rule, sent delegations with petitions to King Husayn making clear their demands for political reform.56 Public concern and scorn were directed, in particular, at government nepotism and corruption.

While much of this hostility was directed against particular government officials, such as Prime Minister Rifa'i, the general public's disillusionment with their government continued even after particular individuals (like the prime minister) were removed from power. After the 1989 elections, the caretaker government of Sharif Zayd ibn Shakir was replaced by another veteran prime minister, Mudar Badran, who then came under verbal attack for his past actions in government. Badran, a longtime loyalist and confidant of the king, had served as prime minister for most of the period 1976-84. But in the new climate of political democratization and greater openness of the media, parliamentary factionalism also came to the fore. A surprised Badran actually had to fight to win a vote of confidence in parliament in order to begin his new

administration, and to fend off attacks by other powerful elites about the way he had previously served in office.57

Despite the long term political fallout from the April 1989 uprising, the immediate effect of the quick money transfers from sympathetic Gulf states, coupled with the IMF agreement, was to ease Jordan's balance of payments difficulties. In sum, just as the political uprising had underscored the regime's need to strengthen its domestic basis, it had also made clear its need for more durable economic arrangements with its neighbors. Those considerations enhanced the importance of the ACC in the eyes of the regime, as this alliance provided Jordan with the institutional framework it needed to improve regional economic cooperation that could boost the Jordanian economy as a whole. Thus, the main reason the Jordanians were careful to reassure the Gulf states about the ACC's intentions had almost nothing to do with concerns for military-security implications. Rather, the Jordanians wanted to make sure that while they were reaping the economic benefits of their membership in the ACC they were not sacrificing the kingdom's critical aid linkages to the GCC states.58 The Jordanian government, therefore, attempted not only to establish the ACC as a new regional bloc, but also to mold this alliance specifically to meet Jordan's pressing economic needs. Meeting those needs was understood to be critical to the long term political survival of the Hashimite monarchy.

JORDAN AND THE FALL OF THE ARAB COOPERATION COUNCIL

As major architects of the ACC, Jordanian policy-makers believed that they had constructed an alliance that would stand the test of time. Based on mutual economic interest, the ACC was to ensure long term stability in Jordan's relations with its Arab neighbors. The Jordanian policy-makers predicted that eventually more and more Arab countries would join the ACC. But despite their lofty goals, and the initial optimism that many of them had been achieved, the Jordanian policy-makers were not prepared when their experiment came crashing down.59

With the onset of the Persian Gulf crisis of 1990-91, the ACC became instantly deadlocked, as its two most powerful members-Iraq and Egypt-shifted overnight from ACC allies to military adversaries.60 Notwithstanding the numerous Hashimite attempts at defusing the crisis, the ACC proved an empty shell in the face of its own members' hostility toward one another. And after the crisis, when the smoke had cleared from Operation "Desert Storm," few noticed that the deadline for renewal of the ACC charter had come and gone. The ACC was, for all intents and purposes, dead.

Even before the crisis marked the end of the ACC, however, the member states had run into problems trying to move beyond economic cooperation to political and security agreements. Ultimately, the problems reflected fundamentally different visions of the political role of the ACC. For the Jordanians, the ACC was a political-economic bloc that would start with the four countries and later extend to a far broader regional alliance. Yemen may have shared this general view. But the real problem lay with the two more powerful members of the alliance. Iraq made consistent attempts to politicize the ACC and bring it in line with Iraqi foreign policy, particularly as a force against Syria. Egypt, on the other hand, strongly resisted these

maneuvers, and tried to avoid closer political or security ties with Iraq, emphasizing all the while the purely economic aspect of the alliance.61

In some respects the Egyptian government accomplished what may have been an additional goal for joining the ACC, namely being readmitted to the League of Arab States, which was achieved in part through ACC pressure. But for Iraq, in contrast, the political and economic linkages within the alliance were only the beginning of a broader political agenda. These ulterior motives, in effect, led to conflict within the alliance and to considerable resentment on the part of the Jordanians. They felt that the Egyptians and Iraqis might have been pursuing cynical self-serving strategies from the start, while they themselves believed in the greater potential of the ACC. Reflecting on what went wrong with the ACC, one former prime minister of Jordan remarked that while Jordan and Yemen worked well together, "the other two were of course trying to dominate the show."62 Another official concluded with more bitterness that "the ACC was a disaster; we wanted a forum for economic and political cooperation, the Egyptians wanted purely an economic forum, and the Iraqis just wanted to take advantage of us."63

With the Iraqi invasion of Kuwait, much of this debate became moot. The ACC never officially collapsed, yet neither did it revive. In sharp contrast to the fanfare and ceremonies that had marked the inauguration of the new alliance in 1989, the ACC in essence simply faded away as its charter expired in 1991, and continuing hostility between key members prevented its renewal. With their main Arab alliance partners now facing off against one another under the looming shadow of war, the Jordanian regime had a very important decision to make. To the surprise and chagrin of its Western allies, the historically conservative and pro-Western regime did not follow conventional expectations and support the US-led coalition against Iraq. Instead, it maintained its alliance with Iraq while simultaneously attempting to appease all sides of the crisis and avert a regional war. Jordanian policy-makers believed that had their strategy succeeded, the peaceful solution to the Gulf crisis would have provided the basis for the restoration of the ACC, with Jordan as the mediator between Egypt and Iraq.64 But Jordan's Gulf crisis strategy, like the ACC itself, proved to be a failure with damaging political and economic consequences for the Hashimite kingdom.

CONCLUSION

This examination of the rise and fall of the ACC suggests the need to move beyond standard military-security explanations of inter-state alliance dynamics, in order to incorporate a more complex model that takes into account domestic politics and political economy as key elements influencing policy-makers. Jordan's experience with the ACC underscores the importance of focusing on the changing dynamics of its domestic politics, as well as on the economic underpinnings of its regime's stability, for a full explanation of Jordanian foreign policy behavior.65 At the same time, however, Jordan's experience suggests that the fullest and most accurate explanations for the formation of the ACC, or any other inter-Arab alliance, may be those that can take into account issues of external security, domestic politics, and political economy and assess their relative importance for those alliances.

In addition, this case has strong implications for understanding the broader regional dynamics-and limitations-of regional integration and alliances in the Arab world. The abrupt end to the ACC experiment calls attention to the triumph of the Westphalian state system. The early problems within the ACC regarding the different intentions of its member states, coupled with the Gulf crisis itself, both made clear the tensions that exist between integrationist agendas and the more dominant tendency of precarious regimes when challenged to fall back on individual state sovereignty, and not on pan-Arab unity.66

Although the ACC represents only a single episode of alliance-making in the Arab world, the fate of the ACC demonstrates the limits of unity and integration efforts in contemporary Arab politics. The brief triumphs of the ACC, on the other hand, show that, even for a short time, otherwise disparate states in the region can form alliances by means of which they can achieve meaningful political and economic cooperation. For some of the ACC's Jordanian advocates, the lessons of the ACC lie not in its ignominious end, but in the promise it held at its inception.67 In sum, the short life of the ACC need not leave us with the idea that unity via economic cooperation, even while preserving the political sovereignty of individual states, is really that daunting an enterprise. The other regional blocs-the AMU and the GCC-have survived well beyond the 1991 Gulf war to continue to play significant roles in inter-Arab relations.68

Many Jordanian policy-makers tend to wax philosophic when discussing the lessons of their ACC venture for the future of inter-Arab relations. By recognizing and accepting the limitations placed on unity by regimes intent on preserving their state's sovereignty, Jordan would know better next time how to proceed toward a more lasting Arab alliance.69 It appears that for the time being, Jordan is no longer interested in pursuing its integrationist agenda of creating Arab alliance blocs. Following the collapse of the ACC in the aftermath of the 1991 Gulf War, Jordan turned away from such Arab alliances. Instead, Jordan moved toward ever-deeper economic and strategic cooperation with Western powers, especially the United States, and even more importantly, following a peace treaty in 1994, toward full political and economic relations with Israel.70

Footnotes

1. The members of the AMU include Algeria, Libya, Mauritania, Morocco, and Tunisia.

2. The GCC includes Bahrain, Kuwait. Oman, Qatar. Saudi Arabia, and the United Arab Emirates. In contrast to the ACC, both the GCC and the AMU were more geographically centralized organizations, representing distinct subregions of the Arab world.

3. For samples of this discussion see "Arab Cooperation: Getting Together, in Bits," The Economist, 25 February - 3 March 1989, pp. 38-41; Stephen Brookes, "Two New Blocs Amid Shifting Sands," Insight 5, no. 11, 13-20 March 1989, p. 36; and Alan Cowell, "Arabs Are Forming 2 Economic Blocs," The New York Times, 17 February 1989.

4. The socio-economic agreements and achievements of the ACC are documented in its one, and only, annual report, Al-Imana al-`Amma li Majlis al-Ta`awun al-`Arabi, Majlis al-Ta`awun al-'Arabi. Nusus al-ltifaqiyyat wa al-Qararat al-Muwaqa'a Khilal al- Am al-Awwal 1989-1990 (Text of the Agreements and Decisions Signed During the First Year, 1989-1990) (Amman: Government Press, 1990).

5. The ACC was not officially dissolved, but neither was its charter renewed. This does not rule out a reemergence of the ACC in some form in the future, but in the years following the 1991 Gulf War deep strains in Egyptian-Iraqi relations and even Jordanian-Iraqi relations suggest that a full rapprochement between the original four members of the ACC remains a distant possibility at best.

6. Interviews with mid-level Jordanian officials active in ACC affairs, Amman. March and April 1993. The empirical analysis in the article draws on the author's interviews with numerous Jordanian policy-makers and officials and many former prime ministers of Jordan. Most of these ministers agreed to be cited in general but not on a point by point basis. The prime ministers are listed here along with their term as prime minster and the date of the interview: Ahmad al-Lawzi (1971-73), 20 April 1993; Zayd al-Rifa`i (1973-76, 1985-89), 29 March 1993; Ahmad 'Ubaydat (1984-85), 15 April 1993; Mudar Badran (1976-79, 1980-84, 1989-91), 31 March 1993: and Tahir al-Masri (June to November 1991), 2 March 1993. Other key interviews included 'Adnan Abu 'Awdah (former chief of the Royal Hashimite Court, national security advisor, and Jordanian representative to the United Nations), 28 February 1993; Jawad al-'Anani (former minister of supply, of labor, of industry and trade, and current deputy prime minister), 10 April 1993; and Marwan al-Qasim (former foreign minister and chief of the Royal Hashimite Court), 6 April 1993. Most middle and junior level officials at the foreign ministry, parliament, and in various economic ministries, however, elected to remain anonymous and the author has therefore cited them as simply "policy-makers" or "officials" at their own request.

7. For an excellent collection of essays on Arab integration as both a domestic (state-society) and international (state-state) phenomenon, see Giacamo Luciani and Ghassan Salame, eds., The Politics of Arab Integration (London: Croom Helm, 1988).

8. A major work on an external "balance of threats" to explain Middle East alliances is Stephen M. Walt, The Origins of Alliances (Ithaca: Cornell University Press, 1987).

9. The literature on the domestic politics of foreign policy is fairly broad, but for some of the most sophisticated approaches focusing on Arab states specifically, see Fred H. Lawson, "Syrian Intervention in Lebanon: A Domestic Politics Explanation," International Organization 38, no. 3 (Summer 1984), pp. 451-80; and Michael N. Barnett and Jack S. Levy, "Domestic Sources of Alliances and Alignments: The Case of Egypt, 1962-73," International Organization 45, no. 3 (Summer 1991), pp. 369-95.

10. The main work to argue for the primacy of economics, particularly "budget security," in Arab alliance politics is that of Laurie A. Brand, Jordan's Inter-Arab Relations: The Political Economy of Alliance Making (New York: Columbia University Press, 1994).

11. Quoted in Middle East Economic Survey 32, no. 20 (20-27 February 1989), p. A8.

12. Economist Intelligence Unit, Jordan: Quarterly Economic Report, no. 2 (1989), p. 6. See also, Al-Imana al-`Amma li Majlis al-Ta`awun al-`Arabi, Mithaq al-Majlis al-Ta'awun al-'Arabi, Mithaq al-Majlis al-Ta 'awun al-'Arabi (Charter of the Arab Cooperation Council) (Amman: Government Press, 1989).

13. Middle East Economic Survey 32, no. 38 (26 June - 3 July 1989), p. A7. Id. Mohammad Wahby, "The Arab Cooperation Council and the Arab Political Order," American-Arab Affairs 28 (Spring 1989), p. 66; see also Brand, Jordan's Inter-Arab Relations: The Political Economy of Alliance Making, pp. 230, 235.

15. Some have seen this as an Iraqi-initiated, as well as dominated. bloc. While it is true that the Iraqis attempted to sway the alliance to their policy aims, this should not obscure the enormous role and very different intentions of the Jordanians in creating the ACC. See the analysis of the purpose and outlook of the ACC by John F. Devlin, "The Purposes and Effect of the Arab Cooperation Council," Geopolitics of Energy (August 1989), pp. 4-7.

16. On ACC awareness of GCC suspicions, see Wahby, "The Arab Cooperation Council and the Arab Political Order," pp. 61-63.

17. W. Andrew Terrill, "Saddam's Closest Ally: Jordan and the Gulf War," Journal of South Asian and Middle Eastern Studies 9, no. 2 (Winter 1985), pp. 43-54.

18. Economist Intelligence Unit, Jordan: Quarterly Economic Report, no. 2 (1989), p. 7.

19. Israel had demonstrated its fear of Iraqi intentions as early as 1981 when it bombed the Osiraq Iraqi nuclear reactor. After the formation of the ACC, Israel became especially concerned with growing military cooperation between Iraq and Jordan. See, for example, Gloria Shamis, "Jordan and Iraq Set Up Joint Fighter Squadron," Jerusalem Post, 18 February 1990.

20. Interviews with Jordanian foreign ministry officials and former cabinet ministers, Amman, February and March 1993.

21. Jordanian officials interviewed tended to stress the desire to bring Syria into the ACC. Syrian officials interviewed, however, tended to be skeptical or outright suspicious of Jordanian intentions. Interviews in Amman (foreign ministry) and Damascus (foreign ministry and People's Assembly), February to April 1993.

22. In the view of former Jordanian Prime Minister Zayd al-Rifa'i (1973-76, 1985-89), this added an unwanted layer of tension to Saudi-Jordanian relations, which only worsened with the onset of the 1990-91 Gulf crisis. Some Saudi leaders even charged later that the establishment of the ACC had been the first step toward the invasion of Kuwait. Interview with Al-Rifa'i, Amman, 29 March 1993.

23. Wahby, "The Arab Cooperation Council and the Arab Political Order," p. 62. Commenting on this development, one analysis noted cryptically that "just why a non-aggression treaty should

be necessary at this particular juncture-or why, if one is necessary, it should not be equally necessary for, say, Kuwait-is not entirely clear." Middle East Economic Survey 32, no. 26 (3-10 April 1989), p. C3.

24. Fida Nasrallah, "The ACC and Arab Regional Problems," Middle East International, 25 August 1989, pp. 19-20.

25. Lamis Andoni, "Arab Cooperation Council: Allaying Fears," Middle East International, 17 February 1989, p. 8. See also Middle East Economic Survey 32, no. 20 (20-27 February 1989), p. C2. Comparing the openness of the ACC with the exclusivity of the GCC, one Jordanian foreign ministry official dismissed the Gulf organization as "exclusively an oil-producing countries' country club." Interview in Amman, March 1993.

26. Perhaps no Jordanian official emphasized the need to shore up Jordanian-Syrian relations more than former prime minister Al-Rifa'i. Discussion with Al-Rifa'i in Amman, 29 March 1993.

27. Interview with Mudar Badran, Amman, 31 March 1993.

28. Interview with Zayd al-Rifa'i, Amman, 29 March 1993.

29. Syrian officials, however, still regarded the assorted subregional organizations-the ACC, GCC, and AMU-as all counterproductive to real Arab unity, because they subdivided the Arab world. From their view, in short, the three alliances were working backwards. In addition, they made clear that they did not expect the ACC, in particular, to last long. Interview with officials in the Syrian foreign ministry and People's Assembly, March and April 1993.

30. Interviews with Jordanian foreign ministry officials, Amman, March and April 1993.

31. Interviews with Jordanian foreign ministry officials, Amman, March and April 1993.

32. "It's Reckoning Time for Jordan," The Middle East (June 1989), p. 26.

33. Both Islamist and secular leftist political activists, interviewed for this study, tended to use the term "intifada." The leftist Jordanian People's Democratic Party (HASHD) described the unrest as a habba nisaan (April squall) in one of its platform pamphlets. See Hizb al-Sha'b al-Dimuqrati al-Urduni (Jordanian People's Democratic Party) (Amman: Central Publication Authority, 1992), p. 3.

34. Ahmad al-Lawzi, prime minister from 1971-73 and longtime speaker of Jordan's upper house of parliament, argued that liberalization began as early as 1984. Interview with Al-Lawzi in Amman, 20 April 1993. In contrast, the view that liberalization began reluctantly after April 1989 and then only in direct response to the uprising was noted by `Abd al-Latif 'Arabiyyat, a leading member of the Muslim Brotherhood and speaker of Jordan's lower house of parliament (1990-93). Interview with 'Arabiyyat in Amman, 25 February 1993.

35. Even before the official legalization of political parties, a number of studies appeared in Jordan analyzing the ideological and party spectrum in Jordan. See, for example, Ahmad Abu Khusa, Al-Dimuqratiyya wa al-Ahzab al-Siyasiyya al-Urduniyya (Democracy and Jordanian

Political Parties) (Amman: Shuraka al-Sharq al-Awsat li al-Tiba'a, 1991); Marwan Ahmad Sulayman al-'Abdalat, Kharita al-Ahzab al-Siyasiyya alUrdunivya (Map of Jordanian Political Parties) (Amman: Dar al-'Ubra 1992); and Sulayman Suways, "Kharita al-Ahzab al-Siyasiyya fi al-Urdun" (A Map of Political Parties in Jordan), Al-Urdun Al-Jadid (1990), pp. 122-41. Beginning in 1993, the New Jordan Research Center also began publishing studies on individual political parties, as part of a series of short books on civil society and political life in Jordan.

36. For an analysis of the political and economic aspects of the liberalization program, see Laurie A. Brand, "Economic and Political Liberalization in a Rentier Economy: The Case of the Hashemite Kingdom of Jordan," in Iliya Hank and Denis Sullivan, eds., Privatization and Liberalization in the Middle East (Bloomington: Indiana University Press, 1992), pp. 167-88.

37. Interviews with Jordanian foreign ministry officials, Amman, February and March, 1993.

38. Interviews with Jordanian economists at the Ministry of Industry and Trade and with officials in the Ministry of Planning, Amman, February and March 1993.

39. See also Brand, Jordan's Inter-Arab Relations: The Political Economy of Alliance Making, pp. 234-35, 273, 283-84.

40. See the discussion in Timothy J. Piro, "The Domestic Bases of Jordan's Foreign Policy: State Structures, Domestic Coalitions, and the National Interest." Paper presented at the annual meeting of the Middle East Studies Association, Research Triangle Park, North Carolina, 11-14 November 1993.

41. Ibid., p. 15.

42. Ibid., pp. 13-16.

43. Interviews with officials at the Ministry of Industry and Trade, Amman, March 1993.

44. Many current government officials or business people interviewed for this study were former army officers, with strong familial ties both within government and within private and public sector companies, especially construction-related firms.

45. Wahby, "The Arab Cooperation Council and the Arab Political Order," p. 61.

46. Max Rodenbeck, "Egypt: Alignments," Middle East International. 17 February 1989, pp. 8-9. For a more detailed discussion of the limits of inter-Arab trade in the competitive, rather than complementary, economies of the region, see Rodney Wilson, "The Economic Relations of the Middle East: Toward Europe or Within the Region?" The Middle East Journal 48, no. 2 (Spring 1994), pp. 268-87. Wilson notes that the integration of Europe had the additional effect of constraining market access for outside exporters such as the Arab states. The decline in trade flows to Europe, he argues, could be compensated by greater local trade integration, but by the mid-1990s few serious steps had been taken in this direction.

47. Rodenbeck, "Egypt: Alignments," p. 9.

48. Middle East Economic Survey 32, no. 20 (20-27 February 1989), p. A8.

49. This may have been, however, the most optimistic scenario. Interviews at Jordanian foreign ministry, April 1993.

50. Some political elites even speculated on the possibilities of Israel joining in a broad regional customs union if peace were achieved. Interviews with Jordanian government officials, Amman, March and April 1993.

51. See Amatzia Baram, "Baathi Iraq and Hashemite Jordan: From Hostility to Alignment," The Middle East Journal 45, no. I (Winter 1991), pp. 51-70, and Laurie A. Brand, "Economics and Shifting Alliances: Jordan's Relations with Syria and Iraq, 1975-81," International Journal of Middle East Studies 26, no. 3 (August 1994), pp. 393-413.

52. Middle East Economic Survey 32, no. 19 (13-20 February 1989), p. BI.

53. Economist Intelligence Unit, Jordan: Quarterly Economic Report, no. 1 (1989), p. 1.

54. Economist Intelligence Unit, Jordan: Quarterly Economic Report, no. 2 (1989), pp. IQ-11.

55. Economist Intelligence Unit, Jordan: Quarterly Economic Report, no. 3 (1989), p. 13.

56. These included Jordan's professional associations for doctors, engineers, lawyers, and business people. See "Its Reckoning Time for Jordan," The Middle East (June 1989), pp. 26-27.

57. One of the leading critics in this regard was member of parliament, and former minister in the Rifa'i government, Dhuqan al-Hindawi. Economist Intelligence Unit, Jordan: Quarterly Economic Report, no. I (1990), pp. 8-11.

58. Interviews with Jordanian foreign ministry officials, Amman, February and March 1993.

59. Interviews with Jordanian government officials, Amman, March 1993.

60. For an analysis of the Gulf crisis and war, see Curtis R. Ryan and David L. Downie, "From Crisis to War: Origins and Aftermath Effects of the 1990-91 Persian Gulf Crisis," Southeastern Political Review 21, no. 3 (Summer 1993), pp. 491-510.

61. Interviews with Jordanian foreign ministry officials and former cabinet ministers, March and April 1993. See also, Ben Lynchfield, "Cairo Shies Away From Iraqi Military Alliance," Jerusalem Post, 23 April 1990.

62. Interview with a former Jordanian prime minister, Spring 1993.

63. Interviews in Amman, Ministry of Foreign Affairs, April 1993.

64. The Jordanian attempt at moderation and at finding a middle path between Iraq and the US-led coalition was influenced by a number of factors: Jordanian domestic pro-Iraqi pressures, deep economic dependency on Iraq, a genuine fear of a war spilling over into conflict between Iraq and Israel (to be fought in Jordan presumably), and the fear of a permanent rift within the

ACC. Interviews with foreign ministry officials, Amman, March and April 1993.

65. These conclusions stand in contrast to those of theorists such as Stephen Walt, who retains the traditional focus on an external balance of threats. They lend empirical support to the work of those scholars who have argued for the importance of domestic politics (such as Barnett and Levy) or economic variables (such as Brand). See Walt, The Origins of Alliances; Barnett and Levy, "Domestic Sources of Alliances and Alignments: The Case of Egypt, 1962-73," pp. 369-95; Brand, Jordan's Inter-Arab Relations: The Political Economy of Alliance Making; and Brand, "Economics and Shifting Alliances: Jordan's Relations with Syria and Iraq," pp. 393-413.

66. See Michael N. Barnett, "Sovereignty, Nationalism, and Regional Order in the Arab States System," International Organization 49, no. 3 (Summer 1995), pp. 479-510; and Michael N. Barnett, "Institutions, Roles, and Disorder: The Case of the Arab States System," International Studies Quarterly 37 (September 1993), pp. 271-96.

67. Interviews with former cabinet ministers, Amman, March and April 1993. 68. Even if they, too, have not approached the level of integration that one finds in the European Union. 69. Interviews with former cabinet ministers, Amman, March and April 1993. 70. For elaboration on these points, see Curtis R. Ryan, "Jordan in the Middle East Peace Process: From War to Peace with Israel," in Ilan Peleg, ed., The Middle East Peace Process: Interdisciplinary Perspectives (Albany: State University of New York Press, 1998).

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