



## The new Sultan: Oman's Regional and Domestic challenges

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*Despite speculations of a rocky transition of power, Sultan Haitham bin Tariq Al Said's succession at the Omani throne was swift and according to the wishes of the late Sultan. While he declared that he will follow the principles set by Qaboos in terms of foreign policy, the new ruler will have to prove Oman's commitment to neutrality and its position as intermediary in negotiations, at a time of great regional turmoil. Meanwhile, Oman has to tackle its economic and social challenges at home, in order to continue to project its international soft power.*

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The year 2020 brought about multifaceted developments in the Middle East; from the assassination of the top Iranian general Qassem Suleimani by the United States, to the US-proposed peace plan for the resolution of the Palestinian-Israeli conflict, to another significant change in Oman: Sultan Qaboos bin Said al- Said, the longest-ruling Arab monarch in modern history, passed away on January 10 at the age of 79. He rose to power in 1970, when, with help from Britain and the Shah of Iran, he deposed his father and suppressed an internal uprising. Soon he set out a program of rapid development and modernization, exploiting the country's oil reserves, but also put an end to Oman's international isolation. Qaboos also managed to unite a country with diverse population and forge a national identity along the lines of Ibadism, the branch of Islam that the majority of Omanis follow. Qaboos was extremely popular among his subjects, most of whom had not lived under any other ruler.

As the late Sultan's health was deteriorating, elaborate discussions were held about who might be his successor, and how his death might affect the country and the region. Qaboos himself had announced that he had written the names of two potential successors, in descending order, and placed them in two sealed envelopes.<sup>1</sup> According to Article 6 of the Sultanate's basic law, these letters would be used only if the royal family failed to name a successor within three days. However, the transition of power was swift and smooth, as the name of the successor was announced the day after his burial; the Family Royal Council called upon the country's Defense council to open Qaboos's letter on a state TV broadcast, and thus naming Haitham bin Tariq Al Said as the dynasty's heir. With this gesture, the royal family wanted to project continuity, cohesion and unity, by blindly trusting the late Sultan's wishes.<sup>2</sup>

The choice Haitham bin Tariq Al Said as the new ruler highlights the direction Qaboos wanted his country to follow after his demise. Sultan Haitham, an Oxford graduate who is known through his various roles at the Ministry of Foreign Affairs and as Minister of National Heritage and Culture since 2002, was also appointed in 2013 as head of the committee for developing Oman Vision 2040, a project aiming at diversifying Oman's economy. What is more, he is also known as a businessman, a shareholder of many companies and business ventures, as well as involved with the ill-fated Blue City project.<sup>3</sup> Haitham has the knowledge and the expertise to follow the same path as his predecessor in terms of international and domestic policies.

In his first remarks, Sultan Haitham declared that he will follow the principles that characterized Oman's foreign policy during the reign of Qaboos, promoting peaceful coexistence and good neighborly behavior.<sup>4</sup> The late Sultan shaped Oman's international policy, making the country known for its neutrality and its ability to retain close relations between adversaries. Back in the 1980s, Oman hosted peace talks aiming at ending the Iran – Iraq war. In the more recent conflicts, Oman led hostage-release negotiations in Yemen, and hosted indirect peace talks between Saudi Arabia and Houthi rebels in November 2019.<sup>5</sup> The Sultanate was the only Gulf country that kept its embassy in Damascus open throughout the war in Syria. Oman also offered an important backchannel of communication between the United States and Iran that ultimately led to the historic nuclear deal in 2015. What is more, Oman refused to join the Saudi-led blockade of Qatar in 2017, following its tradition of remaining politically neutral, and actually strengthened their economic relations.<sup>6</sup> It has also been reported that Oman offered to broker contacts between Iran and Israel in 2013, but the latter refused.<sup>7</sup>

Even if the new Sultan vows to follow his predecessor's international policy, regional powers might try to influence Oman now that its leadership has changed. Saudi Arabia has for some time pressured Oman to move away from Iran, and this pressure might transform into a withdrawal of investments;<sup>8</sup> for its part, Iran needs to preserve its unique relationship with Oman, especially in case of deterioration of the rift with the US. However, there is no reason to expect Oman to change its stance towards Iran; Oman needs to cooperate closely with Iran as they share sovereignty of the strait of Hormuz; what is more, it is the balance between Iran on one hand and Arab and Western allies on the other that has enabled Oman to stay neutral and oppose the expansionism of Saudi Arabia.<sup>9</sup>

In regards to the US-Oman relations, it is clear that the United States still consider Oman an important regional ally, as it was one of the three Arab representatives –along with the UAE and

Bahrain– that were present at the unveiling of Trump’s Peace plan on January 28.<sup>10</sup> Yet it is not certain if Oman will enjoy the same privileges as in the past, particularly should the US decide to toughen their position towards Iran, as it is likely that Oman will be deemed too close to Iran. At the same time, there are very few US allies that can act as a bridge between these two countries, and Oman’s expertise as an intermediary will prove to be very important in the de-escalation of the crisis. In addition, Oman has recently strengthened its relationship with Britain, one of its oldest allies, by signing, in 2019, a “Comprehensive Joint Declaration on Enduring Friendship”, establishing a new Omani – British Joint Training Area, enabling British troops to be permanently positioned in the Gulf;<sup>11</sup> it is unlikely that Britain will abandon Oman, as it is seeking to re-establish its position as a regional power in the post-Brexit era.

Nevertheless, the Sultan also faces challenges at home. Since the collapse of global oil prices in 2014, the country has a consistent fiscal deficit and has taken deep austerity measures. The International Monetary Fund predicted that Oman’s debt will reach 61% of GDP by 2020, while the country still has to face the underlying causes, which is its heavy reliance on oil revenue and the lack of a diversified economy. In its turn this fuels social challenges, as the unemployment rates among 15-24 year olds is at 49%, in a country where 46% of its citizens are under 19.<sup>12</sup> The discontent was evident since 2011, when Omanis took the streets to protest unemployment, the cost of living and political freedom. While the new Sultan urges young people to seek employment in the private sector, government policies to tackle unemployment have had limited success and resulted in social inequalities and poverty. Sultan Haitham has himself supervised Oman’s Vision 2040, stating that 93% of the economic activity should derive from non-oil sectors and that 42% of Omanis should be employed in the private sector; yet its implementation will have to rely on a number of political decisions that would have to undercut the economic privilege of the merchant and royal elites, where the Sultan himself is invested as a businessman. Should he fail to tackle the economic challenges, the Sultan might lose the support of his subjects, who support him, for now, largely due to the legitimacy bestowed to him by Qaboos.

To sum up, Oman has gone to great lengths to emphasize continuity and cohesion in the post-Qaboos era, in both domestic and foreign affairs. Oman’s gravitas as a neutral party could become a key player in the de-escalation of regional conflicts. Yet the new Sultan will have to prove to his allies that he is as reliable as his predecessor, with the ability to keep Oman neutral and unbiased in regional conflicts, and with dexterity in mediating conflicts. In addition, Sultan Haitham will have to retain the support of his subjects, by dealing with the complex socio-economic challenges of an oil-dependent country. Ultimately, the legitimacy of the new Sultan will be based on performance.

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