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External Security and Regional Integration: The GCC at a Crossroads

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Since the night of 28 February 2026, the armed conflict between the US, Israel, and Iran has not only directly affected the belligerent states but has also spilled over to neighbouring countries in the Persian Gulf, including Kuwait, the United Arab Emirates, Qatar, Bahrain, and Saudi Arabia.

For the first time since the Gulf War in 1991, military hostilities involving Iran have extended to the surrounding Gulf countries. Beyond the loss of civilian life, infrastructures in Gulf countries have been caught in the crossfire, including oil refineries, international airports, and notable skyscrapers such as the Dubai International Financial Centre (DIFC). This has occurred despite the Iranian claim that its attacks target only US military facilities.²

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² NHK WORLD, “Araghchi: Iran’s Attacks Target US Military Assets, Not Civilian Locations | NHK WORLD-JAPAN News,” NHK WORLD, March 16, 2026, https://www3.nhk.or.jp/nhkworld/en/news/20260316_03/.

The Gulf states present an important case of regional integration. The Gulf Cooperation Council (GCC) was founded in 1981. At first, the common security concern was the primary motivation for the creation of GCC. The war between Iran and Iraq posed an immediate threat to the peace and stability of the region. Nevertheless, the organisation itself has not positioned itself as a common defense alliance comparable to NATO. Instead, the GCC positioned itself as a platform focused on promoting economic and sociocultural cooperation.³⁴

The GCC has achieved great progress in integration despite its limited security mandate. In 2003, the bloc successfully introduced the customs union, eliminating the external tariff to 5% on most commodities. In 2008, the GCC Common Market was established, allowing the free movement of labour and capital among the GCC countries. The GCC has also pursued free trade negotiations with key partners, including Singapore and the European Free Trade Association (EFTA), which were concluded in 2008 and 2009. Today, negotiations are ongoing with Australia, Japan, Malaysia, and the United Kingdom.

Integration among Gulf countries continues to deepen through new initiatives, including the introduction of a unified tariff code in 2025, the GCC Unified Visa expected to be launched in 2026, and the planned completion of the GCC Railway Project in 2030.⁵ In sum, despite the stalled progress toward the GCC Monetary Union and the diplomatic crisis with Qatar in 2017, these

³ Bartosz Bojarczyk, "The Gulf Cooperation Council - Regional Integration Mechanism," *Annales UMCS, Sectio K (Politologia)* 20, no. 1 (2013), <https://doi.org/10.2478/v10226-012-0022-x>.

⁴ Despite the main motivation from common security concerns, Gulf States did not want the GCC to be perceived as a direct challenge to larger powers in the region, namely Iran and Iraq. Nevertheless, the GCC also has a security cooperation framework under the GCC Unified Military Command, founded in 1984. On top of that, common military cooperation under the GCC was mostly against the internal issue, rather than against an external threat, eg, the GCC's intervention in the Bahraini Uprising in 2011.

⁵ The GCC Railway Project, first proposed in 2009, aims to connect Kuwait City to Muscat through a 2,177 km-long single rail network, passing through Kuwait, Saudi Arabia, Bahrain, Qatar, the UAE, and Oman. However, the project has faced numerous challenges due to the plan's inconsistency in national planning, and financing constraints due to oil price fluctuation.

developments nonetheless demonstrate sustained progress and commitment among GCC states to advance regional integration.

Explaining the relative success of GCC integration remains a subject of debate. From a neofunctionalism perspective, the GCC integration is driven by interaction between subnational actors—such as ruling elites and business groups—and supranational actors, that is, regional institutions. Supposing that the Gulf ruling elites perceive economic interdependence as beneficial to their interests, they are expected to promote deeper integration and generate spillover effects that transfer aspects of regional governance to the newly created regional institution. In this context, the GCC has played an active role in institutionalising cooperation through the GCC’s governing bodies such as the Supreme Council, the Secretariat, and the Ministerial Council.

However, the neofunctionalist interpretation faces important limitations in the Gulf context. Unlike Europe, independent business group actors played a limited role in regional integration as almost all key firms remain state-owned. Moreover, the supranational authority of the GCC remains weak, as heads of Gulf States have been reluctant to transfer partial sovereign competencies to the GCC, which has been one of the principal obstacles preventing the establishment of the GCC Monetary Union.⁶

The intergovernmentalism framework provides an alternative explanation by emphasising the role of states in driving integration. With this perspective, the shared security threat posed by the Iran-Iraq War was the principal catalyst driving the creation of the GCC, as Gulf countries sought collective mechanisms in pursuing survival protection and stability. Furthermore, the

⁶ The United Arab Emirates decided to withdraw from the GCC Monetary Union due to the other members’ decision to locate the joint central bank in Riyadh, Saudi Arabia, instead of in the UAE in 2009. For more information, see: Daliah Merzaban, “UAE Withdraws, Weakens Gulf Monetary Union Plan,” U.S. Markets, *Reuters*, May 20, 2009, <https://www.reuters.com/article/markets/us/uae-withdraws-weakens-gulf-monetary-union-plan-idUSLK364622/>.

provision of regional public goods, such as security or economic coordination, remains uneven among member states, reinforcing the state-centric nature of integration within the bloc.⁷

While both neofunctionalism and intergovernmentalism offer valuable insights, neither fully captures what may be the most critical factor enabling GCC integration: the security guarantees provided by external actors outside the region, first by the United Kingdom, and later by the United States.

Following the fall of the Ottoman Empire, the Gulf emirates became British protectorates, relying on the British military protection stationed in the Region. This arrangement persisted until the late 1960s, when the British government's decision to withdraw all troops from "east of Suez". The withdrawal resulted in the formation of the newly independent states, namely Bahrain, Qatar, and the United Arab Emirates, creating a vacuum of hegemonic power in the Persian Gulf region.

This vacuum was filled by the United States presence in the region. In response to the Soviet invasion of Afghanistan in 1979, the Iranian Islamic revolution, and the subsequent Iran-Iraq War, the United States introduced the 'Carter Doctrine' in 1980, declaring that the security of the Persian Gulf constituted a vital national interest.⁸ Since then, the US has significantly expanded its presence and military infrastructure in the Gulf Region, establishing the Rapid Deployment Joint Task Force (RDJTF),⁹ and expanding the US Air Force facilities in Oman and other Gulf Countries. Over time, the US security umbrella became embedded in the regional order. Following Iraq's invasion of Kuwait in 1990, the Gulf countries became increasingly reliant on the US military shield.¹⁰

⁷ Kristian Coates Ulrichsen, "Missed Opportunities and Failed Integration in the GCC," *Arab Center Washington DC*, June 1, 2018, <https://arabcenterdc.org/resource/missed-opportunities-and-failed-integration-in-the-gcc/>.

⁸ "Foreign Relations of the United States, 1977–1980, Volume XVIII, Middle East Region; Arabian Peninsula," Office of the Historian, accessed March 18, 2026, <https://history.state.gov/historicaldocuments/frus1977-80v18/d45>.

⁹ Later became the United States Central Command (CENTCOM) in 1983. Until present, CENTCOM operates as the US command centre for military operations in the Middle East, including the ongoing armed conflict with Iran.

¹⁰ Bojarczyk, "The Gulf Cooperation Council - Regional Integration Mechanism."

The external security guarantee by the US military presence has been crucial not only for regional stability but also for the economic development and integration of the Gulf states. The establishment of the GCC in 1981 occurred only one year after the introduction of the Carter Doctrine. The security provided by the US enables Gulf countries to channel resources into infrastructure development, including ports, international airports, and financial centres. These investments supported both oil production and broader oil diversification strategies that have underpinned the region's economic engines.

The War that began on 28 February marks a potential turning point for the security architecture in the Persian Gulf Region. The damage from the conflict has demonstrated that the U.S. military presence may no longer function as a fully credible shield guaranteeing stability in the region, as Gulf states themselves become targets in the confrontation with Iran. The security architecture underlying decades of economic integration appears increasingly fragile. This raises an urgent question: if reliance on the United States cannot fully guarantee regional security, what alternatives are available to the Gulf states, and who will bear the costs of it?

Diversifying security partnerships is a possible option, including security cooperation with China. China possesses extensive economic ties with the Gulf countries, as it surpassed the European Union as the largest trading partner with the bloc in 2019. China has also been involved in key development projects in GCC countries, for instance, Lusail Stadium in Qatar, and the high-speed rail in Saudi Arabia.¹¹

Nevertheless, GCC countries are cautious about tightening security cooperation with China due to their longstanding commitment to the US security umbrella. The political pressure from

¹¹ Adel Abdel Ghafar, "Sino-GCC Relations: Past, Present, and Future Trajectories," *Middle East Council on Global Affairs*, June 1, 2022, <https://mecouncil.org/publication/china-gcc-relations-past-present-and-future-trajectories-2/>.

Washington, such as the Trump administration's threats regarding purchasing weapons from China. The introduction of the “Monitoring China-UAE Cooperation Act” and suspension of the F-35 deal, following the UAE’s 5G deal with China,¹² demonstrate the US pressure on the cooperation between GCC countries and China in the sensitive area.

In this context, GCC countries may draw lessons from ASEAN’s approach to ‘centrality’. By positioning the GCC as an open and inclusive platform capable of welcoming multiple external partners, this option could allow greater participation of global powers without directly undermining U.S. involvement in the region, offering GCC states greater flexibility in balancing both economic and security relationships and maintaining strategic autonomy. Additionally, strengthening engagement with other multilateral organisations and middle-power coalitions is another alternative to amplify their diplomatic influence. For example, deepening cooperation with the ASEAN bloc would help to amplify the voices of inter-regional cooperation on issues with common concerns on the global stage. In addition, the UAE’s accession to BRICS signifies an attempt to diversify partnerships on the global stage. However, the presence of Iran within the same grouping may limit GCC members from utilising BRICS as a platform for addressing their regional security concerns.

In sum, the ongoing conflict reveals the structural weakness underlying the Gulf’s integration model: its longstanding reliance on an external security guarantor. For decades, the U.S. military presence has provided the stability necessary for economic interdependence. Yet recent developments demonstrate that this security guarantee is no longer fully credible, as Gulf states themselves have become exposed to regional spillover risks.

¹² Ghafar, “Sino-GCC Relations.”

This raises critical questions about the sustainability of the Gulf integration model. If external protection can no longer be taken for granted, Gulf states must reconsider how regional security is organised, financed, and institutionalised. For the GCC, this juncture represents both crisis and opportunity. While diversifying security partners, such as China, may appear pragmatic, overreliance on any single external actor risks reproducing similar vulnerabilities.

Strengthening regional security cooperation within the GCC itself could be a viable option. Drawing on ASEAN's experience in cultivating "centrality," complemented by a flexible, multi-aligned external strategy, the GCC could enhance its strategic autonomy by positioning itself as an inclusive platform capable of engaging all major powers. Such a recalibration would allow Gulf states to safeguard regional stability, protect economic gains, and project a more unified diplomatic stance in an increasingly fragmented world order. Without a credible security framework, the sustainability of the Gulf economic integration is likely to be threatened.