

SECURITY ISSUES in the
MIDDLE EAST

Quarterly Analysis

June 2002

The Institute for Foreign Policy Analysis

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A lull appears to have fallen over the Middle East after the events of the past nine months. Attention has shifted to South Asia and the potential for war, conventional or nuclear, between India and Pakistan. Israel has pulled back from ongoing occupation of portions of the West Bank, and has adopted a strategy of short raids into the Palestinian territories in response to continuing suicide attacks. Near-term political efforts to rush the two sides into a peace deal are clearly on hold. Riyadh and Washington appear to have patched up their relationship for the time being, and the Bush administration has refocused on how to prevent the next al Qaeda attack at home and on setting up a more permanent and stable government in Afghanistan rather than planning for a near-term try at Saddam Hussein. However, to interpret this period of calm in the region as anything more than fleeting would be a mistake.

While predicting the exact timing of the next cycle of violence and calm is extremely difficult, there should be no doubt that the situation is still very much in flux and will not settle into another long period of calm until after more violently-wrought political change. The next bout of violence is more difficult to predict than in the past in part because non-state actors and individuals are more significant players in this era. While not taking *New York Times* columnist Thomas Friedman's "super-empowered individual" thesis completely at face value, in the current situation in the Middle East, and in South Asia, small groups of individuals could have an outsized impact. If another al Qaeda attack is launched on the United States, Washington could react even more swiftly and violently against remaining cells or state sponsors, if any can be identified. Palestinian terrorists, acting under orders from the Palestinian Authority, or on their own, could set off an Israeli action that would dwarf Operation Defensive Shield if they succeed in causing huge numbers of Israeli casualties. An attack on the scale of the September 11 attacks, if it occurred in Israel, could initiate IDF operations to push Palestinians out of the West Bank and/or Gaza completely or could initiate the construction of a Berlin Wall in the Middle East – what has come to be known as "unilateral forced separation." A terrorist attack using a weapon of mass destruction, of course, would also change the dynamics unalterably. It is somewhat puzzling that an attack of this sort has not yet been attempted by one of the Palestinian groups.

Overview

While non-state actors will be playing larger roles than ever before in shaping the future of this region, several key states will still have a substantial influence in responding to catalytic events such as terrorist attacks. The policies of those states will determine the ultimate political shape of the region when the fighting eventually stops. Over the next year to two years, the key states that will determine the region's fate will be Iraq, Israel, and the United States. While some may argue that other influential Arab states such as Egypt or Saudi Arabia will matter, their policies will likely be reactive. It will be the actions taken in Washington, Baghdad, and Tel Aviv that will determine what happens, when it occurs, and what the shape of the region will be when the fighting winds down. What, then, are the key indicators to look for to both be able to anticipate the timing of the next impulse of violence and the contours of the political environment when it is over?

For the United States, the key is to watch President Bush and listen to what he says publicly. While the media lives for the anonymous insider who leaks dissent with the direction of the administration's policy, on issues of war and peace only the president can make the final decisions. This may appear overly simplistic, but the current Bush administration is going to follow the pattern of the previous Bush administration in these matters. During Operation Desert Shield, there was a great deal of second-guessing and anonymous worrying that took place in public. Behind closed doors, however, the president was resolute, and he made that clear time and again to those who worked for him. The most recent press leak that proclaimed the U.S. Joint Chiefs of Staff worried about an invasion of Iraq mirrors closely early objections in the fall of 1990. A closer reading of the concerns shows that they were mostly about timing, methodology, and public support, not about a go/no go decision. The U.S. military is savvy enough to know that it should not argue war and peace issues openly, even if leaked anonymously. The President's public utterances, such as his speech at the U.S. Military Academy and in the upcoming National Security Strategy (an annual,

public document that provides the general outlines of America's global and regional foreign policy and national security strategies), are responses to worries within the administration and signals of his resolve to friends and foes alike. They are also policy statements that draw lines, in part by design, that back the President into a political corner. Unnamed doubters who talk to the press can back down if their worries are addressed or they find themselves not on the President's side. A chief executive who declares his intentions publicly cannot do so without enormous political costs. President Bush is aware of this fact, as are his closest advisors. Bush Sr. was also aware of it when, early on in the 1990 crisis, he stated "this [the invasion of Kuwait] will not stand." The result then was Operation Desert Storm.

In Israel, the key indicators to watch are the Israeli people. So far, despite the unpredictable violence and large doses of international condemnation for Israel's response to it, the citizens of Israel have neither voted with their feet to leave nor have they indicated a loss of faith in the government of Ariel Sharon. Quite the contrary, despite dire predictions by the Labor Party of what would come to pass if Sharon were elected Prime Minister, his popular support remains very high, even though many of the predictions of violence and isolation have come true. The Israeli left, long proponents of a peace process and peaceful co-existence with the Palestinians, has essentially been silenced by the Palestinian violence. Until it ebbs considerably, they will remain marginalized. Therefore, look for continuity in Israeli policies toward the Palestinians and the Palestinian Authority, or what is left of it. So far, no Israeli political figure has articulated an alternative vision of how to cope with the violence that has produced any traction. As long as that is the case, Sharon will remain in power, and the Israeli people will provide him with the resources he needs to keep both Arafat and his international supporters at bay. If Arafat allows the suicide bombings to increase significantly in scope or tempo, Sharon will not hesitate to either kill or exile him, despite the outcry that such a move may bring. That too would be an obvious indicator – one that the Palestinians will have to raise up a new leadership and devise a new strategy to win for themselves the international legitimacy that they have been seeking.

In Iraq, as always, indicators are the most difficult to find. Saddam Hussein has proven himself an almost unpredictable leader. While his in-

terests are clear – remaining in power, the expansion of his power over neighboring states, and if possible revenge on the United States and its supporters – his calculations of how those interests are best served remains a mysterious formula indeed. The latest rounds of shadow boxing with the United Nations are just that. The ruler in Baghdad can acquiesce to weapons inspections at any point, almost instantaneously. The jockeying with the United Nations is for show and to keep the Arab world as discomfited as possible with the United States beating the war drums. Similarly, moves by Baghdad in the March Arab League meeting, including pledges to not ever invade Kuwait again, are so much eyewash designed to build a bulwark against potential future U.S. attacks on Iraq. Almost no attention should be paid to statements out of Baghdad on either inspections or peaceful coexistence with its neighbors until the United States has deployed 200,000 troops in the region and it is clear that an invasion is nigh.

The Palestinians' "Tet Offensive" Falters, for Now

History may judge Operation *Defensive Shield*, Israel's five-week combined-arms offensive in the West Bank, to be a latter-day – and less successful, so far at least – version of the 1968 Tet Offensive. Just as Palestinian militants have unleashed a suicide-bombing campaign in an effort to demoralize Israel, Vietcong insurgents launched a massive uprising to undercut the U.S. war effort in Indochina. The Vietcong succeeded – but not by defeating American forces in the field. Rather, the insurgents parleyed a tactical defeat of striking proportions into a humiliation for President Lyndon Johnson. By showing that the American war effort was nowhere near the victory confidently predicted in Washington, the Vietcong eroded public support for the war and handed a powerful political weapon to the anti-war movement. Ultimately, the collapse of public backing for the campaign in Vietnam induced the Nixon administration to withdraw U.S. forces from Southeast Asia – leaving South Vietnam to the tender mercies of Hanoi.

After suffering defeat after defeat at the hands of the Israeli Defense Force (IDF) in March-April 2002, Palestinian spokesmen set out to work a similar feat of political alchemy. The battle at Jenin provided most of the grist for their propaganda mill. Upon entering the Jenin refugee camp, long a locus of terrorist operations and infrastructure, IDF soldiers encountered fierce resistance from Palestinian militants – aided in some cases, according to statements by some of the militants after the battle, by non-combatant women and children. Between gunfire, booby-trapped buildings, and other inventive tactics, the Palestinians managed to kill twenty-three Israeli soldiers. But Ariel Sharon's government had closed Jenin to reporters – inflaming suspicions throughout the international community. Sharon has been a whipping-boy of Western elites since the 1982 invasion of Lebanon, when, as minister of defense, he stood accused of looking the other way during a massacre of Palestinians by Lebanese Christian militiamen. Many are primed to believe the worst of him. In short order, consequently, speculation and outright accusations that the IDF was perpetrating a massacre coursed through the international community and the press – particularly Arab and European news outlets. A "crime of especial notoriety," blared the *Guardian*, Britain's influential left-

security issues and

Israel

leaning daily, in one of its more restrained commentaries on the fighting at Jenin. Representatives of the Palestinian Authority (PA) obligingly flooded the Western airwaves with claims that the Israelis had slaughtered several thousand innocent civilians; the estimates were soon scaled back to a figure of five hundred when it became obvious that such a high figure was untenable, even taking into account the anti-Israel drift of world opinion. In effect they sought to legitimate an ends-justifies-the-means logic for the *intifada*. By Palestinian lights, Israel's sins – chiefly the "illegal occupation" of the West Bank and Gaza – were so egregious that they excused terrorist attacks on Israeli civilians. Since the Jewish state was waging an unjust war, furthermore, even inadvertent casualties inflicted by the IDF should be considered war crimes.

Though unfounded in international law, the strident Palestinian arguments found a receptive audience at the United Nations, where Secretary-General Kofi Annan ordered the creation of a fact-finding commission to investigate the actions of IDF troops, claims that many of the Palestinian victims had been buried in mass graves, and so forth. After initially welcoming the U.N. inquiry, Prime Minister Sharon performed an about-face and rebuffed the demands of Kofi Annan. There were two reasons for Sharon's change of heart. First, the outpouring of anti-Israel sentiment throughout the world community – including U.N. circles – suggested that the results of the inquiry were foreordained in the Palestinians' favor. Second, outside scrutiny rendered the claims of a massacre moot. Palestinian officials were forced to reduce their fanciful casualty estimates drastically. At last count, the PA estimated total deaths at around sixty – including combatants – while the Israeli count was forty-six, and human-rights groups issued figures somewhere in between. Tel Aviv saw little reason to submit to a U.N. investigation when there was scant evidence to warrant one.

Unlike the North Vietnamese three decades before, then, Yasser Arafat's representatives were unable to make their depictions of an Israeli massa-

cre stick – and thereby convert military disaster into political triumph.

Defensive Shield Muddies the War on Terrorism

Whatever else it accomplished, Operation Defensive Shield helped clarify the nature of the relationship between the United States and the Jewish state. Two contradictory myths color outsiders' perspectives on U.S.-Israeli relations: (1) that Israel directs U.S. policy by means of the shadowy "Jewish lobby" in Congress, and (2) that American presidents have the ultimate say in Israeli actions by virtue of the billions in military aid provided to Israel annually. While there is some merit to both myths, neither is strictly true. Defensive Shield showed that, while Israeli prime ministers are deferential in normal times, they are willing to defy Washington when a vital national interest – especially survival – is at stake. Threats to curtail U.S. military aid avail little in such an atmosphere. Prime Minister Sharon cannot ignore the entreaties of George W. Bush, but neither is he Bush's lackey. Differing perspectives on the *intifada* in Israel and the United States could drive a wedge into the relationship, damaging the global anti-terrorist campaign.

Now, why do Israeli officials believe their national survival is at stake? Some observers dubbed the Passover seder massacre, in which a suicide bombing claimed over twenty lives at a religious feast, "Israel's September 11" – an event so traumatic that it jolted the populace, whose political views had already been edging rightward, and their elected representatives into massive military action. Military defeat, and the outright extinction of Israel, is a secondary concern for Tel Aviv; no amount of terror attacks could overwhelm the potent IDF, and the Arab states, despite their oft-professed fealty to the Palestinian cause, have little appetite to risk another military humiliation at Israeli hands. Rather, Israeli officials fear that rampant feelings of insecurity among the Israeli people will induce many of them to emigrate – leaving the Arabs to win by default. This perceived mortal threat justifies unlimited political and military aims to thwart the *intifada*. Appeasing Washington takes a back seat in Tel Aviv's political calculations.

The Bush Doctrine – the with-us-or-against-us formula on terrorism enunciated by George Bush in January – left the president vulnerable to Is-

raeli appeals for support in its military offensive. Speaking before the U.S. Senate, apparently at Ariel Sharon's behest, former prime minister Benjamin Netanyahu upbraided America for losing sight of its conviction that "terrorism is an indivisible evil and that the war against terror must be fought indivisibly." Yet the Bush administration takes a less apocalyptic view of the Levantine fighting. They point to the vast superiority of the Israeli military over any likely combination of foes. And they have a war of their own – a global war – to prosecute. For many in the administration, then, Israel's battle with the Palestinians is only a sideshow – albeit a nettlesome sideshow that could jeopardize the main push against Saddam Hussein's Iraq. U.S. officials reason that the Arab states will balk at supporting the forcible removal of an Arab government unless the administration exerts itself on behalf of an Arab-Israeli peace – and imposes forbearance on Ariel Sharon.

Washington's solution to the dilemma posed by Operation Defensive Shield was one of calculated delay and ambiguity. President Bush dispatched Secretary of State Colin Powell to the region in a bid to orchestrate a ceasefire – but Powell took a roundabout path to the region that gave Sharon a breathing space to root out terrorist infrastructure in the West Bank. Bush demanded a swift withdrawal of Israeli forces – but he settled for token pullbacks from several towns, which took place only when Israeli military objectives were attained. He directed the U.S. ambassador to the U.N. to support the Security Council resolution authorizing an inquiry into the fighting at Jenin – but he uttered not a peep of protest when Prime Minister Sharon rejected U.N. plans for an investigation. So long as Tel Aviv refrains from some rash action, such as expelling the Palestinians wholesale from the West Bank and Gaza, Bush will continue to acquiesce uneasily in Israel's use of force in the disputed territories.

What's Next?

The shrillness of the attacks on Israel in the Western press dropped off abruptly once Defensive Shield ended. To be sure, the fighting has not come to a final close. Indeed, as this report went to press, a Palestinian car bomb had slain seventeen Israelis on board a city bus in Megiddo, and the IDF had returned to Jenin to carry out reprisals. Yasser Arafat's office in Ramallah was struck as well. What stilled the clamor accompanying the Israel offensive? First, recent events mark a return

to the familiar pattern: terrorist attacks followed by short-lived military incursions. And the tempo of fighting has declined. No longer can the Palestinians and the press point to sustained Israeli military operations as a brutal occupation of Palestinian territory, or as a massacre along the lines of the 1982 incident in Lebanon. Second, and closely related, exposure of the Jenin “massacre” as a fraud temporarily knocked the wind out of the sails of Israel’s critics in the international community. Third, the world’s attention has shifted to South Asia, where the standoff between India and Pakistan – a standoff that could, in the extreme case, escalate into a nuclear exchange – translates into more compelling headlines.

Additionally, the Bush administration’s policy on the Israeli-Palestinian conflict may have succeeded in reducing animosities in the Arab world – and deflecting criticism from itself. How? First, the administration, represented by CIA Director George Tenet is attempting to simplify the organization of the Palestinian security services, on the theory that Yasser Arafat, placed atop a clear chain of command, would rein in any units complicit in terrorist activity. The Tenet mission is a gesture designed to address complaints that Israeli forces eviscerated the Palestinian security services in recent months – complaints that in turn fueled resentment of the United States for its reluctance to curb Tel Aviv’s military tactics.

Second, Washington’s ongoing effort to arrange a grand Middle Eastern peace conference for late July demonstrates America’s commitment to a negotiated peace that includes the founding of a Palestinian state. U.S. diplomats, operating in parallel with European Union foreign-policy czar Javier Solana, have begun canvassing the Middle Eastern governments for support. The Bush administration is reportedly mulling over whether to present its own vision of a final settlement – presumably a variant of the Clinton/Barak proposal from the 2000 Camp David summit – complete with timetables and verification provisions. Working up a definite American proposal would have the dual advantages of giving the antagonists something concrete to discuss, and showing Washington where it needed to apply its muscle. Otherwise, a conference will likely get bogged down in grandstanding, endless haggling over minor details, and mutual recriminations over the *intifada*.

Will a peace conference produce a final settlement? The smart money is against it. Much of the problem comes down to personalities. Ari-

el Sharon opposed the Oslo process during the 1990s – giving him a hawkish reputation that will be hard to shake. While Sharon has genuflected towards the idea of a Palestinian state, he has yet to present any concrete proposals. That may be good strategy – else he might appear to be caving under the Palestinian terror onslaught – but it does make it tough for him to play the peacemaker. Now consider Yasser Arafat. Arafat is either directly in league with terrorist groups, as the trove of documents unearthed by the IDF during Defensive Shield suggests; or he genuinely favors a pacific settlement, but cannot suppress terrorism and thus is unable to deliver on any promises he makes; or he wants a peaceful settlement, but is willing to turn a blind eye to terrorism when he needs to bring pressure to bear on Tel Aviv. Arafat, too, is an unlikely peacemaker.

Ultimately, then, a settlement to the Israeli-Palestinian conflict may require a change of leadership on both sides. Sharon seems determined not to bend under military pressure. However, he could, and probably would, be jettisoned by the Israeli electorate if the suicide bombings abated and he continued to shy away from a U.S.-sponsored peace offer. The situation is less encouraging on the Palestinian side, where erratic policy and mixed signals have been the rule. Since his release from his Ramallah office compound, Arafat has made noises about democratic elections, announced a reorganization of his cabinet – evidently inviting Hamas and other groups guilty of atrocities into the government – and condemned suicide bombings while failing to act aggressively against the terrorist groups that have claimed responsibility for these atrocities. Small wonder Tel Aviv has demanded an ouster of the PA chairman as a condition of attending the proposed peace summit.

Conclusions

Things have come to a dangerous pass in the Levant. Alone among the principals, the United States, by interjecting itself in the conflict, seems to have attained much of what it wanted: The fury directed its way during Defensive Shield has largely receded, and the chances of Arab support for its Iraq policy have brightened commensurately. Yet consider the lessons the Israeli Defense Force and the Palestinian militants may have drawn from the recent military showdown. First the Israelis. The suicide-bombing campaign quieted during the high-tempo phase of fighting. Its mil-

itary offensive thus showed Tel Aviv that terrorism could indeed be stifled – when Israeli forces had reoccupied large swathes of the West Bank, that is, and when they were engaged in full-blown combat with the Palestinian militant groups. Future prime ministers will be inclined to replicate Defensive Shield in the future, and to let America once again provide the necessary diplomatic cover, should the suicide bombings intensify.

Which leads us to the Palestinians. First, the Israeli offensive, particularly the clash at Jenin, showed the Palestinians that there is a reservoir of pro-Palestinian (or anti-Israeli) sentiment in the international community that can be tapped into if they can provoke the Israelis into (1) reoccupying PA-held territory and/or (2) taking new, and more sanguinary, military action that recreates the sympathies on display in during Defensive Shield. They may decide they just need to do more – in keeping with the Tet analogy. Second, the trick to provoking massive Israeli retaliation, and the accompanying international backlash, is to launch even more destructive terrorist attacks on the Israeli populace. And, indeed, the post-Defensive Shield course of events suggests that the militant groups are indeed shifting their tactics in this direction. The foiled bombing of an oil facility and the car bombing of a municipal bus indicate that the militants – whether or not supported by Yasser Arafat – are stepping up their attacks in an effort to multiply civilian casualties.

Both sides, then, have learned that force works. This could be a long, hot summer.

Cosmetic Changes to Sanctions...

After over a decade of sparse results, the U.S. policy of containing Iraq has drawn to a close. Containment has given way to “regime change” – a policy incubated in the late Clinton years but, for a variety of reasons, never aggressively pursued – on the Bush administration’s agenda for the war on terrorism. The September 11, 2001 attacks on the United States were the catalytic event that spurred Washington to make ousting Saddam Hussein the core of its Iraq policy. Recent U.S. maneuvering in the United Nations Security Council bears witness to this shift in attitude. The administration will continue to rely on the Clinton formula – economic sanctions paired with international weapons inspections – but only as a way to keep the pressure on Baghdad while it prepares for a military reckoning with Saddam.

Consequently, the most recent round of great-power negotiation over the oil-for-food program – a semiannual rite since the program was implemented in 1996 – had a whiff of irrelevance about it. In mid-May the Security Council renewed the program for an additional six months and approved modifications to the economic sanctions which the Bush administration had been seeking under the aegis of “smart sanctions.” The final hurdle to an agreement among the veto-wielding members of the council was cleared when Russia assented to a revised, more focused “goods-review list” – that is, the list of dual-use items (specialized explosives, telecommunication equipment, instrumentation and test equipment, equipment for handling microorganisms and toxins, and the like) that could be used to construct weapons of mass destruction and which Baghdad is thus forbidden to import.

Strikingly, Washington quietly dropped the focal element of its smart-sanctions proposals: a Security Council mandate for a crackdown on illicit oil smuggling, both across Iraq’s borders with Jordan, Turkey and Syria and through the Persian Gulf sea lanes. This was no small matter. The U.S. General Accounting Office recently estimated that Saddam’s government had harvested some \$6.6 billion in revenues from illicit oil sales and import surcharges between 1997 and 2001. In 2001 alone, Iraq skimmed \$1.5 billion from smuggling activities – funding that the U.S. State Department maintains was channeled into the nation’s weapons-of-mass-destruction and ballistic-missile programs. Closing the loopholes in the em-

Iraq

bargo was the centerpiece of administration policy before the September 11 terrorist attacks.

Quixotically, Bush administration spokesmen depicted the relaxation of sanctions, seemingly a defeat, as a victory in their campaign to impose smart sanctions on Iraq. Why the about-face? Because Washington hopes to calm resentments fanned in the Arab world by its partiality in the Israeli-Palestinian conflict, and it sees easing up on the embargo as a means to that end. (Refer to the Israel chapter of this report for details.) It viewed enacting a tighter, bedrock goods-review list as a method to ease the flow of purely civilian supplies and machinery into Iraq while continuing to block truly objectionable dual-use items. In so doing, the United States could continue to inhibit Iraq’s covert weapons programs while blunting some of the scorn flung its way over the *intifada* and the hardships the Iraqi citizenry has endured, supposedly products of Western hard-heartedness.

And, in turn, the Arab governments would find it easier to support – or, at least, to refrain from opposing – a military campaign that aimed to unseat an Arab ruler. In short, then, the most recent wrangling over the oil-for-food program was part of Washington’s diplomatic preparations for war. By burnishing America’s reputation in the Muslim world, George W. Bush hoped to deprive Iraq of its most effective weapon: its ability to parley a genuine humanitarian crisis into fury on the “Arab street,” and, in turn, to bring pressure to bear on the Arab governments to refuse to go along with a new Desert Storm.

Will it work? As this report went to print, Baghdad had formally agreed to the modified terms of the oil-for-food program. Statements emanating from Baghdad had a triumphal tone about them, alleging that the nation had frustrated the plans of the United States. And, as on previous occasions, Iraqi spokesmen delivered a rhetorical fusillade, upbraiding the United States for the suffering inflicted by its policies. Yet the heated rhetoric common in Arab capitals during Israel’s Operation Defensive Shield has ebbed in recent weeks. Whether the drop in volume signaled a success of

U.S. diplomacy or arose from the latest standoff between India and Pakistan is anyone's guess.

...While Saddam Waltzes with the U.N. to Head Off War

Meanwhile, after months of balking, Iraq resumed talks with the U.N. over readmitting international weapons inspectors to ferret out illicit weapons programs (or to certify the nation unconventional-weapons-free). Foreign Minister Naji Sibri visited New York for two rounds of talks with Secretary-General Kofi Annan and Hans Blix, head of UNMOVIC, the U.N. Monitoring and Verification Commission. A U.N. spokesman announced that the negotiations would reconvene in early July. In all likelihood, Baghdad is using negotiations of its own to prepare for the next phase of Iraq's slow-motion confrontation with America. After twelve years of continuous conflict with the West, Saddam Hussein's men have mastered the art of using negotiation to delay, obfuscate, and frustrate U.S. policy aims.

That dynamic is in play once again. Saddam would obviously prefer to keep inspectors out of the country entirely, so that he can continue his pursuit of nuclear, biological, and chemical weaponry without outsiders nosing around. Failing that, his representatives will try – all the while deploring the infringement of their country's sovereignty – to orchestrate an endless series of meetings with U.N. officials to deter the United States from undertaking a military campaign. If Baghdad can string out the negotiations, conveying the impression of pliancy, it will retain the option of agreeing to some form of watered-down inspections at the eleventh hour, as a last-gasp bid to stop the U.S. bombs from falling. But for now, with Afghanistan still simmering, the American inventory of precision weaponry depleted, and the world atwitter at the prospect of a nuclear exchange in South Asia, Saddam has the luxury of stalling.

It will be gut-check time for George W. Bush if Baghdad does acquiesce in the demands of the United Nations. The president will be forced to choose between canceling the offensive – relying on UNMOVIC, the anemic body of inspectors created in 1999 but never allowed to do its work, to unearth Iraqi unconventional munitions – and attacking an apparently cooperative nation. Indeed, reports surfaced during Bush's recent trip to Europe suggesting that European diplomats were

quietly urging Baghdad to give in, and thereby (a) create a political barrier to U.S. military action and (b) tilt the balance of power within the U.S. administration towards the dovish faction supposedly headed by Secretary of State Colin Powell.

For President Bush, then, a decision to go ahead in the face of withering international criticism could involve immense political pain for his administration.

George Bush Wobbles, Maybe... But Will He Fall Down?

In 1990, as Operation Desert Shield spun up, the fiery British prime minister, Margaret Thatcher, famously admonished President George H. W. Bush not to "go wobbly" on Saddam Hussein. In May, during the current President Bush's European tour, an offhand comment ignited a firestorm of speculation about the president's fortitude. Asked by a German reporter to comment on his plans regarding Iraq, Bush replied that "I don't have any war plans on my desk." Close on the heels of this remark, a report appeared in the *Washington Post*, claiming – based on leaks from within the Pentagon – that the administration had abandoned its plans for an offensive against Iraq. The Joint Chiefs of Staff had supposedly concluded that the demands of urban warfare would outstrip the capabilities of the U.S. military. The cumulative impression was one of indecision on the part of George Bush and his generals.

Yet the administration whipsawed observers by simultaneously ratcheting up the tenor of its statements about the threat of state-supported terror. Vice President Dick Cheney, for instance, pronounced new terrorist attacks along the lines of 9/11 a virtual certainty and intimated that, should it consummate its efforts to field nuclear weapons, Iraq would undoubtedly hand them over to terrorist groups such as al Qaeda. Released about the same time, the State Department's most recent edition of *Patterns of Global Terrorism* spotlighted the potential of a nuclear-armed Iraq to multiply the threat posed by terror networks. Taken in tandem with the president's seeming disavowal of military action against Iraq, the stepped-up denunciation of Baghdad and dire warning of future 9/11s muddied the waters for many observers.

The breathless quality of much of the press commentary exaggerated both the president's supposed vacillation and the contradictory na-

ture of the signals emanating from the administration. Consider President Bush's statement to the German press. His remark was undoubtedly true from a literal standpoint; he probably doesn't have any war plans on his desk. Equally certain is that the Defense Department has drawn up plans for war with Iraq – and probably did so while Bill Clinton occupied the White House. The military continuously refines contingency and operation plans (CONPLANS and OPLANS) for every conceivable scenario – and a military showdown with Iraq is highly conceivable. Indeed, heads would roll at the Joint Chiefs of Staff for malpractice if it came to light that the military *hadn't* prepared for such an eventuality.

More likely, multiple war plans are on the shelf or in the works – ranging from covert support of the Iraqi resistance, to an Afghanistan-like campaign, to a full-blown Desert Storm II – awaiting a decision from the president and secretary of defense on how to proceed. The administration may not have decided how it wants to prosecute its policy of regime change in Iraq. But that is not the same as saying – as many did, or at any rate implied, in late May – that George Bush has given up on a military solution to the Iraq question.

Will War Be Postponed?

Odds are, then, that George Bush will go forward with a military campaign against Iraq. His June 1 commencement address at West Point, the U.S. Military Academy, seemingly completed the transformation of U.S. strategic doctrine for the post-9/11 era. In his State of the Union address in January, the president painted a dire picture of the threat environment. Members of an “axis of evil” were bent on acquiring nuclear, biological, and chemical arms that could then be handed over to terror networks such as al Qaeda for use against you-know-who. At West Point, Bush abjured deterrence, a long-standing precept of American military strategy that, he said, “means nothing against shadowy terrorist networks with no nation or citizens to defend.” Moreover, terrorism could not be contained in the traditional Cold War sense. Rather, “We must take the battle to the enemy, disrupt his plans, and confront the worst threats *before they emerge*,” he told the newly minted Army officers (emphasis added).

“In the world we have entered,” continued President Bush, “the only path to safety is the path of action. And this nation will act.” His remarks were surely aimed at Saddam Hussein. The adminis-

tration still has been unable to construct a case that Baghdad was involved in the 9/11 atrocities. It is a far simpler matter to argue that Saddam is pursuing weapons of mass destruction and would turn this fearsome weaponry over to al Qaeda – allowing him to strike indirectly at America while maintaining a distance that would allow him to deny involvement in terrorism. If the president has abandoned plans for removing Saddam, he has a strange way of showing it. Indeed, by outlining an expansive new military strategy and failing to follow through on it, Bush would make himself a figure of ridicule at home – a dynamic that surely hasn't escaped him.

The most auspicious timeframe for such an offensive remains late 2002. There are three key variables in any combat operation: the enemy, terrain, and the weather. The enemy, Saddam Hussein's military, was badly weakened in 1991 and, by means of the U.N. embargo, has been denied the spare parts and maintenance support that are the lifeblood of a modern armed force. Nevertheless, if the most alarmist accounts are credible – and that remains an open question – then Baghdad could be poised to deploy a rudimentary nuclear warhead. That would complicate American military calculations immeasurably. If the Bush administration adopts this view of the threat, then speed will be of the essence in executing a strike. If he believes a nuclear attack on North America to be imminent, the president will refuse to be sidetracked by the *intifada*, the latest showdown over Kashmir, or other peripheral (for the United States) concerns.

So defeating the Iraqi army is feasible, especially where troop formations can be trapped in the open; and Washington might consider an early strike to be imperative. Now consider the terrain. The Gulf War demonstrated just how favorable the uncluttered desert environment was for high-tech warfare – notwithstanding the stress on personnel and the countless hassles in equipment upkeep that stemmed from the heat, dust, and wind. But the “terrain” for a second Desert Storm would be far more complex, owing to the more ambitious mission of overthrowing Saddam's regime. Even after the Iraqi military had been overwhelmed, rooting out a regime that has been in power for decades would probably require fighting building-to-building through the streets of Baghdad – making Israel's Operation Defensive Shield, not Desert Storm, the applicable model for the terminal phase of the fighting.

The upshot is that both U.S. and Iraqi generals are probably scrutinizing the April 2002 battle at Jenin for “lessons learned,” to use the Pentagon’s lingo. For the Bush administration, a couple of lessons distilled from Jenin could be:

- Expect to take casualties, especially if Saddam Hussein can rally even a small force of fighters (and civilians) willing to carry out suicide attacks on American soldiers. The overmatched Palestinian militants managed to kill twenty-three Israeli soldiers; and a house-to-house operation in Baghdad, with the unlimited goal of ousting Saddam, would be far more difficult than Defensive Shield.
- Don’t shroud an urban campaign in the kind of secrecy Israel attempted in the West Bank. The best way to avoid being pummeled in the world press or at the U.N. for causing collateral damage is for spokesmen to publicly – and preemptively – explain how the campaign will be waged, and to underline the discriminate nature of the tactics employed.

In short, the lessons of Jenin – heralding an unfamiliar tactical milieu for the U.S. armed forces – run headlong into the “Vietnam Syndrome,” the almost pathological aversion to casualties that dominates thinking in the upper echelons of the Pentagon. Indeed, the traumatic legacy of Vietnam probably helps account for the internal resistance to an Iraq offensive that was profiled in the above-mentioned *Washington Post* story. For Iraq, the lessons gleaned from the West Bank fighting will be just the opposite: to prolong the fighting, inflict as many casualties as possible, intentionally place Iraqi citizens in the line of fire, and trumpet American “massacres” of hapless bystanders. In short, Iraq will strive to compensate for its military inferiority by political means, peeling off any European and Arab support for U.S. action. A period of soul-searching is undoubtedly underway in Washington and Baghdad.

Finally, consider the weather – the easiest variable to account for. The Bush administration would undoubtedly prefer to avoid waging its military offensive in the searing summer heat of the Persian Gulf. This is an easy call. A summer offensive is probably no longer a viable option, assuming the administration decides to proceed with a conventional, Gulf War-type offensive. Although the U.S. Army has pre-positioned some of its heavy equipment in the Gulf region, easing the logistical challenge considerably, a war involving a quarter-million U.S. troops – the figure usu-

ally bandied about – would require much more equipment to be shipped from the United States itself. Even in the swift roll-on/roll-off container ships purchased by the Army during the 1990s, transit times would consume much of the summer months. Clearly, then, weather and logistics point to a fall or winter offensive.

Conclusions

How will events unfold in the Middle East? In the final analysis, it all boils down to the character of George W. Bush. He faces manifold pressure from the allies, the U.N., and the Arab world, and even from within the ranks of the U.S. armed forces, to delay a war against Iraq or cancel it outright. Saddam Hussein will undoubtedly try to worsen his diplomatic plight if war seems imminent. Yet Bush has enunciated a sweeping new military strategy premised on preemptively striking the axis. This public declaration assures that the American electorate will blame him personally for future terrorist attacks on the United States if he fails to act aggressively against a known foe. Either the president means what he says, then, or he is the biggest fool ever to occupy the White House. One hopes the former is the case. The smart money says that the U.S. military offensive – with all the disruption of energy security that might entail – will commence around the end of the year and spill into 2003.

The Saudi Peace Plan

On March 28, the member states of the Arab League voted unanimously to endorse Saudi Arabia's peace plan for the Israeli-Palestinian conflict, which expressed a willingness to live in peace with Israel in exchange for a Palestinian state and Israeli territorial concessions on the Golan Heights, Gaza Strip, and the West Bank. During the meeting, Saudi foreign minister Saud Faisal declared that the proposed plan "is a very clear equation—frank, straightforward." Elaborating further on the reciprocal nature of the diplomatic offer, Faisal stated that, "The initiative calls on Israel to take certain specific steps, and we pledge to take other steps...If Israel refuses, the peace process will not go on."

At first glance, Crown Prince Abdullah's peace effort is somewhat startling for its lack of originality. The document merely rehashes an old but comprehensive land-for-peace formula that envisions an Israeli pull back to pre-1967 territories in return for full diplomatic relations with the Arab states. The familiarity of the plan has subsequently led to charges that the document is merely political eyewash. Some have even scoffed at the proposal as an effort to pressure Israel politically at a delicate juncture when it was mired in an internal war. Since it was virtually a certainty that Tel Aviv would be hard pressed to accept any solution, the skeptics contend that the Arab League's embrace of the plan was merely a theatrical maneuver to place the burden of proof on Israel to demonstrate its sincerity for peace.

However, the plan is significant for several compelling reasons. First, the kingdom placed its prestige and influence squarely behind the document. Indeed, Riyadh, usually reluctant to expose itself to high-profile diplomatic maneuvers, found itself at center stage during the Arab Summit. As the presumed leader of the Arab and broader Islamic world, Saudi Arabia provided the necessary legitimacy and weight to the plan. Moreover, given the kingdom's longstanding conservatism and its status as the custodian of the Holy Places, there has been a common expectation that the kingdom would be the last state to recognize Israel. Thus, the propositions reflected a subtle shift in the Arab world's position on the conflict.

Second, the peace proposal surfaced at a very critical time. The Palestinians and the Israelis were locked in a virtual life and death struggle. Both sides and the international community seemed to have lost any imagination to reinvigorate or re-

security issues and

Saudi Arabia

start the peace process. The bold simplicity of the plan injected a potential fresh start to and reassessment of the peace process. Third, stunningly, the peace plan enjoyed the support of Iraq, Syria, and Libya, states normally ardently opposed to the very existence of Israel. Fourth, the document was deliberately vague on the "right of return" of Palestinian refugees. The plan simply called for a "just settlement," suggesting a much higher level of flexibility. This stance stood in stark contrast to the Palestinian Authority's unbending negotiating position on this issue.

The general response of the international community reflected a recognition that something new was afoot in the Arab world. The European nations hailed it as a promising new start. The United States welcomed the diplomatic development and expressed hopes that it would serve as a vehicle for future talks. Indeed, the Saudi move became the new basis for Washington to reengage Riyadh. In apparent gratitude for the kingdom's unusually daring maneuver, President Bush invited the crown prince to his ranch in Texas. Abdullah's acceptance of the invitation signaled a potential new turn in bilateral ties, which have suffered a series of blows since September 11 (details below). Even the hard-line political elements in Israel did not reflexively denounce the plan. Tel Aviv simply expressed its appreciation for the document's potential positive contribution but insisted that talks would not be possible until Chairman Yasser Arafat halts all terrorist attacks.

How serious should observers take the peace proposal? On the one hand, as mentioned above, the Saudis may have planted the seed of false hope as a political distraction to place the onus of producing peace on the Israelis. Riyadh may have also hoped to repair its relations with the United States after the September 11 attacks with a token diplomatic gesture. Some more conspiratorial theories posit that Washington and Riyadh jointly produced the proposal in order to temporarily conceal their differences over the peace process or to distract international attention from the Israeli reoccupation of Palestinian territories. The positive international response to the proposal may have

simply reflected a prevalent desperation for a new voice, however unpromising, emerging from the rubble of the peace process.

On the other hand, Saudi Arabia appeared genuinely serious about a resolution. Crown Prince Abdullah personally agonized over the unending stalemate. Indeed, at one point, he implicitly threatened to scuttle Saudi-U.S. relations for Washington's perceived bias in favor of Israel. In a private letter to President George W. Bush, he warned the two sides might have to go their separate ways (see March 2002 quarterly). He even turned down an earlier presidential invitation for talks. Moreover, should the plan survive in the midst of the ongoing violence, it could form the foundations for negotiations based on first principles rather than the complex legalese and haggling that have dogged even the most preliminary talks. Since the substance of the proposal is sufficiently broad and ambiguous to allow for reinterpretation, the utility of the plan will ultimately depend on the political will of Israel and the Palestinian Authority to negotiate.

It should also be noted that the peace plan was hatched and forwarded for consideration under very peculiar circumstances. The crown prince unveiled his proposal to *The New York Times* correspondent Tom Friedman during an interview. Enraptured by the encounter and the discussions that took place, Friedman wrote about the incident in his column, which received international attention and curiosity. Whether or not Abdullah contrived the intriguing meeting remains unclear. Nevertheless, Abdullah's ability to pull off this apparently spontaneous and odd public relations tactic attests to his growing influence and represents a sure sign that he has further consolidated his power as the day-to-day manager of the kingdom's affairs.

U.S.-Saudi Ties: Intimate Strangers

It is against this backdrop of an unusual peace drive that the United States and Saudi Arabia attempted to mend the strategic relationship after the shock of September 11. News reports that the majority of the hijackers were Saudi nationals severely tarnished the kingdom's image in the United States. The public discovery of a deep and long-standing Saudi complicity in the terrorist attacks, including the deliberate export of the kingdom's austere Wahhabi faith abroad, led the U.S. media

to mount a massive and scathing attack against Riyadh. The kingdom either appeared oblivious to the accusations or flatly rejected the allegations. Despite the longstanding strategic bargain between the two powers, under which the kingdom maintains uninterrupted flows of oil while the United States provides security guarantees, calls for a breakup grew from both sides.

Saudi Arabia's policies and public attitudes did not improve the situation. The kingdom continued to demonstrate lukewarm support for America's military operations in Afghanistan. Deep public unhappiness with Washington's perceived unwavering support for Israel persisted. There was mounting public and quiet official opposition to any military action in Iraq. At the March Arab League summit, the crown prince and the head of the Iraqi delegation made some symbolic gestures in an apparent signal of thawing relations between Riyadh and Baghdad. The Saudis have also generously financed the Palestinians for questionable purposes, including a telethon intended to raise money for "martyrs" a common euphemism for suicide bombers. Given this range of irritants in the already deteriorated bilateral ties, there was intense speculation that some ranking U.S. officials had begun to reexamine the relationship, including a scaling down of American forces based in Saudi Arabia (discussed below).

However, as mentioned above, the Saudi peace proposal intervened, which prompted Bush to invite Abdullah to the United States. After accepting the president's offer to meet, the crown prince visited the president at the Crawford ranch in Texas for an informal summit in late April. The meeting offered an opportunity for Abdullah to bluntly express his position and frustrations to Bush. The crown prince warned the president of the deepening anger in the Arab world at the U.S. policy toward Israel and urged Bush to make greater efforts to restrain Tel Aviv. He stated that the situation, if left unattended on its present course, could severely damage U.S. interests in the Arab and Muslim world. The crown prince also expressed his opposition to a regime-toppling war against Iraq. He later presented an eight-point proposal, including a call for inserting an international peacekeeping force, aimed at ratcheting down tensions in the Israeli-Palestinian conflict.

The kingdom's delegation was also careful not to paint too stark a picture of the relationship. Adel al-Jubeir, senior advisor to Abdullah described the bilateral ties as "unbreakable." He further reas-

sured the international community that the kingdom would not use the oil weapon, stating that, "Oil is not a tank. You cannot fire oil." This reassurance helped squelch fears—sparked by thinly veiled references from the Saudis of an oil embargo—of potential turbulence in the oil markets. From the five-days of often-tense negotiations, the outlines of a new strategy between the two powers emerged. There was apparent agreement that a division of labor could be worked out. The United States would exert its considerable influence over Israel while Saudi Arabia would rally the support of the Arab world for a peace initiative. Given that any international effort to resolve the crisis remains at the whim of developments on the ground (such as continued suicide bombings), whether a joint approach will be effective can only be tested when the conditions for peace are finally ripe.

In the near- to medium-term, the most pressing issue that will likely stress the relationship is America's plans to unseat Saddam Hussein. The Saudis have expressed deep reservations about such an endeavor. Indeed, the kingdom's efforts to bring Iraq back into the Arab fold in recent months has complicated Bush's effort to rally regional support for a military option against Baghdad. Should the United States press ahead unilaterally or with a coalition of the willing, the kingdom will probably balk at providing base access for such an operation. There are compelling reasons for Saudi Arabia's apparent unwillingness to cooperate fully. Riyadh fears that the United States might botch the military campaign, leaving Saddam Hussein's regime essentially intact. The kingdom would then be left with an even more irate and dangerous Iraq. Military failure or stalemate could also embolden Iran, a member of Bush's "axis of evil." The fate of the Kurds in northern Iraq in the early during 1990s, during which the Bush I administration reneged on promises to support an uprising, powerfully demonstrates the empirical consequences of America's potential neglect. Moreover, the Saudis, at least for the moment, are satisfied with U.S. security guarantees, which ensure a stable status quo. Both the fear of a military debacle that leaves the kingdom in the cold and comfort with the current military balance has strengthened the rationale for non-cooperation. How Washington can convey its political will convincingly to the Saudi leadership remains unclear.

These recent interactions demonstrate that diverging perceptions can overshadow the strategic imperatives that under normal circumstance should motivate each side toward mutual understanding and accommodation. Both sides have demonstrated a worrying proclivity to talk past each other or rub each other the wrong way. While reassurances from both sides that the relationship remains unshakable are still credible, the rifts that have already emerged promises some changes that could permanently alter the tone of the ties.

The Military Dimension of Saudi-U.S. Ties

One particularly important security-related area that will be most affected by events since September 11 is America's military posture on the kingdom's soil. The extreme sensitivities surrounding U.S. basing in Saudi Arabia, centered on the Prince Sultan Airbase, and Riyadh's tightening of restrictions on operations, have prompted a thorough reassessment of Washington's options. The terrorist attacks last year and previous bombings against U.S. facilities in Saudi Arabia have also raised some security concerns. In response, the U.S. Central Command, the unified military headquarters that oversees all Middle East operations, developed a sweeping contingency plan that would move a significant portion of U.S. assets out of the kingdom. The plan would uproot fighter aircraft and the state-of-the-art Combined Air Operations Center (CAOC), which played a critical role in directing the air campaign over Afghanistan, to other locations in the region.

The top candidate for receiving these capabilities is Qatar. Since the fall of 2001, the United States has quietly moved equipment and ammunition from Prince Sultan to Qatar's Al Udeid air base. In March 2002, Vice President Dick Cheney made a high-profile and symbolic visit to the air base, which had up to then, not been publicized or officially recognized. The base boasts vast hangars and 15,000-foot runways that can handle even the heaviest strategic airlift in the U.S. military inventory. The United States has also been building long runways capable of accommodating B-52 bombers in Oman. Beyond operational concerns related to the kingdom, these moves also dovetail closely with the Pentagon's 2001 Quadrennial Defense Review. The document directs the Air Force to seek enhanced basing options in response to potential restrictions by host nations

and access denial tactics by adversaries during crisis or conflict.

Do these moves foreshadow a major reconfiguration of U.S. force structure in the region? If so, how would this shift impact America's security commitments? It should be noted that the strategic bargain between Washington and Riyadh remains as relevant as ever. The kingdom still faces a genuine existential threat from Iran and Iraq. Despite a decade of admirable military modernization, Saudi Arabia sorely lacks the skilled manpower to absorb the high-tech weaponry. Moreover, the United States remains the most important supplier of cutting-edge military platforms, spare parts, maintenance, and training. As such, rather than a scenario resembling that of abandonment, this reorientation could be the beginning of a long process to revert Saudi-U.S. military ties to the pre-Gulf War period instead. Prior to the conflict, the United States maintained an over-the-horizon posture invisible to the public eye. Under the previous arrangement, American forces would only deploy should a crisis occur. As U.S. military technology advances in the longer term, particularly in the area of long-range, precision, and unmanned capabilities, such a posture will become increasingly feasible without compromising America's overall combat effectiveness.

Kuwait

Kuwait faces major problems in the near future. A potential U.S.-led invasion of Iraq, based primarily from Kuwait could have serious consequences for both the government and the people of emirate. Saddam Hussein's clandestine chemical, biological, and missile weapons programs could finally be revealed through their use to counter a U.S.-led invasion. On home front, Parliamentary attacks on the finance minister threaten to bring domestic politics to a standstill, but also provide the possibility of real, dramatic change in Kuwaiti politics in the months and year to come.

Endgame or Doomsday?

The cool reception U.S. Vice President Dick Cheney received during his tour of Arab capitals in April, and the ongoing difficulties in the U.S.-Saudi relationship have led to speculation concerning the U.S. ability to stage an invasion of Iraq solely from Kuwait, supported by airpower based in Turkey, Qatar and the Gulf waters. A ground war based primarily on the 7,000 square mile emirate would present a number of concerns for U.S. military planners. These concerns include the lack of strategic depth, close proximity to hostile forces, and minimal room for maneuver. Clustered primarily around Camp Doha, U.S. Army forces already on the ground in Kuwait are capable (with the support of U.S. air power) of resisting a significant preemptive Iraqi conventional attack. Similarly, on strictly qualitative and quantitative conventional levels, once the necessary troops and logistical support are deployed to the emirate, the U.S. should also be capable of launching a successful invasion. However, forces based in Kuwait are well within range of Iraqi missiles, aircraft, or special operations forces. The real fear is that, sensing an imminent U.S. attack designed to end his regime, Saddam Hussein will unleash a desperate preemptive assault. Given the position of U.S. forces in and around Camp Doha, a previously strong deterrent may quickly become an inviting, highly vulnerable target for Iraqi military leaders. A major chemical, biological, or nuclear/radiological attack on Camp Doha and other key strategic points in Kuwait, such as Kuwait City and Al Jaber and Al Salem air bases, could not only result in wide-scale U.S. casualties, but also could effectively remove Kuwait from U.S. consideration for counterattack scenarios given the levels and scope of contamination in key zones.

This scenario clearly must also worry Kuwaiti leaders. Even if Saddam's capacity to unleash bi-

ological or chemical weapons is limited, and primarily to be used on U.S. military targets, it is well within Saddam's power to take one last shot at the nation he conquered over a decade ago. Conventional scud attacks on Kuwait City and/or special operations attacks on Kuwaiti infrastructure (particularly oil extraction and refinery assets) could certainly take a large toll on Kuwait's economy and send the population into a panic. The critical Ratga oil field in northern Kuwait, long a bone of contention between Saddam and the emirate, is well-within range of Iraqi artillery or even mortars. Yet, while these types of attacks could have a significant impact, the use of chemical, biological, or nuclear/radiological weapons against Kuwait's densely populated urban centers (over 90% of all Kuwaitis live in urban areas), most notably Kuwait City (238,000) would be catastrophic. Given Saddam's willingness to punish Kuwait as his troops left the country in 1991, it seems logical that given the opportunity, he would do so again.

This discussion assumes that a large-scale U.S.-led military operation is imminent, and that an observable build-up is underway. Recent media leaks indicating serious apprehension on the part of senior U.S. military leaders toward an attack on Iraq may have diffused some of the pressure within U.S. policy circles for a near-term attack (see Iraq chapter for a more detailed discussion). However, clearly if and when the U.S. embarks upon an invasion of Iraq (still the most likely scenario), the issues of chemical, biological, and nuclear/radiological weapons must (and will) be front and center in U.S. planning. From both a Kuwaiti and U.S. military perspective, any invasion of Iraq will almost certainly require the type of overwhelming (and almost perfectly effective) air campaign that removes his ability to utilize such weapons against Kuwait or U.S. forces based there. This is a tall order, but given the potential consequences, it is also essential.

Not surprisingly, the Kuwaiti government refuses to be intimidated by the thought of Iraqi aggression in part because it has no real choice. In mid-May, the government announced that Iraq had failed to follow through on initial attempts at

reconciliation discussed at the March Arab League summit. Specifically, "Iraq has not done what it said would do and, according to our understanding, has not cooperated with the Arab League. My information is that there is no cooperation over the subject of the prisoners," said Sheikh Salem al Sabah, head of the Kuwaiti National Committee for the Missing and POW Affairs. Despite attempts by other Arab states to build a rapprochement between the two neighbors, it seems apparent that the softening of Iraqi rhetoric has not been followed by the types of real measures that indicate a change of policy. Most Kuwaiti leaders were rightly skeptical of any Iraqi initiatives at the time of the summit, but the suspended disbelief seems to have come to an end.

Politics, politics, politics...

A political crisis loomed as members of parliament announced on May 12 that they would seek to question Finance Minister Youssef al Ibrahim over allegations of incompetence and possible corruption. The next day, Sheikh Sabah Al Ahmad Al Sabah, the foreign minister and de facto head of the government responded emphatically that in the case of a result of a no-confidence vote on Ibrahim, "I am telling you from now: the government will resign." This strong response may give pause to the Islamic-controlled parliament, but the clash once again reflects the difficult and tense nature of Kuwaiti politics at present. On May 26th, the formal petition to question the minister was presented to the speaker of the parliament and the date was set for June 10. Specific points to be covered include the alleged distribution of public funds during elections to benefit specific groups, the perceived squandering of state-owned properties and poor stewardship of investment assets held by the Kuwaiti social security fund, which is particularly sensitive at a time of cuts in welfare benefits. The MPs also are also expected to take aim at the inability of the government, and particularly the finance ministry, to implement programs to transition large numbers of Kuwaiti-state workers to the private sector and other important market oriented reforms, as well as alleged violations pertaining to questions of hiring and misappropriation of funds at the Kuwait Investment Authority (KIA) which oversees some \$60 billion in assets. To a significant degree, it has been the intransigence of the parliament to support much of the cabinet's reform programs that has limited the ability of the government to enact mean-

ingful change. Moreover, the practice of targeting cabinet ministers has become all too common in what has become an ugly political environment. Ibrahim possessed a solid record before assuming the finance post and he, like several other cabinet members before him, has come under blistering attack from anti-reform Islamists and populists. It has become increasingly clear that, in order to truly implement the kinds of economic, governmental, and societal reforms that the Emir and the cabinet desire, a real change in the parliament is likely to be a requisite for any meaningful success. If indeed a no-confidence vote is taken upon completion of the questioning process leading to a resignation of the cabinet, it seems likely that the Emir seriously will consider dissolving parliament and calling for new elections. Such a move has not taken place since 1999, but given the crack-down on Islamic charities and communal groups in the wake of September 11 (thus choking off a major source of political funds to Islamist parliamentarians), the Emir and the cabinet, supported by liberal MPs and candidates, may welcome an electoral showdown.

In more upbeat news, the Emir Sheikh Jaber al Ahmad al Sabah returned to work after a prolonged bout of ill health, receiving the credentials of new ambassadors to Kuwait in early April. He also met with parliamentary speaker Jassem Al Kharafi and Acting Prime Minister and Foreign Minister Sheikh Sabah Al Ahmad Al Sabah. Unfortunately, his return has not seemed to dampen the bitterness between the cabinet and parliament, and the situation remains tense.

Foreign Affairs: Walking the line...

Kuwait continues to work closely with other states in the region and throughout the Arab world, particularly on the ongoing crisis between Israel and the Palestinians. Given their close ties to the U.S., the Kuwaiti government has taken a quiet, but supportive position among the regional leaders attempting to create the parameters for a solution to the conflict. Sheikh Sabah strongly supported the Saudi peace plan and has continued to work closely with King Abdullah of Jordan and Crown Prince Abdullah of Saudi Arabia to construct a "moderate Arab" peace deal. Where direct and frank discussions with the U.S. are concerned, the Kuwaiti government has seemed to be more than willing to defer to the Saudi crown

prince, understandably seeking to avoid becoming entangled in direct disagreement between its two closest allies. At the same time, the government has continued to (thus far successfully) straddle the line of supporting the Palestinian people at home, through fundraisers and collections for humanitarian aid, but implementing a tough policy against demonstrations against the U.S. or Israel by radicals in Kuwait.

Iranian Defense Minister Ali Shamkhani visited Kuwait on May 20 to hold official meetings with Kuwaiti Defense Minister Sheikh Jaber al-Hamad al-Sabah and with the Emir the following day. The two nations have gradually built stronger ties since the Gulf War, though the Iranian Minister used the opportunity to decry the presence of U.S. troops in the region and called for the Gulf States to work together to provide for their own collective security. The continuing policy of working constructively with Iran in spite of U.S. rhetoric condemning the regime in Tehran reflects the independence of Kuwaiti policy at least on this point.

Iran

Is Iran Being Outflanked by a “Bizarro Axis”?

If the conservative clerics who dominate Iranian politics have been watching events in Washington -- and they surely have -- they must be scratching their heads. American president George W. Bush first seemed to go wobbly on prosecuting the next phase in the war on terrorism -- namely, a military strike on Iraq. Then the president and his spokesmen set out to assure the American people that a firm hand remained at the tiller. Vice President Dick Cheney and other key advisers publicly stated that new terrorist attacks on the United States were inevitable. Iran again won the dubious honor of being labeled the world's foremost sponsor of terror in the new edition of the State Department's *Patterns of Global Terrorism* report. And the president himself, in an address at the U.S. Military Academy, enunciated a new military strategy predicated on preemptive strikes against terrorists and their backers. (Refer to the Iraq chapter of this report for details on the Bush administration's erratic public statements.)

Washington also solidified its influence along the northern flank of the Islamic Republic. President Bush capitalized on his surprisingly warm relationship with Russian president Vladimir Putin in a bid to anchor the Russian Republic firmly in the Western camp -- and, as a consequence, to fortify America's ability to project influence into Central Asia. By bestowing a series of diplomatic successes on Putin, and thereby burnishing Russia's flagging reputation as a superpower, Bush hoped to boost his counterpart's prestige -- and the electoral fortunes of a helpful ally. On the heels of his visit to France and Germany, which took place in May 2002, Bush traveled to Moscow and St. Petersburg for three days of meetings with Russian officials. The two leaders capped off the summit by signing an accord, dubbed the Treaty of Moscow, that formalized the U.S. nuclear cutbacks announced by the Bush administration last fall.

Subsequently, at NATO's Rome summit, the Atlantic Alliance announced the formation of a NATO-Russia Council to spearhead cooperation

among former enemies on a range of matters -- most notably joint efforts to thwart terrorism and the proliferation of nuclear, biological, and chemical armaments. By permitting Moscow to speak its piece on these matters of common interest before the Alliance has formed a united posture, the new council improves on the Clinton administration's previous efforts -- path-breaking for their day -- to bind Russia to the West. The Rome Declaration marked the continuing mutation of NATO from a collective-defense organization into a body devoted to collective security. However, mending fences with the power that was the Alliance's *raison d'être* is no mean accomplishment -- and collective-security organizations excel at peace-keeping, of which there is certain to be plenty as the war on terrorism proceeds.

Washington's courting of Moscow could pay dividends at an early date vis-à-vis the Islamic Republic. After his Russian sojourn, President Bush disclosed an offer by President Putin to prod Iran to accept international inspectors in its Bushehr nuclear power plant, which is being built with Russian assistance. The United States has long feared that the Bushehr plant would provide a ready supply of spent nuclear fuel that could be remanufactured into weapons-grade material -- and subsequently used to construct nuclear warheads. The recent test of an Iranian *Shahab-3* ballistic missile punctuated the threat posed by proliferation. Consequently, the Bush administration would like to shut down the plant altogether. Yet Moscow has gently rebuffed Washington's requests that it halt its support for Tehran's nuclear programs; and it is exceedingly doubtful that Iran, wary of the Iraqi experience with weapons inspectors, would agree to inspections of its facilities. This issue promises to serve as an early litmus test of the new Russo-American cooperation.

From the standpoint of Tehran, mindful as ever of geopolitics, the increasingly cozy relationship between Moscow and Washington must look like a sort of “counter-axis,” positioned north of the Middle East -- and looming above the region on the map -- that is designed to hem in and ultimately throttle both the Islamic Republic and Iraq. Just how well the recent Russo-American show of friendship translates into diplomatic and military action remains to be seen. Small wonder the mullahs have toned down their venomous public rhetoric of late.

Are America and Iran Holding Covert Talks?

Reasons abound, then, to be skeptical of the recent flurry of speculation that Tehran and Washington are holding secret talks. An unnamed “close ally” of President Muhammad Khatami told the Islamic Republic News Agency that the two countries had been holding “behind-the-scenes negotiations,” purportedly in an effort to relax the seemingly perpetual enmity between the two nations. U.S. State Department spokesman Richard Boucher denied the report, insisting that Bush administration had not “had direct or secret discussions to discuss the bilateral agenda that we have with Iran.” After parsing Boucher’s language, however, a skeptic might be forgiven for asking whether Washington had conducted *indirect* talks with Tehran (as the Carter administration did during the 1979-80 hostage crisis).

American denials aside, then, there could be a grain of truth in the reports of secret doings between the two nations. The Bush administration could be carrying on some form of back-channel communication with Tehran, most likely in Afghanistan where both countries have a strong diplomatic presence and common interests to address. There’s ample precedent: The Islamic Republic welcomed U.S. financial assistance to run camps for refugees displaced by the U.S. military offensive in Afghanistan; and, at last winter’s Berlin conference, Iranian diplomats reportedly helped patch together the interim government of Hamid Karzai. At the time some optimistic Westerners foretold that the post-September 11 collaboration between America and Iran would act as a catalyst for improved ties. Some of those channels could remain open.

But last fall’s cooperation took place before George W. Bush’s State of the Union address, which pronounced the Iranian government a member of an “axis of evil, arming to threaten the peace of the world,” and dramatically raised the stakes in the long-simmering confrontation. Whatever the virtues of branding Tehran a baneful regime may be, Bush’s address put a definite stop to any drift towards an overt rapprochement. It also circumscribed the president’s room for political maneuver. Taking an unambiguous stance amplified his voice in world affairs. Yet it also exposed the president to charges of mendacity should he appear to waver in the axis-of-evil doctrine and witness the furious debate over whether he had whip-

sawed Israel by demanding an end to Tel Aviv’s military operations in the West Bank.

The Bush administration would derive no conceivable benefit, then, from opening wide-ranging discussions with Iran. The Western press would likely unearth -- and promptly report -- these negotiations. The administration is acutely aware of this risk, and aware that such disclosures would hopelessly compromise the axis-of-evil formula on which Washington has premised the anti-terrorist campaign. The president evidently finds the risks of dissembling to be acceptable where Israel, and perhaps Pakistan, are concerned; not so in the case of the Islamic Republic. Covert, and narrowly targeted, discussions with Tehran could be underway. But they would be purely tactical in nature -- to coordinate the handling of refugees in Afghanistan, say, or to discourage Iran from supporting the Afghan factions working to undermine Hamid Karzai’s shaky government.

Any negotiations with the mullahs would be fleeting and purely pragmatic in outlook, sparing George Bush the furor that would accompany reports that he was flirting with the axis. Because of the public-relations impediments, it’s tough to envision the Bush administration undertaking anything more sweeping than that.

Likewise, Tehran has little to gain from bargaining with the Great Satan. Word of the rumored talks clearly dismayed the Iranian leadership. On May 1, in remarks broadcast on state radio, Supreme Leader Ali Khamenei told a group of workers and teachers that “Negotiations are not going to solve any problems....Talks would enable the American government to pour on the head of the officials of our country more of the same threats it is sending from far away and the same unjustified and arrogant expectations that it is setting forth now in interviews and speeches.” True to form, the supreme leader also sounded a nationalist theme, insisting that the United States ultimately wanted to deprive Iran of its independence.

As always, Iranian foreign relations has a powerful domestic component. On May 22 the supreme leader told an audience in Khorramshahr that “Those who speak about talks with America, they either do not know the basics of politics or the basics of zeal” -- an elliptical reference to reports that the Iranian parliament’s National Security and Foreign Policy Committee had met to discuss relations with America. One of the bolder committee members declared that, should the opportunity present itself, he would “go to Ameri-

ca to shake hands with members of the American Senate and the House of Representatives” and to hold talks about strategic relations between the two nations. Expediency Council chairman Ali-Akbar Hasheni-Rafsanjani, however, scolded the reformers who dominate parliament, reminding them that “the leader of the revolution,” namely Khamenei, remains “in charge of the state’s policy.”

Yet there could be less to Supreme Leader Khamenei’s rhetoric than meets the eye. As the head of an authoritarian regime, Khamenei benefits from controlling the state-run media, and thus from the ability to manufacture the truth based on the political needs of the moment. He would find it easier than President Bush, who has to contend with a highly inquisitive press, to distance himself from revelations of secret contacts with the enemy. Moreover, the Iranian leadership reflexively dissimulates, displaying a fierce public mien when indulging in realpolitik. A third party provides a measure of diplomatic cover -- much as the 1980 deal leading to the release of the U.S. Embassy hostages was arranged through the good offices of Algeria. Something could in fact be in the works.

Iranian grandstanding should not be taken at face value, then -- especially when Tehran would stand to gain immensely from, say, talks leading to a relaxation of the U.S. economic sanctions. Khamenei’s vehement denials that bilateral negotiations have taken place are probably true in this instance; but the political barriers to such talks lie more on the American than the Iranian side.

But What If...?

Assuming such talks did take place, what would the two sides discuss, and what would they stand to gain from clandestine discussions that would embarrass them if (and when) exposed? One perennial irritant that springs to mind is the Israeli-Palestinian standoff. The Bush administration could use discreet talks to warn Tehran off from fomenting trouble in Lebanon or from renewing efforts to run guns to the Palestinians. Iranian leaders would resist any American pressure. They have refused to admit complicity in last December’s *Karine-A* affair, and they want to keep their options open with respect to Hezbollah, their surrogates in southern Lebanon. Hard-liners will be reluctant to forego any tool that enables them to make Ariel Sharon’s life tough -- unless, perhaps, Washington convinces them that it will use Ira-

nian efforts to undercut Arab-Israeli negotiations as a *casus belli* in the war on terrorism.

Second, the Islamic Republic ultimately hopes to usher the Western military presence out of the Persian Gulf region, and consequently might attempt to persuade the Bush administration to scale back its naval and air forces in the Middle East. That’s clearly a non-starter, with the war in Afghanistan still stewing and offensive military action against Saddam Hussein’s Iraq (probably) looming. If anything, President Bush will order a dramatic *boost* in U.S. military power in the region later this year, giving his administration the wherewithal to topple the Iraqi regime. Just as Tehran’s foreign policy is predicated on the ability to project influence into the Levant, so American policy objectives hinge on power projection in the Gulf region.

Third, Washington would clearly like to negotiate an end to the Islamic Republic’s efforts to field weapons of mass destruction, and thus to head off the painful diplomatic -- possibly even military -- showdown foreshadowed by President Bush’s axis-of-evil doctrine. Equally clearly, Iran will continue to deny that it is even undertaking such efforts. Tehran is a party to various international arms accords and consequently will not deviate from its traditional party line, which proclaims fidelity to all international agreements. If it hopes to halt the progress of the Islamic Republic on this front, the Bush administration stands a better chance of convincing Vladimir Putin to curtail Russian support for Iranian nuclear-arms programs.

Finally, Afghanistan is one area in which U.S. and Iranian interests seemingly overlap. The antagonists’ joint interest in stability along the Iranian-Afghan frontier could conceivably enable them to resume a measure of cooperation -- rejuvenating last fall’s collaboration in Berlin. Washington has evidently given up on Iranian help in this area, however, pointing to the Islamic Republic’s practice of supporting and harboring various factions inimical to the interim government in Kabul. The Bush administration now plans to counterattack against Iranian meddling with arms, not words -- as it did in early May, when a *Predator* unmanned aerial vehicle fired on an Afghan warlord who had recently returned from exile in Iran and publicly vowed to assail the central government and foreign military forces on Afghan soil.

One issue that probably would *not* surface at bilateral talks -- or, at any rate, an issue that wouldn’t be broached by the United States -- is Ira-

nian participation in the Middle East peace conference the Bush administration hopes to engineer for late July. Soliciting the involvement of Iran, a state that claims to speak for all Muslims, would almost certainly annoy the Saudis, who have universal aspirations of their own. Grasping at Crown Prince Abdullah's peace proposal, the Bush administration has decided to rely on Riyadh for help in calming the passions fueling the Israeli-Palestinian conflict. In all likelihood, then, the administration would refrain from angering a partner, and thus jeopardizing its overall regional strategy, in a probably fruitless bid to foster U.S.-Iranian amity.

Conclusions

Things will probably remain quiet in the Islamic Republic for now. Uncertain whether the United States intends to prosecute the war on terrorism forcefully, the conservative clerics will be loath to prod the Bush administration in a bellicose direction. They will continue their recent efforts to relax tensions with their Arab neighbors across the Persian Gulf, say, by downplaying the islands dispute that has roiled relations with the UAE, pressing their peace offensive vis-à-vis Saudi Arabia and Oman, and continuing to pursue defense ties with Kuwait -- all potential staging bases for a future American assault on the Islamic Republic. Improved relations with its smaller neighbors could help to balance the emerging Russo-American coalition, and to provide a fund of goodwill for the future, if Washington begins soliciting support for ousting the Islamic regime from Tehran.

If it bolsters its leverage with the Gulf Arab states sufficiently, Tehran could preempt American efforts to muster Arab support when the United States opens an Iranian front in the anti-terrorist campaign. The Gulf Arabs are acutely aware that they will have to live with Iran -- indeed, an enraged and vindictive Islamic Republic, if the U.S. campaign were to fail -- long after the war on terrorism sputters to a close. Supreme Leader Khamenei and his advisers are undoubtedly banking on this dynamic as they mull their next move in regional diplomacy. For the time being, a show of amity suits Iranian purposes. Tehran will refrain from threatening energy security in the region until the mullahs decide they would benefit from a more aggressive stance.

UAE

The UAE has been one of the quietest of the Gulf states in the past nine months. It is not a member of the axis of evil. It has not had high-profile spats with Washington or been vilified in the press for democratic deficits or for encouraging fundamentalist Islamist views abroad. Nor has it been the subject of speculation as the new launching platform for a U.S.-led attack against Iraq if the house of Saud refuses to allow its territory to be utilized as a base of operations. This lack of coverage is interesting considering that the UAE does have connections to the September 11 attacks in the form of two of the hijackers coming from the Emirates and the fact that it appears that much of the financing for the operation passed through Dubai. Focused on continued financial growth and preserving the privileges of the ruling families, the emirates' rulers have cut a careful line between Arab sentiment and connections to the West over the past nine months, and will likely remain cautious in the coming months as they seek to retain maximum flexibility with minimal exposure to political, military, or financial risk.

The Balancing Act

The UAE leadership had a delicate balancing act post-September 11 in responding appropriately to the United States, a key guarantor of its security and supplier of significant quantities of military equipment, and not looking like it was Washington's lackey. That balancing act became all the more difficult in March and April with Israel's sustained incursion into the West Bank to attempt to rout of terrorist infrastructure there, dubbed Operation Defensive Shield. The personal views of the ruling families on Israel's military moves plus the desire to show support for the Palestinians created the need for some deft public diplomacy on the part of the ruling elite. As has been the case in the past in the UAE, however, the leadership was up to the task. The leaders of the various emirates not only allowed expressions of support for the Palestinians; they led them. The Dubai Crown Prince and the UAE Defense Minister Sheikh Mohammed Bin Rashid Al-Maktoum participated in

a public demonstration of support for the Palestinians. In a telethon to raise money for the cause, prominent members of the ruling family contributed large amounts of money. The demonstrators appreciated the shows of support, and expressed their outrage against Israel but their continuing support for the rulers of the Emirates.

The rulers of the UAE do know, however, that terrorism of the al Qaeda variety is a potential threat to them as well. Therefore, they have continued since September 11 to quietly take a series of steps to ensure that dangers do not arise in the Emirates nor do they become a target of criticism by Washington. Over the past nine months, some key radicals from South Asia were quietly rounded up and deported, including some veterans of the conflict with the Soviet Union in Afghanistan. As another part of a crackdown on potential terrorists, in late May the UAE Ministry of Interior announced a new amnesty for illegal immigrants in the UAE in exchange for them leaving the country. Five years ago, 200,000 illegal immigrants, largely from South Asia, left as part of a general amnesty order by Sheikh Zayed. It is estimated that there are currently close to 150,000 illegal immigrants residing in the UAE, again mostly from South Asia. While not a crackdown per se, the hope is that reducing the number of these illegals from South Asia will enable law enforcement to better monitor those who remain and ferret out any terrorist activities. Clerics in the UAE have been reminded that they are to preach moderate Islam, not the fiery version practiced in Saudi Arabia or that endorsed by Osama bin Laden. Finally, the UAE agreed to adopt the recommendations by the Financial Action Task Force on money laundering to license and regulate hawala – the informal money transfer organizations that are thought to have been extensively used by al Qaeda and other terrorist organizations to fund their operations without being discovered by either intelligence or law enforcement. How this new system of regulation will be implemented, however, remains to be seen, and some in the UAE have called for a system that is “effective but not overly restrictive.”

In another sign that the UAE leadership recognizes that terrorist actions could strike at home as well as abroad, in May the government approved an emergency plan for responding to nuclear, biological, or chemical weapons attacks in the emirates. This action had been urged on the Gulf States by the United States Central Command, the mili-

tary command with responsibility for the region, several years ago after a series of exercises showed that the U.S. response capabilities in the region would be quickly overwhelmed in most attacks and that host governments had to provide better capabilities to respond to WMD attacks.

And Independent

Despite the fact that the UAE has taken steps to crack down on potential terrorists and seemed to have taken on board U.S. worries about weapons of mass destruction, the emirates continue to go their own way in their diplomacy towards both Iraq and Iran. The UAE has continued to build its commercial and diplomatic ties with Iraq. This is in line with both a policy that it adopted in the mid-1990s seeking the rehabilitation of Baghdad. In part this stems from the UAE's longstanding concerns about Iran's potential as a threat to the emirates and the longstanding dispute over several small islands in the middle of the Gulf. In May, however, the UAE Foreign Minister, Sheikh Hamdan bin Zayed Al Nahyan, visited Iran and delivered a message from the UAE's president, Sheikh Zayed bin Sultan Al Nahyan to Iranian president Khatami. While no progress was made on the island dispute, the visit was unusual and represented a change of tack for the UAE. Commercial ties between the UAE (particularly Dubai) and Iran have always been strong, but political ties have not been as warm.

Future Policy if Washington Presses on Iraq

In Operation Desert Storm, the UAE served as a critical base for U.S. airpower in its attacks on Iraq. Two wings (144) of F-16s were based at Al Minhad and Al Dhafra airbases, and over thirty tanker aircraft were scattered around the emirates providing support for the aircraft that dropped the bombs. While there has been significant talk in the past several months about alternative bases in the region in case Saudi Arabia does not allow Prince Sultan airbase to be used for a new set of strikes on Iraq, the UAE has gone unmentioned as a possible site. In part this is because Qatar has appeared to be more forthcoming in allowing U.S. aircraft to base there to support the southern no fly zone. In part, perhaps, this is also because the UAE has continued to have warm relations with Baghdad, and Washington does not expect Abu Dhabi to allow the U.S. to operate from

the emirates this time around. If, however, Saudi Arabia does balk and Kuwait proves too dangerous for aircraft due to the proximity of Iraqi surface-to-surface missiles, it may be necessary for Washington to seek assistance from the UAE as Qatar and carrier-based aircraft may not provide sufficient ramp space for enough aircraft to conduct a sustained air campaign. To gain such cooperation from Abu Dhabi, Washington will either have to provide a much improved justification for attack over what currently has been articulated or it is going to have to provide some sort of significant political quid. Given potentially warming relations with Iran, it is difficult to see what that could be.

