Security Issues in the Middle East

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The new policy team in Washington, under the leadership of President George W. Bush, is still getting its bearings. It has indicated that it will be undertaking a comprehensive review of policies toward Iraq, sanctions policies more generally, and has already taken steps to downgrade its involvement in the now-moribund peace process between Israel and the Palestinians. In addition, the Bush administration is undertaking a comprehensive, top-to-bottom review of defense policy, which will have a significant impact on U.S. force deployments and capabilities in the Gulf and elsewhere around the globe. Policy reviews of this type are typical for a new administration, especially when taking over the White House from the other party. Unfortunately they take time to conduct properly. In this case, the reviews are going to take even more time than normal because the extended transition has left many policy positions still unfilled.

While the Bush administration gathers itself to undertake these policy reviews, events continue to occur in the Middle East to which the new team must react. As the administration reacts in ad hoc fashion to these events, allies and adversaries in the region begin to look for meaning and patterns in the reactions in order to ascertain the administration’s new strategies. The new administration begins to establish a reputation in the region and have motives ascribed to it even before it has comprehensively addressed the issues in a formal policy review. The challenge for the Bush team will be completing the policy reviews – which includes getting agreement within Washington’s fractious executive branch and with Congress – before events on the ground foreclose policy options it wanted to pursue. This is particularly true in Israel and the Palestinian territories, where the U.S. has almost no control over events on the ground, and in Iraq, where Saddam Hussein senses weakness and is pushing hard to break completely free of UN-mandated restrictions. This overview addresses the problems with the U.S. formulating a new policy on Iraq.

Operation Desert Blunder?

On February 16, the Bush administration reacted to improvements in Iraqi air defense capabilities by conducting a relatively large air strike aimed at air defense and command and control sites (see Iraq chapter). The public rationale for the strike – the need to reduce the increasing threat to U.S. and British pilots patrolling the southern no-fly zone over Iraq – was indeed the driving rationale for the action. Over the previous six weeks (going back to the closing days of the Clinton administration), Iraq had been getting closer and closer to its longtime goal of shooting down a U.S. or British aircraft over the no-fly zones. The U.S. military command running the southern operation requested the authority for a broader strike to reduce the chances of losing a plane, and more importantly, a pilot. The Bush White House really had no choice but to concur. It did not want Saddam to score a propaganda coup by shooting down an aircraft in the first weeks of the new administration, and it did not want to be seen as denying a request from the military in the early days of what is supposed to be a more military-friendly administration.

While the strike reduced the risks to U.S. pilots and provided the new administration with the chance to flex its military muscle vis-à-vis Iraq, it was a political disaster. The Arab world was almost unanimous in condemning the U.S. action. Kuwait, where some of the U.S. and British strike aircraft were based, supported the strikes in silence (see Kuwait chapter). But other critical U.S. allies in the region, including Saudi Arabia, were very public with their displeasure (see Saudi chapter). The split among the five permanent members of the UN Security Council over Iraq policy was widened further. The result is that any new U.S. comprehensive policy on Iraq will be that much harder to sell with key international constituencies.

The strike also highlighted glitches with new U.S. military technologies that are illustrative of broader problems with the way in which Washington is applying military means to political ends in Iraq (and economic means, see discussion of sanctions in the Iraq chapter). All of the weapons used in the strike were relatively new “stand-off” weapons, meaning that they could be launched from distances that reduced the risk to pilots. One of these new weapons, the U.S. Navy Joint Standoff Weapon (JSOW), apparently failed to work perfectly – falling short of its target due to a software programming glitch that did not properly adjust for wind conditions. While this is a fixable military problem, the broad-
er mismatch between Washington’s willingness to sacrifice American blood and treasure to contain or overthrow Saddam versus the Baghdad regime’s willingness to bleed the Iraqi people to stay in power was only heightened in the aftermath of the strike.

Smart Sanctions?

Similarly, the Bush administration has begun to show that it understands that sanctions, as currently structured, are not a sufficient instrument for containing or overthrowing Saddam. After beginning his term as Secretary of State declaring that he wanted to “reinvigorate” sanctions, Colin Powell returned from a trip to the region arguing for “smarter” sanctions – trading a tightening of controls on money and arms in exchange for a loosening of restrictions on economic goods flowing into Iraq. The problem with this approach is less with its substance than with its timing and presentation. Giving up on trying to regulate civilian imports in exchange for tightening the grip on arms, dual-use items, and the Iraqi regime’s access to cash makes sense, but only in the context of a broader strategy with clear goals and the other elements of the strategy in place. At the moment, neither of those exists.

This creates two risks for the Bush administration, and for Powell in particular. The first is that hard-liners in the United States will criticize this element of a new Iraqi policy as weak, as essentially giving in. Powell was called to testify in front of both the House and Senate foreign relations committees upon his return from the region specifically because many members of the U.S. Congress were worried that he was “going soft” on Iraq. (see Iraq chapter)

The second risk is that, absent a more complete discussion about ends and means, states such as France and/or Saudi Arabia may pocket the concessions of easing economic sanctions and then refuse to agree to any of the steps required to tighten the noose on arms and funds.

So far, the Bush administration’s approach to Iraq policy has been reactive and piecemeal. It needs to do better. First, it needs to complete the strategy review and have all the elements in place before it goes to bargain with France, Russia, regional Arab states, and others whose cooperation the U.S. needs to make a revamped policy against Iraq work. Second, it needs to come up with these elements quickly before the sand shifts beneath its feet again and events on the ground undermine any work done on a review before it can be implemented. Even if the Bush administration comes up with a comprehensive plan and does so quickly, there is no guarantee that it will work. As the previous U.S. administration found, Iraq is not an easy problem to fix.

The big question yet to be answered is the purpose of the policy. Some argue that it should be continued containment of the Iraqi threat to its neighbors. Others say that overthrow of Saddam Hussein is the only answer. The two are not necessarily distinct choices. Many of the elements of a policy of containment work equally well to promote an overthrow and visa versa. For example, arming opposition groups within Iraq could hasten Saddam’s overthrow, but it could also simply distract him enough that he has less time and resources to use in causing trouble for his neighbors. Regardless of which end of the continuum is decided upon, the United States must also be prepared to put the requisite resources toward the goal – political, military, and economic. Despite the campaign rhetoric on Iraq, it is not clear that President Bush is yet ready to make that commitment.
The Air Strike and its Discontents

The February 16 air strikes against Iraqi command and control sites stirred surprisingly strong opposition from Saudi Arabia. In a joint statement with Syria on February 21, the kingdom expressed “feelings of denunciation and anxiety” over the bombing raids. The public expression of dismay stood in stark contrast to the more muted criticisms in the past. Saudi Arabia’s reaction has both symbolic and tangible implications. First, Riyadh’s negative response to the strikes underscored the growing reluctance among Arab states to place further pressure, of any kind, on Baghdad. Second, the kingdom is home to the largest U.S. air contingent that enforces the southern no-fly zone. Indeed, support elements of the U.S. Air Force based in the kingdom, including aerial refueling planes and escort fighters, almost certainly participated in the air strikes. However, in deference to potential misgivings from the Arab world, Riyadh likely denied the United States permission to launch actual strike aircraft from Prince Sultan air base. Whether Saudi Arabia would further restrict the use of its facilities in future actions against Iraq remains unclear. In any event, given the centrality of Riyadh’s cooperation and acquiescence to America’s overall Iraq policy, Washington undoubtedly took the diplomatic signal seriously.

External pressures and complex internal dynamics compelled Saudi Arabia to distance itself from an air strike mission that was technically a part of the no-fly zone operation—which the kingdom continues to support. Externally, Saddam Hussein skillfully intensified Iraq’s diplomatic campaign in the Arab world to lift the UN sanctions and end the no-fly zones. As a part of his broader public relations strategy, he has engaged in a clever ploy to highlight the kingdom’s role in prolonging the suffering of the Iraqis and sustaining western aggression against Baghdad. In late December, Baghdad demanded that the Arab League intervene to end the “continuous aggressions” by American and British air patrols over Iraq, Iraqi foreign minister Mohamad Said Al-Sahaf asked the league’s Secretary General, Ahmed Esmat Abdel-Meguid, to demand the cessation of Saudi and Kuwaiti logistics and baying support to the air patrols. Sahaf further accused both states of being “full partners” in the allied operation. In mid-January, Iraq again lashed out at the kingdom in an apparent response to Saudi demands that Baghdad release Kuwaiti prisoners of war captured during the Gulf War. An Iraqi spokesman stated, “The Saudi regime is the last Arab regime which has the right to speak about a unifying Arab stance for its role in backing United States and British warplanes in their daily attacks against our country.”

In the aftermath of the February air strikes, Iraq again condemned Saudi Arabia’s complicity. According to a government-controlled Iraqi newspaper, “It is not only America and Britain that are responsible for the criminal aggression on Iraq...the regimes in Kuwait and Saudi Arabia are also to blame.” In a clear reference to Kuwait and Saudi Arabia, the paper further declared, “Iraq has the right to take military measures and plans to retaliate against the aggressors and those who give them facilities in the event of future attacks.” While military threats from Iraq have become routine (and are usually considered propaganda), the strident tone of the message reflects Baghdad’s growing defiance as international support for the containment policy continues to crumble. Given Saudi Arabia’s support for the sanctions and the no-fly zones, Iraqi accusations undoubtedly resonated powerfully with the leadership in Riyadh and other Arab capitals. Moreover, mounting Arab sympathy for Iraq has made any public Saudi defense of the air strikes untenable.

The air strikes have also heightened tensions in the kingdom. Outraged by the attacks, the Saudi public, expressed unusual anger and frustration. According to one citizen, “Bush has uncovered his ugly face and all the hate and spite he has for Arabs.” This inflammatory public remark, which has become increasingly commonplace in the Arab street, reflect a deepening popular resentment over American military presence on Saudi soil. There is a growing feeling that American forces constitute a form of occupation that should be evicted. Saudi clerics are often heard preaching against “the forces of infidels” in Saudi Arabia, home to Mecca and
Medina, the two holiest cities of Islam. Conspiracy theories also abound in the Arab world. Some see the air strikes as an elaborate ruse to provoke conflict between Iraq and Saudi Arabia in order to undermine Baghdad’s successful campaign to break out of its isolation. Indeed, many Arab commentators refuse to believe President Bush’s assertion that the operation was “routine.”

**Shifting Views on the United States**

An increasingly persuasive rationale to the average Arab has largely driven this anti-Americanism. According to an Arab political science professor, “Iraq is no longer a threat... and Iran is no longer the country that sought to export the Islamic revolution.” For many Arabs, he concluded, the continuing presence of the U.S. military without any obvious strategic rationale has transformed it “from a protecting force into an occupying and permanent one.” Given this powerful (albeit overly simplistic) line of reasoning, it is easy to understand how the air strikes have fueled the strong and almost reflexive impulse among the public to criticize the strikes and call for expelling U.S. forces.

The timing of the air raids, which coincided with the ongoing conflagration in Israel and the Palestinian territories, dismayed Saudi Arabia and other Arab states. The landslide victory of rightwing Ariel Sharon in the elections for Israel’s prime minister no doubt deepened Saudi alarm. While the United States continues to assert that its Iraq policy and the Israeli-Palestinian peace process are distinct and unrelated, the Arab world sees the two issues as inseparable. For many Arab governments eager for the new U.S. administration to prevent further deterioration in the peace process, the strikes seemed like a convenient ploy to divert attention from the Palestinian-Israeli conflict. Indeed, President Bush’s apparent shift of focus from the peace process to the remaking of Iraq policy unnerved many Arab capitals.

Moreover, America’s perceived mishandling of the Arab-Israeli peace process and the associated hostility toward Washington in the Arab world made it increasingly difficult for the Saudi leadership to defend U.S. actions in Iraq. The kingdom had already publicly voiced its concern and anger at America’s apparent lack of even-handedness in dealing with the mounting violence (see the Saudi chapter in the March 2000 quarterly). Many Saudis believe that Washington’s undisguised support for Tel Aviv has helped prolong and intensify the confrontation. The top leadership in Riyadh also shares such sentiments. According to Prince Talal bin Abdel Aziz, brother of crown prince Abdullah, “The reputation of the United States in the Arab world has dropped to zero.” In a clear reference to the authority’s concerns of the growing public resentment, he added that, “too biased a stand makes an awkward situation for America’s friends.” During a rare interview with an U.S. academic delegation, the crown prince expressed similar misgivings.

The situation also played into Iraqi hands. The strikes provided Baghdad with ample ammunition to heighten Arab animosity toward Israel and the United States. In a clever ploy to appeal to the Arab public, Saddam Hussein has portrayed Iraq as the only Arab state willing to defend the Palestinians and stand up to both America and Israel. This has in turn helped fuel resentment among average Arabs throughout the region and increase pressure on their governments.

One Arab commentary aptly summarized the sense of real frustration in the region. “We are rather incredulous at the timing of the strikes, which coincide with what seems to be the collapse of Arab-Israeli peacemaking, the election of a rightwing prime minister in Israel whose regard for Arab life is light, and the emergence of an Arab population that is more disillusioned about the future of the region than at any time in the past two decades.” Regardless of Washington’s insistence that the peace process and Iraq policy are separate, the Arab world will remain unconvinced.

It is clear then, that America’s military actions in the Gulf region will directly impact the kingdom’s foreign policy and domestic politics. Indeed, Saudi Arabia’s relations with other Arab states, support for the peace process, ties with United States, and anxieties about public sentiments are all interlocked in a complex web of relationships. Among them, the domestic component preoccupies the leadership the most. As mentioned in previous quarters, internal stability and regime survival are of utmost concern to the royal family. To a certain extent, Saudi Arabia’s public expressions of disapproval over the air strikes are meant for domestic consumption to appease public discontent. The media provide an opportunity to vent public frustration without undermining Saudi Arabia’s security policy. Moreover, given the kingdom’s dependence on Washington’s security guarantees, it is highly unlikely that any drastic actions will follow rhetoric in the near-term, such as forcing a complete withdrawal of American presence on Saudi soil. However, the kingdom’s response also reflects deeper and more fundamental changes in Saudi Arabia that could in the long-term affect its relations with the United States and the region.

First, crown prince Abdullah, who took over the day-to-day management of Saudi policy after the incapacitation of King Fahd, has gradually consolidated his grip on power. As the de facto ruler of
the kingdom, he has advocated a more independent stance in Saudi relations with the United States. Abdullah has also advanced unprecedented reforms to the economy and to the management of the spendthrift royal family. His success in making his personal imprint on policy is reflected in his sharp remarks and criticism of U.S. policy. The growing public animosity toward the United States could affect Abdullah’s calculation in determining the degree of engagement that the kingdom would seek to pursue with Washington in the future. More important, the coming power succession, especially at the highest levels of decision making (Abdullah and his family associates are all reaching 80) will initiate a major shift at the apex the kingdom’s political hierarchy. As the current crop of leaders pass from the scene in rapid succession, a new generation of leaders with different values and agendas will emerge (assuming that the transition will be stable). This new power base could dramatically change the face of Saudi foreign policy and the kingdom’s relations with the United States.

Second, gradual economic stagnation and a looming demographic explosion will converge to fundamentally reshape the social fabric of Saudi Arabia. With prices dropping to as low as $10 a barrel in 1999, oil no longer commands as much financial power as in the past when it fetched $30 per barrel. At the same time, the kingdom’s population, now at 22 million, will balloon. The population is growing at 3 percent per year. More worrisome, 43 percent of Saudis are under 14. Unemployment, according to some estimates, has already increased to a staggering 35 percent. As large portions of the population reach working age, unemployment could skyrocket. Real economic growth in the meantime was a sluggish 1.6 percent in 1998. The income gap between the elite, wealthy Saudis and the rest of the population has also widened significantly in recent years. These trends and statistics bode ill for the kingdom. While there is recognition within the leadership that Saudi Arabia must reinvent itself if it is to survive the rigors of the twenty-first century, change will likely be slow, turbulent, and very painful. How the transformation of the kingdom will impact its foreign and security policies remains to be seen.

Third, as Saudi society undergoes a wrenching transition and adjustment unseen in the past, the public will be subject to internal and external influences that could challenge the regime’s authority. Chief among them, fundamentalism of the type exemplified by terrorist leader Osama bin Laden poses the greatest danger. Bin Laden has vowed to target all Americans in an effort to drive out U.S. forces in the kingdom. The Khorab towers bombing, the recent series of bombings in Riyadh, the USS Cole incident, and new evidence that bin Laden’s military dissident groups in the kingdom plotted to bomb the U.S. embassy in Riyadh in 1994 all testify to this growing terrorist threat. As socio-economic dislocation and associated discontents increase in the future, Saudi citizens will be more susceptible to terrorist impulses and anti-foreign sentiments. More worrisome, the failure of the Saudi leadership to respond flexibly to future shifts in public opinion could exacerbate the situation. For example, should Riyadh choose to use its internal security apparatus to crack down harshly on its citizens, repression could foster greater resistance or drive the public dissent underground. Such an interaction could fuel a vicious cycle of confrontation between that government and the people, hence creating greater regime instability. It is clear, then, the kingdom has much to contend with. These three interrelated elements will over the long-term determine the fate of the kingdom and the future course of Saudi relations with the United States and the world.

**Toward A Genuine Military Alliance?**

In late December, the six members of the Gulf Cooperation Council (GCC) convened for their 21st annual summit in Bahrain to discuss economic, regional, and security issues. While economic relations, such as the proposed common tariff agreement, topped the agenda, the GCC states also revisited a long-delayed plan to establish a regional defense force. Despite efforts to set up a NATO-like pact since the organization’s founding in 1981, substantive progress remained frustratingly slow. After years of seemingly unending series of “consultations,” it was only in September 2000 that the GCC’s defense ministers agreed in principle to sign an actual mutual defense pact. On the eve of the December GCC summit, it became clear that support for such an agreement had finally coalesced.

The gradual movement toward a genuine alliance in recent years reflects the unpredictable security environment characteristic of the Middle East. First, heightened regional tensions, including the ongoing Israeli-Palestinian conflict and the apparent resurgence of Iraq, undoubtedly nudged the GCC toward creating a regional pact. Second, the growing realization that U.S. security guarantees are not ironclad and that the American military presence in the region is not indefinite has motivated the Gulf states to assume greater responsibility for their own security. Moreover, Washington’s blatant tilt toward Tel Aviv in the Israeli-Palestinian standoff and the associated double standards in the eyes of the GCC states have also increased doubts about America’s commitment to defend them. Indeed, U.S. policy in the
Middle East since the outbreak of violence has reinforced the notion that Washington’s only interests are protecting Israel and safeguarding its access to oil.

Third, as discussed above, growing resentment of American military presence across the Arab world has intensified pressure on regimes hosting U.S. forces. The build up of internal dissent may eventually force the governments to dramatically alter their security relationships with the United States. The leaders of the GCC states recognize that the current internal stability, which could vanish without warning, offers an invaluable (and perhaps fleeting) opportunity to strengthen their defenses should domestic opposition force Washington to withdraw its forces from the region. In short, the GCC states realize that they might eventually have to fend for themselves.

At the summit, Saudi crown prince Abdullah spoke favorably of the efforts to boost GCC defense. He declared that, “Developing a defense capability that can effectively deter any possible attack on our countries is of vital importance which we must not belittle.” He added, “This calls on all of us to move efficiently and decisively towards raising the GCC’s defense capabilities so that we can confront current and potential challenges.” While he did not specify the aggressors by name, it was clear that the crown prince was referring to Iraq and Iran. Saudi support for a defense pact—central to any regional initiative—signaled a broader political resolve among the GCC states to move forward with the plan.

Bahrain, home to the U.S. Navy’s Fifth Fleet, offered the proposal on the defense pact, which Kuwait enthusiastically seconded. In contrast to past discussions, which were cursory at best, the plan involves unprecedented specificity. It calls for the establishment of an $80 million modern early warning system against ballistic missile attacks and a $70 million advanced communications network linked to all GCC states. The proposal also envisions a dramatic boost to Peninsula Shield, the GCC-wide ground force based in northwestern Saudi Arabia, from 5,000 to 22,000 troops. Most noteworthy, the Shield would eventually be equipped and trained to become a rapid reaction force intended to deter and defend against an attack. Similar to the NATO’s Article 5 language, the pact stipulates specifically that an attack on one member represented an attack on all other members.

After more than two decades of halting progress, the member states finally signed the historic Joint Defense Pact. At a news conference after the summit, Bahrain’s foreign minister, Sheik Mohammed bin Mubarak Khalifa gushed, “This is the most important agreement signed by the GCC because for the first time it puts a legal framework to this type of cooperation.” The stated ambitions of the defense agreement, which represent a quantum leap forward for the organization, appears to justify the foreign minister’s euphoria. Moreover, a joint military force could also enhance cooperation and joint exercises with U.S. forces in the Gulf. According to a former Pentagon official, “A cooperative commitment on [GCC’s] part strengthens [America’s] ability to deal with them collectively.”

While this milestone achievement seems promising for Gulf security, caution and scrutiny are warranted. If history is any indication, developing a genuine joint force will be a tortuous process. Most prominent, the GCC was powerless to help defend Kuwait when Iraq invaded the tiny emirate in 1990. Despite the hard lessons learned from the conflict, the Gulf states failed to improve the warfighting capacity of Peninsula Shield. Indeed, while the combined military personnel of the Gulf states rose from 150,000 to 200,000 since the Gulf War, the Shield’s size has stagnated between 4,000 and 5,000 troops. In 1998, the GCC shelved plans to build a new base for the regional force due to declining oil revenues. Discussions on a joint early warning system began as early as 1997 but had founndered until the recent pact. Even when the system becomes operational, maximizing such a complex region-wide system would require a dedicated commitment to sustain funding and training, an important military ethos that has thus far eluded the GCC members.

A closer examination of the defense pact also bears out the historical pattern. Indeed, there is a yawning chasm between the stated objectives of the pact and the political and fiscal commitment among the Gulf states. The member states have announced that they would not be bound by any timeframe to achieve the alliance’s goals. The GCC has also disclosed very few details on specific plans largely due to the absence of an overall strategic vision, specific military goals, or a concrete implementation plan. The member states are apparently deeply divided over the size of the joint force and its future location. Finally, the agreement still needs to be ratiﬁed by each individual state, a process that will likely drag on. In short, the pact in its current form is politically symbolic but has very little real military utility. In other words, the ability of the GCC alliance to deter and defend against external aggression will remain limited.

At the root of this congenital inability to form a military alliance are fundamental strategic differences between the Gulf states (see the Overview section in the March 2000 quarterly for extensive coverage). First, internal rivalries ranging from his-
torical animosities to border disputes within the organization hamper closer cooperation. Second, resentment and fear of Saudi domination unnerves many other members. The kingdom for its part remains reluctant to share its small corps of officers with other members.

Third, external threat perceptions differ greatly between the members. Having suffered direct aggression, Saudi Arabia and Kuwait are firmly oriented toward Iraq. In contrast, the UAE and Bahrain are more attuned to the Iranian threat directly to their north. On a related point, neither Iraq nor Iran pose a clear and present danger to the region. Iraq remains contained while Iran is eager to build friendlier relations with the GCC. Hence, the Gulf states do not feel compelled to act with any sense of urgency.

Fourth, asymmetry in manpower inhibits substantial contributions to a joint force. Serious personnel shortages among the small Gulf states are particularly acute. Fifth, the vast array of incompatible systems that the Gulf states have amassed from various countries will hamper interoperability. While buying sprees have been effective in currying political favor from major powers, such shortsighted reckless behavior has proved inherently counterproductive for true military effectiveness. Moreover, some states are simply better equipped than others. For example, only Saudi Arabia and the UAE boast the requisite air power to dominate and control the skies over their territories. As a result, despite the appeal of interoperability, attaining and then maintaining jointness within the GCC and with American forces will be exceedingly difficult.

Given the constraints outlined above, the strategic consequences of this pact, albeit limited, will be four-fold. First, inter-GCC military cooperation will progress incrementally in the coming years. A collective defense system akin to NATO will not emerge for the foreseeable future. Second, the GCC will remain vulnerable to external threats from Iraq and Iran. Third, the lofty goals of interoperability with U.S. forces will be limited. Finally, the previous three points culminate in the conclusion that the GCC members will continue to look to the United States for their security. Given these harsh realities, it is always prudent to maintain a high degree of healthy skepticism about future GCC military cooperation.
As this report went to print, Ariel Sharon had succeeded in forming a broad-based national-unity government. The government garnered a 72-21 vote of confidence in the Knesset, leaving the tortuous process of passing a budget as the only remaining hurdle to its rule. Prime Minister Sharon pledged to resume negotiations with Palestinian Authority (PA) chief Yasser Arafat – after the intifada in the disputed West Bank and Gaza ceased. The prime minister also announced plans to travel to Washington in late March, where he would outline his peace proposals to President George W. Bush and Secretary of State Colin L. Powell.

Smackdown

As if the situation in the Middle East were not already volatile enough, the Israeli-Palestinian peace process has entered an even more delicate phase. In early February, Ariel Sharon, whose checkered military record long ago made him a villain without peer for the Israeli Left – and seemingly wrecked his political prospects – thrashed Ehud Barak at the ballot box by a historic 25 percent margin, prompting Barak to resign as Labor Party chief. The prime minister-elect has disavowed not only the negotiating positions of his predecessor but the entire Oslo peace process. Sharon also vowed not to renew the peace process until the violent upheaval of recent months ends.

Few could have foreseen this turn of events in the fall of 2000, when public and elite opinion blamed Sharon’s visit to the Temple Mount for inflaming the passions of Palestinian youth and triggering a new intifada. Sharon became the candidate of the right-wing Likud Party only by default, when Benjamin Netanyahu, who fell to Barak in the 1999 elections, bowed out of contention. Israeli law initially barred a Netanyahu candidacy because the former prime minister was not a member of the Knesset. Although parliament changed the law, he opted not to run because he would have been stuck with a fragmented Knesset in which Labor held a plurality of seats. A parliament dominated by the Left is invariably an unpalatable – and sometimes an untenable – environment for a Likud prime minister.

In effect the election was a referendum on Barak’s leadership. Ariel Sharon was propelled into office by massive disaffection with Barak’s handling of the negotiations with the Palestinians – not to mention the fighting that has now claimed over 400 victims. The weak turnout on election day reflected the ambivalence of the Israeli Left, whose partisans rejected Barak’s policies but could not bring themselves to vote for Sharon. (By way of background, Sharon supposedly condoned the massacre of Lebanese civilians while overseeing the 1982 invasion of Lebanon. While the truth of this claim is murky, his reputation scarcely endeared him to many Israelis.)

Israeli Arabs also boycotted the election en masse, in large part because of an incident last fall in which the Israeli Defense Forces shot and killed thirteen Israeli Arabs who were demonstrating against Israeli policy towards the Palestinians. Without Arab support Barak had little chance of victory.

Most Israelis – even those who normally loathe Sharon – were appalled at what they saw as Barak’s indecent haste to make concessions at the bargaining table. After Arafat rebuffed the prime minister’s offer at Camp David – the most generous likely to be forthcoming from any Israeli government – Barak’s popularity plummeted. Yet, against all the evidence, he stubbornly maintained that he would secure an agreement. President Bill Clinton, who feverishly worked to engineer an accord before his own term ended, may have been partly to blame for the prime minister’s delusions. In any event, Barak was increasingly estranged from political reality as the campaign progressed. Indeed, on the Friday before the election, he brushed off the intifada as a natural byproduct of the peace process and insisted that the process was moving forward – an eyebrow-raising analysis at best.

Few voters saw it that way, as Sharon’s impressive 62.5 percent of the vote attested. But his margin of victory does not assure the prime minister of a mandate to take a harder line on the Palestinians. The February election was the first in Israeli history to choose the prime minister only. Because the Knesset was not dissolved, there was no mechanism for the voters to elect a government supportive of a harder line – the likely outcome, given the drift of public opinion. Thus Sharon is saddled with the fractured coalition that bedeviled his predecessor. (Even in the aftermath of Barak’s defeat, Labor retains the largest bloc of seats in parliament, with 24 of 120.)

Forming a government under these conditions would be a stiff challenge for the most skilled politi-
cian. The deadline for Sharon to form a coalition and secure a vote of confidence in the legislature is March 30. Even if he manages this feat – and it appears that he will – his fate will not be secure. If the Knesset cannot agree on a budget by March 31, new general elections must be held within ninety days afterward. As Barak found, a coalition dependent on parties on both extremes of the political spectrum – from the dovish Meretz to the right-wing Shas – is often held hostage to the parochial demands of a small minority. (Recall that Barak’s government nearly collapsed last year in a feud over public funding for Orthodox Jewish schools.)

What were Sharon’s options? During the campaign, the prime minister-elect promised to cultivate a national-unity government with Labor on the theory that this would be the best way to present a united front in a peace process that had been transformed by the intifada. However, Ehud Barak bowed out of talks on a centrist coalition when it became evident he would not be awarded the coveted post of minister of defense. He resigned both from the leadership of the Labor Party and from his Knesset seat. Thus Labor must select a new leader before negotiations on a grand coalition can proceed. Since many in party ranks refuse to work with Sharon, the process of electing a new leader has been fractious.

As this report went to press, a unity government had begun to take shape. Shimon Peres, an experienced negotiator, has emerged as the frontrunner to succeed Barak as party leader. In party caucuses, he argued cogently that Labor must join a unity government for two reasons. First and foremost, the public will, as voiced at the ballot box, demanded a new approach to the peace process and favored a left-right coalition. The Labor Party, maintained Peres, risked being swept from power in the Knesset should it resist the public desire for a harder line on the Palestinians. Second, the Labor members of a Sharon cabinet could exert a moderating influence on the hardline prime minister’s policies. The latter could be a forlorn hope. Ariel Sharon has not wavered appreciably in his principles over the course of his long career. Nonetheless, Peres reportedly has been awarded the post of foreign minister, positioning him to represent Israel at the bargaining table and have the prime minister’s ear on the peace process. New elections will be Labor’s only recourse should the prime minister persevere in his uncompromising stance – a stance for which the voters would hold the Left partly responsible – on the peace process. A national-unity government is a mixed blessing at best for Labor.

Should talks on a unity government falter – a possibility that was receding as this report went to print – a right-wing coalition of Likud, Shas, and the lesser religious and ethnic parties would give Sharon a narrow majority in the Knesset (as many as 66 of 120 seats). Since all of the members would be of the Right, assembling such a coalition would be relatively simple. Governing with a narrow coalition would be feasible, although some internal divisions would complicate Sharon’s task. (Some of the right-wing parties split off from Likud, and some even joined the Labor-led One Israel bloc. Residual bitterness, as well as the disproportionate influence wielded by the fringe parties, would undoubtedly generate infighting within the cabinet.) The biggest obstacle to passing a budget by March 31 would be a narrow coalition’s dependency on the Russian parties, which are fervently secularist and thus deeply suspicious of fellow partners such as the ultra-Orthodox Shas. As the tussle over funding for religious schools showed, disputes about social spending can stymie relations even among ideological kindred.

A national-unity government represents Sharon’s best chance of forming a stable majority able to pass a budget by the end of March. At this juncture the safest bet is that he will succeed in forming such a coalition. It will require a generous measure of horse-trading and statesmanship by the prime minister-elect. But it appears that a Sharon government might actually survive the year.

There’s a New Sheriff in Town

For the duration of Ariel Sharon’s tenure, Tel Aviv will certainly take a far different stance on the Palestinians. Sharon’s no-nonsense approach to the negotiations differs starkly from that of his predecessor, Ehud Barak, who gambled that sizable concessions by Israel would bring reciprocity from Yasser Arafat. Barak lost that gamble. Consequently, the new prime minister has disclaimed the package of concessions served up by his predecessor at last summer’s Camp David summit. A skeptic about Palestinian goodwill, he reasons that Arafat has calibrated the intifada to apply pressure at key points in the peace process. Thus Sharon has refused to resume negotiations until the uprising abates.

Three possible trajectories for Middle East politics are apparent. First, the already tense situation could erupt into a potentially disastrous regional war. Some observers have accused Arafat of deliberately throwing the election to Sharon in order to escalate the hostilities. The PA chairman openly gave the PA chairman openly discouraged Israeli Arabs from voting in the election – another factor in the record-low turnout. Arafat would benefit either way if this scenario were true. Should the peace process resume, a Sharon-led Israel will be cast as the villain and vilified by world opinion – giving the PA added leverage in any new talks. Alternatively, states friendly to the Palestinians throughout the Muslim world could coalesce into a grand coalition to attempt
to crush the Jewish state – particularly if Sharon dared to launch a full-scale crackdown on the uprising.

This theory has strengths and weaknesses. It is certainly true that a militant Sharon could provoke a war if he promotes the construction of new Jewish settlements in the occupied territories and bulldozes Arab homes to make way for the settlers – policies he advocated in the 1980s. If a military riposte to the intifada escalated the bloodshed, moreover, events could spiral out of control. But Sharon, a seasoned military officer, recognizes the limits of military power. More likely, he will simply retaliate against specific attacks on Israelis and insist that the violence cease before resuming negotiations. It seems doubtful that he would use the military instrument indiscriminately. Once the bargaining resumes, he will clearly have “red lines” beyond which he will not retreat, and he will use force as a backdrop to implicitly buttress his negotiating positions. The perception that Barak lacked hard-and-fast principles was the key to his downfall in the peace process and at the ballot box. His successor is betting that his willingness to use force to uphold his principles will help him in any new negotiations. Finally, it is unlikely that the Arab states will have the political will to join in such a coalition, and they definitely do not have the military might to do significant damage to Israel absent the use of weapons of mass destruction. In any event, war is a remote possibility.

Yasser Arafat’s supposed role in engineering an Arab coalition is implausible. Not superhuman cunning but political weakness has been the driving force behind Arafat’s actions. Only a minority of Palestinians support his rule. Thus he has felt powerless to act firmly to halt violence by Palestinian youth. A crackdown might allow his many critics to paint him as a puppet of Israel – with results fatal to his leadership. Arafat’s effort to suppress Arab turnout at the election was more likely an act of spite towards Ehud Barak, whom he came to despise. If so, the PA chief blundered badly, as official Palestinian statements since the election indicate. Arafat spokesmen insist, rather plaintively, that the peace process pick up where the parties left off at Camp David. Fat chance. Sharon’s public statements distancing himself from the Oslo accords, not to mention his renowned hard-headedness, will bind him to a harder line.

A second, and more tantalizing, possibility is that the advent of a hardline prime minister could actually free Arafat from the corner into which he has painted himself. The PA chairman has repeatedly promised his constituents that he would deliver their own state with its capital in East Jerusalem. With the palpably weak Barak in charge, Arafat could scarcely back away from this maximalist position – especially in view of his precarious standing with the Palestinian citizenry. Palestinians would blame him, for instance, for failing to wrest 100 percent of the West Bank from the feckless Israeli prime minister. However, Ariel Sharon has plentiful credibility as a hard-nosed statesman, and he has declared the Oslo process over – “period.”

Sharon thus may be able to craft a take-it-or-leave-it interim deal from which Israel will not back away and which the PA has no choice but to accept. This would actually ease Arafat’s predicament, since he could present a compromise settlement as the best that could be wrung from a right-winger such as Sharon. The new prime minister will not give way on issues such as the right of return for refugees who fled the Jewish state in 1948 – sanctifying such a right would amount to slow-motion demographic suicide for Israel – and he will not yield on sovereignty over Jerusalem. But if he ratifies the territorial provisions that have already been implemented and takes other modest steps, he might be able to fashion a peace deal or, more likely, another interim deal that gives each side something and eases the violence.

What would such a deal look like? The Palestinians’ fondest hope, that the negotiations will resume where the Camp David summit left off, will certainly be dashed. The foul mood of the Israeli public rules out sweeping concessions. Still, a more limited arrangement could suit the minimal requirements of each side and thus form the basis of a grudging compromise. Should Arafat agree to rein in paramilitary groups and clamp down on the almost daily episodes of violence – and provide tangible evidence of his good faith – Ariel Sharon might be willing to turn over blocs of the West Bank that would begin to make the current archipelago of PA enclaves – clearly an unsustainable arrangement – look more like a state with contiguous territory. Formal recognition of Palestinian statehood by Tel Aviv would also bolster the chances of a settlement. The prime minister might also end government policies encouraging the construction of Jewish settlements in the West Bank. This settlement policy has done little, in any case, other than bring down widespread condemnation on Israel in foreign capitals and the United Nations. In the end, this scenario will turn on whether Sharon and Arafat can sustain their popularity with their constituents – giving them the prestige to sell a compromise deal at home.

Finally, the two sides could continue to muddle through as they have since the intifada began last fall. In this view, Sharon would prove a transitional figure unable to mold a consensus on the peace process. This could happen in a variety of ways. He could fail to form a national-unity government or pass a budget by the March deadlines. In his capacity as the national-unity government or pass a budget by the March deadlines. In his capacity as the national-unity government or pass a budget by the March deadlines. In his capacity as the national-unity government or pass a budget by the March deadlines. In his capacity as the national-unity government or pass a budget by the March deadlines.
islature would be virtually ungovernable for a Likud prime minister – forcing Sharon to call new elections in hopes that the tide of public sentiment that swept him to power would bring a like-minded Knesset into being. Benjamin Netanyahu would be unlikely to sit out a new election that might restore Likud to power – and he is more popular than Sharon, having polled even more strongly against Barak than did the eventual victor. In any of these cases, the PA would have no incentive to bargain. Arafat would simply stall until the elections clarified matters. From the Palestinian standpoint, even a Netanyahu restoration would be preferable to a Sharon regime.

The second and third scenarios are the most likely outcomes for the near term. It is impossible to predict which course Israeli politics will take. All-out war can be discounted. The Muslim world would be reluctant to confront the high-tech Israeli armed forces, particularly when these forces would undoubtedly be backed by the United States. Sharon has apparently surmounted the hurdle of forming a unity government – improving his chances of passing a budget. However, the unruly Knesset could hamstring his policies, just as it did those of Barak. Still, although it would require a remarkable feat of statesmanship, the possibility that Sharon, now that he has formed a stable ruling coalition, will broker a modest deal should not be ruled out. Tough-minded diplomats sometimes succeed where their more accommodating colleagues fall short. Firmness is the key to successful negotiations – and Ariel Sharon boasts that virtue in abundance.

Reducing the Stakes for America
Skeptical of the prospects for a peace settlement, the newly installed Bush administration has not-so-subtly signaled its desire to downplay the peace process – to place the negotiations within the overall context of Middle East policy, as the State Department somewhat delicately puts it. Implicit in U.S. statements is that Iraq will take center stage, with American involvement in the Arab-Israeli dust-up viewed more as a tool to shore up Arab support in the Gulf than as an end in itself. While he undoubtedly hopes to take credit for a settlement, should one emerge, George W. Bush is unwilling to bet the success of his foreign policy on the violence-racked peace process. Indeed, he downgraded supervision of the U.S. role in the negotiations from the presidential to the assistant secretarial level. The difference is particularly marked compared with the Clinton administration, which made a settlement one of its chief foreign-policy aims.

This philosophical turnaround fueled suspicions in the Palestinian community during a late February trip to the region by Secretary of State Colin Powell. In a face-to-face meeting in Ramallah, Powell sought to pacify Yasser Arafat by calling for an end to the economic hardships – spawned by the Israeli blockade – that bedevil ordinary Palestinians. Sealing off the occupied territories, he warned, would produce additional violence by needlessly impoverished Palestinian citizens. Prime Minister-elect Sharon, however, has showed no signs of bending to U.S. pressure. He has maintained, reasonably enough, that there is no reason for Israelis to employ people who are essentially at war with them.

The Bush administration is in an awkward position. The president and secretary of state are understandably reluctant to tie their fortunes to what might be a sinking ship – the peace process. But the administration also wants to reinvigorate U.S. policy against Saddam Hussein’s Iraq. Whatever the failings of the Clinton administration’s Middle East policy, Bill Clinton and Madeleine profited handsomely – measured in goodwill among the Gulf Arab states – from their aggressive sponsorship of a deal between Israel and the Palestinians. In turn, the United States was able to sustain the U.N. sanctions on Iraq for eight years and generally keep Iraq contained. In all likelihood the new administration will reach the same conclusions as its predecessor and will press ahead with a prominent role in the peace process – though without the manic fervor that characterized the last days of Bill Clinton’s presidency. The dividends from high-profile engagement in the Arab-Israeli peace process are simply too lucrative to pass up. Even more importantly for Washington’s broader Middle East strategy, no administration can be successful in the region without being seen as being actively involved in attempting to settle the Arab-Israeli conflict.

Conclusions
Predicting the course of Arab-Israeli relations is an even more hazardous undertaking than usual. The safest bets are that Ariel Sharon will successfully negotiate all the obstacles to his forming a stable government; that he will pursue negotiations with Yasser Arafat on his terms; and that the Muslim states will refrain from joining in a war against Israel. While the United States will reduce its profile in the negotiations somewhat, it will continue to prod the two sides towards a settlement. Elements of the economic sanctions on Iraq are probably doomed, come what may in Israel. But the prestige it reaps from engagement in the peace process will help Washington to broker a stiffer arms embargo on Saddam Hussein’s regime – keeping the Iraqi dictator in the box as much as political reality permits.
Desert Storm at Ten

During his campaign for the presidency, Republican candidate George W. Bush pledged to take a harder line on Iraq. He pointed out that the sanctions had grown increasingly porous and hinted delicately that weak leadership by President Bill Clinton – and, by association, his opponent, Vice President Al Gore – was to blame for lackluster cooperation in the Persian Gulf region. Resurrecting the wartime coalition against Saddam Hussein’s Iraq – the essential condition for any international effort to box in the Iraqi dictator – is Bush’s foremost aim in the Middle East. Iraq will move to center stage in the Middle East strategy, supplanting the moribund Arab-Israeli peace process.

Whether rejuvenating the coalition is feasible is another question entirely. It is no longer 1991, when Iraq had smashed a small neighbor and threatened the economic vitality of the industrialized world. Both for reasons of prosperity and more altruistic motives, some forty nations dispatched forces to the Persian Gulf region to throttle the Iraqi army then occupying Kuwait. But Iraq no longer poses a unifying threat to its neighbors and to the industrialized West, and there is little else to cement the badly frayed Desert Storm coalition. While the claim that stronger U.S. leadership in the early 1990s would have preserved coalition unity might be true, it is also irrelevant at this late date.

As these quarterly reports have documented, Saddam Hussein – lacking the wherewithal to challenge the United States militarily – has turned instead to political warfare. As the great Chinese strategist Sun Tzu advocated, Hussein has deployed the propaganda instrument astutely to undermine the strategy and alliances of his foes. As a result, he stands a real chance of winning the drawn-out confrontation with the West without firing a shot. In this case, winning means a restoration of Iraqi sovereignty, including a full lifting of sanctions and an end to Western policing of the no-fly zones that cover two-thirds of Iraq. While the United States can block any attempt to disband the international sanctions on Iraq, Baghdad has mustered considerable support abroad that is increasingly allowing it to evade their impact.

The United States had three main objectives during Desert Storm: first, to force the Iraqi army from Kuwait; second, to eliminate the threat of a new invasion of one of Iraq’s neighbors; and third – and this turned out to be the stumbling block – to dismantle Baghdad’s arsenal of nuclear, biological, and chemical weaponry. In the aftermath of the Gulf War, certain members of the Security Council, namely the United States, France, and the United Kingdom, added a fourth objective: keeping Saddam from using his military to repress large segments of the Iraqi population. By creatively interpreting the U.N. resolutions that authorized the use of force against Iraq, these members of the council erected “no-fly” zones to shield the Kurdish and Shiite populations (in northern and southern Iraq respectively), which opposed Saddam Hussein’s rule, from certain forms of retribution by the central government.

The coalition achieved its first aim, which lent itself to military means, in grand style. Iraqi forces were evicted from the beleaguered emirate in short order. Relentless pounding of the Iraqi armed forces, followed by the stationing of a large U.S. military contingent in the Gulf region, accomplished the second. The manpower and hardware of its once-forbidding army reduced by half, Iraq is no longer able to mount a credible conventional threat to its neighbors – at least as long as a U.S. military deterrent remains in the region. The fourth objective, defending opponents of Hussein’s rule, might be said to have been achieved in part. In effect the United States and Britain carved out a Kurdish enclave to the north that is secure from Iraqi military reprisals. But the southern no-fly zone, while it prevents the bombardment of the Shiite population by fixed-wing aircraft, has been unable to prevent brutal crackdowns by helicopters and ground forces.

Which brings us to the disarmament of Iraq. The U.S.-backed coalition understandably balked at overthrowing Saddam Hussein and militarily occupying his country – the only plausible method of locating all of Iraq’s unconventional munitions and facilities. The fruitless hunt by American airmen for mobile Scud missiles during the Gulf War should have cued Western officials as to the difficulty of finding items which the ruler of a massive country wishes to conceal. But this was evidently a lesson unlearned.

Instead, the Security Council, at the behest of Washington and London, erected the most intru-
sive regimen of economic sanctions and weapons inspections ever imposed on a sovereign state. The unforeseen consequence of this approach to Iraqi weapons of mass destruction was that it shifted the battle to the political realm and evened the odds for Hussein. Since he was unable to challenge American supremacy on the battlefield, Baghdad has parleyed U.N control of Iraqi oil revenues into a propaganda coup. By depicting the Iraqi citizenry as the victims of a heartless West – in a crisis of Saddam Hussein’s own making – Iraqi diplomats have aroused the humanitarian instincts of many observers and sapped the will of the international community. Factor in the parochial economic interests of countries such as France, Russia, and China, and collapsing international unity on the sanctions seems probable.

Colin in Wonderland

Thus turning the tide in the propaganda war is the chief objective of the new American administration. But interpreting the Bush administration’s policy aims on Iraq can be a trying prospect, in large part because that policy remains a work in progress. Part of the reason for the confusion is the widespread – and somewhat cavalier – assumption among American commentators that Colin Powell, because of his rock-star popularity, will be the undisputed master of U.S. national security policy. This could be true: the influence of each the organs of U.S. foreign policy tends to wax and wane with the force of character of the principal office-holders. For instance, the State Department under Henry Kissinger dominated policy-making, as did the National Security Council when Kissinger served as national security adviser. While the State Department’s budget pales in comparison to that of the Defense Department, for instance, having the ear of the president tends to determine which instrument of policy has the greatest prestige and influence. Considered the most admired living American, Colin Powell will be a force to be reckoned with.

In view of the clout Powell may wield in the next four years, a look at the secretary of state’s background could be instructive. A veteran of the Vietnam War and its painful aftermath, Colin Powell has dedicated his career in large part to banishing the so-called “Vietnam Syndrome”, which supposedly paralyzed the American armed forces during the 1970s. In tandem with then-Secretary of Defense Caspar Weinberger, he developed a doctrine for the use of force that sought to clarify the circumstances under which the United States should fight overseas. Among the litmus tests that underpinned the Weinberger/Powell doctrine were clear political objectives, deployment of overwhelming force, assurances of sustained public support, and a well-defined exit strategy – that is, a clear definition of what constituted victory and how long a deployment of forces might last. Clearly, General Powell is a cautious statesman.

This caution was not in evidence at his confirmation hearings in January, when secretary of state-designate Powell, best known as one of the architects of Desert Storm, vowed to reinvigorate the sanctions on Iraq. Indeed, he ruled out any modifications to the embargo until Iraq consented to readmit international weapons inspectors. Recall that Saddam Hussein expelled inspectors from the now-defunct U.N. Special Commission (UNSCOM) in December 1998, leading to Operation Desert Fox. UNSCOM’s successor, the U.N. Monitoring and Verification Commission (UNMOVIC), was stillborn because of Iraqi opposition. There is no sign that Iraq will relent on international weapons inspections.

Still, General Powell reiterated his tough stance in February 2001, on the eve of his inaugural trip to the Middle East as secretary of state. Air raids on five Iraqi air-defense installations near Baghdad a few days before his departure provided an exclamation point to the secretary of state’s militant rhetoric. But the raids were a metaphor for the difficulties confronting the United States should Washington persevere in its current Iraq policy. Official statements justifying the action claimed that improvements to the Iraqi air-defense network – improvements made by Security Council members Russia and China – had improved the capacity of Iraqi gunners to menace American and British pilots patrolling the no-fly zones. Thus, claimed the administration, the attacks were acts of self-defense and “routine.” Not coincidentally, they also served notice that the new American president was not to be trifled with.

The administration’s explanation of the military merits of the attacks was undoubtedly true. Iraqi air defenders have become more adept at the long-running game of cat-and-mouse in which they try to down a Western aircraft, capture its pilot, and try to extort concessions from the United States. But the political wisdom of the bombardment was less evident. The more important – and largely unaddressed – question was: Why were ostensible proponents of disarming Iraq (i.e., China) upgrading radars and installing fiber-optic networks that linked anti-aircraft radar sites more efficiently? Probably because of some combination of the economic benefits of dealing with Saddam Hussein and the pleasure at jabbing an overweening America in the eye.

Whatever the case, the aerial attacks graphically highlighted the decay of the anti-Iraq coalition. Of the forty-odd nations that helped oust Iraq from
Kuwait in 1991, only Canada openly voiced support for the U.S./British action, while a torrent of criticism poured forth from close U.S. allies such as Saudi Arabia and Turkey. Even one of the leading Iraqi opposition groups condemned America for making Iraqi citizens “victims of a struggle between the United States and the Saddam regime.” Unless the Bush team can craft a new policy that appeases sanctions critics while containing illicit Iraqi weapons programs, U.S. Iraq policy faces a dim future.

Visibly taken aback at the furious reaction to the air strikes, the administration sought to mollify critics within the Arab world. During his visit to the Middle East, Secretary of State Powell proposed relaxing the elements of the sanctions that harmed the Iraqi people – and resulted in the flattering of America in the forum of world opinion – and focusing the international regime more tightly on arms and dual-use items (those that can have both military and civilian application). The secretary also downplayed U.S. demands that Baghdad re-admit weapons inspectors as a condition for easing the economic stranglehold. (Iraqi spokesmen have repeatedly stated that their government will never permit new weapons inspections.) However, following his visit to Kuwait, where he commemorated the tenth anniversary of Desert Storm, Powell told reporters that the only way for Iraq to show that it had complied with the will of the international community was to accept new inspections consonant with U.N. Security Council Resolution 1284. He seems to believe that Saddam Hussein will reciprocate if America demonstrates goodwill. This is probably a losing bet.

General Powell’s rhetoric seemed to back away from his previous statements pledging to keep up the pressure on Baghdad. In effect, his shift of stance was a bow to reality. Upon his return from the Gulf, the general claimed to have won the support of Syria, Kuwait, Saudi Arabia, Jordan, and Egypt for a formula that relaxed restrictions on Iraqi imports of food, medicine, and consumer goods in return for tightening international supervision of Baghdad’s oil revenues and weapons imports. Some 1,600 contracts for sales of dual-use civilian goods remain in limbo because of U.S. and British objections. Narrowing the list of dual-use items forbidden by the U.N. – centrifugal water pumps are one type of machinery, ubiquitous in civilian infrastructure, that also has military applications – would allow many of these contracts to proceed. A reinterpretation of Washington’s previous position on such Iraqi imports would undercut allegations of U.S. hardheartedness.

The outline of a Bush administration strategy is emerging from all of this controversy. Judging by Powell’s statements, Washington is determined, first, to broker a new arms embargo, perhaps including checkpoints around Iraq’s borders to monitor imports. This might allow it to sidestep the question of intrusive weapons inspections. Second, it will seek to halt oil smuggling through Jordan, Turkey, and Syria – a practice that funnels large amounts of money directly in Saddam’s pocket for use in coddling his cronies or illicitly purchasing weapons. (The UAE, the main port of entry for Iraqi oil smuggled out via Iranian waters – and with official Iranian collusion – has apparently remained indifferent to Bush administration entreaties.) Third, efforts to overthrow Hussein will be intensified by releasing $98 million in funds authorized by the Iraq Liberation Act but held up by the Clinton administration. (Absent a major escalation of U.S. support, the overthrow strategy will remain ineffective as such, since the Iraqi opposition remains a disunited rabble and the amount of aid is trivial. But supporting the opposition may prove to be a useful irritant to Saddam, keeping him off balance and forcing him to focus even more efforts on his regime’s security at the expense of causing trouble for his neighbors.) Finally, the Bush administration intends to continue enforcing the no-fly zones, which purport to shield the rebellious Kurdish and Shiite populations from Saddam Hussein’s military reprisals. Blunting the impact of the sanctions on ordinary Iraqis could push the undeclared air war off of the front pages and back into the realm of the uncontroversial.

To make such a new strategy work, the Bush administration must not only convince key regional allies and Security Council members, it must sell the policy at home. The Powell trip exposed the Bush administration to criticism from the Republican-controlled Congress, and so far it is unclear how high-profile hardliners within the administration – Vice President Cheney, Defense Secretary Rumsfeld, and Deputy Defense Secretary Wolfowitz, to name a few – will react. Administration spokesmen attempted to depict the secretary of state’s turnaround on Iraq as a planned show of magnanimity, but right-wing critics interpreted it as vacillation, or worse, as surrender. Upon his return from the Middle East, puzzled legislators summoned Powell to Capitol Hill to testify on Iraq. He will undoubtedly contend that a change of course was necessary to beat Saddam Hussein at his own game – to shift the terms of the propaganda war from starving children to weapons of mass destruction. Lifting controls over the importation of civilian goods would restore the blame for the suffering of the Iraqi people to Saddam Hussein, where it belongs. If the dictator preferred to use his oil revenues to purchase luxury items for Baath Party officials rather than food and medicine...
for Iraqi women and children, then world opinion would exact a high political price.

Conclusions

Whatever the outcome of the sanctions debate, or the Bush administration’s attempt to reshape policy toward Iraq more generally, Saddam Hussein will remain in the box militarily for the foreseeable future. Few within the Democratic Party, and virtually no one within the Republican Party, favor pulling U.S. forces out of the Gulf. Neither party wishes to be painted as soft on Iraq, especially when such allegations might be used to weaken its domestic program. Thus strong U.S. air and naval forces will prevent a new invasion of Iraq’s neighbors by the enfeebled Iraqi army, which, measured in manpower and hardware, is roughly half its pre-Gulf War size and has not carried out routine maintenance and training – let alone modernized – in the decade since. The presence of Western forces in the region will effectively bar any direct Iraqi threat to energy security.

What about unconventional weaponry? The Bush administration will eventually be compelled to drop the pretense that its Middle East strategy will prevent Iraq from developing weapons of mass destruction. That Iraq will have access to nuclear, biological, and chemical weapons is a foregone conclusion; the only questions are when and how much. Reports from Iraqi dissidents, echoed in unclassified reports from the Central Intelligence Agency, indicate that Baghdad has already developed two or three nuclear warheads. The only question is whether Iraq possesses the fissile material to make them operational. However, even most sanctions foes concede that the U.N. stranglehold does some concrete good by slowing the pace at which Baghdad can reconstruct its unconventional arsenal. An honest appraisal of the threat and the utility of a future weapons embargo would go far towards mustering support for American policy. And a candid admission that nuclear deterrence will be part of U.S. strategy in the future would help discourage any use of weapons of mass destruction against Israel or the Gulf Arab states.

While modifications to the existing international regime will not resurrect a vibrant anti-Iraq coalition, a new approach may at least mute criticism of U.S. policy from former coalition partners. This would insulate the United States and Great Britain from the fury that typically erupts when they use their Security Council vetoes to sustain the sanctions regime. Some form of international pressure on Baghdad will remain in place for the foreseeable future. Whether a modified sanctions framework will command the support of the international community hinges on the success of Bush administration diplomacy.
Internal Developments

The first two months of 2001 have been significant in Kuwaiti politics. The January 16 ruling of the Constitutional Court to dismiss a suit calling for voting rights for Kuwaiti women provided yet another dramatic twist in the long-running and highly contentious quest for women’s suffrage. On January 28, the entire cabinet resigned leaving the nation in a state of political uncertainty and confusion until February 17 when a new government, including a number of new faces, was sworn in. During the same period, Kuwait embarked on a crucially important plan to allow foreign oil companies to operate within the country for the first time since the industry was nationalized in 1980. The initial steps of this plan were subjected to fierce debate and vitriolic exchanges between parliament and the cabinet, illustrating the structural and institutional weaknesses of the Kuwaiti political system and the societal forces that promise difficulties for any attempts at meaningful political or economic reform.

The Battle Rages On

The court verdict on women’s voting rights was not necessarily surprising, but in delivering the decision without an articulation of any legal grounds for the dismissal, the court has likely ensured that suffrage cases will continue to be fought. The issue is far from resolution. In May 1999, the Emir, Sheik Jaber al-Ahmed al-Jaber al-Sabeh, decreed that women had the right to vote, but the decree was quickly overturned by parliament. The Emir then dissolved parliament, held elections and swore in a new parliament. A new vote on the issue has not yet been taken, as activists on both sides awaited the court verdict. The parliament’s ability to overturn the decree of the Emir shows the growing influence of Islamists and tribalists within the parliament that have worked together to thwart many of the cabinet’s initiatives and have created an adversarial and often acrimonious relationship between the two governing bodies.

All in the Family

The January cabinet resignation reflected an internal conflict within the body, though some believe that parliamentary inquiries into corruption, specifically on the part of the Justice Minister, provided an added impetus to the decision. Crown Prince and Prime Minister Sheik Saad Abdullah al-Salem al-Sabah, 72, has been in failing health for some time, suffering from colon cancer and related illnesses. Since 1997, he has been out of the country frequently to receive medical treatment in Europe. By Kuwaiti tradition, the successor to the Emir, a Jaber, must be of the other branch of the family, in this case the Salem. The office of emir therefore shifts between the two branches. In the absence of the Crown Prince, his cousin (the Emir’s younger brother) Foreign Minister and Deputy Prime Minister Sheik Sabah al-Ahmed al-Jaber al-Sabah assumed most of the leadership duties. The return to relative health of the Crown Prince has muddied the leadership waters as he reasserted himself over recent months. It is the friction between Saad and Sabah that led to Sabah’s resignation, followed by the remaining cabinet members. Saad’s death or inability to continue in office would create a potential succession conflict because no other Salem member has the seniority or political standing of Sabah.

After consultation with both Saad and Sabah, the Emir announced on February 5 that he would ask Saad to form a new cabinet. However, the exact makeup of the body was not known until it was sworn in by the Emir on February 17. In the meantime, Kuwait was left in a state of political limbo, and the collective anxiety of the Kingdom was reflected in five-year lows on the Bourse (the Kuwaiti stock market). Saad and Sabah returned to their posts, while some new faces emerged in key positions. Most importantly, Sheik Salem Sabah al-Salem al-Sabah, the defense minister and younger brother of Sheik Saad, stepped down, removing the most likely lineage-based rival to Sheik Sabah. However, this does not resolve the successor question. Many members of parliament (and even Sheik Sabah himself) have called for a de-coupling of the positions of Crown Prince and Prime Minister thus theoretically removing the question of succession from the realm of governance. In such a situation, Saad would remain the heir apparent to the Emir, but Sabah, as putative Prime Minister would take the reigns of the government. The question would be what exactly is the role of the crown prince in the government...
without the Prime Minister’s post. To this point, the Emir has not been persuaded, and it is not entirely clear that two powerful leadership positions would be better than one.

New Faces, Same Old Story?
A key member of the new parliament is Adel Khaleed al-Subaih, the new oil minister who will oversee the progress of the North Kuwait Project (NKP), the proposed 20-year operating service agreement that entails hiring international oil companies to rehabilitate five oilfields near the Iraqi border. Under the plan, the contracting companies will employ new technologies to effectively double the outputs of these fields from approximately 450,000 to the desired 900,000 barrels per day. The state-owned Kuwait Petroleum Corporation will reserve the ownership rights to the fields, as mandated by the Constitution, but the foreign companies will be paid to develop and improve the existing reserves for some share of the sales. Minister Subaih is considered a pro-Islamist who may be capable of mitigating the strong reluctance of Islamic parliament members to the plan and consider it a sellout. However, it is also worth noting that Subaih faced a no confidence vote in November while serving as Minister of Electricity and Water and Minister of State for Housing Affairs, so it is questionable how strong his relations with parliament will be. Involving foreign companies in the development of fields near the Iraqi border fits nicely with Kuwait’s strategy of attempting to guarantee international involvement in any future confrontation with Baghdad.

The new cabinet includes three younger al-Sabah family members among eight newcomers to the body. It also includes prominent liberal politician Youssif Hamad al-Ibrahim, a former education minister who was elevated to head the finance and planning ministries. The new face of the parliament can be seen as an attempt to dispel some degree of the acrimony that surrounded the previous government, and the key appointments of al-Ibrahim, al-Subaih and other newcomers may succeed in improving relations with various segments of parliament. However, given the fact that some MPs have already publicly announced plans to question ministers on unresolved corruption charges, hinting at the existence of very little goodwill, it is difficult to be optimistic that the Kuwaiti government will reach Sheik Saad’s goal of “achieving reforms in all areas.”

A Plot Uncovered?
Finally, on the internal security front, a major terrorism case began in February. In the wake of the USS Cole bombing last October, Kuwaiti police and intelligence forces went on high alert and began proactively investigating potential terrorist activities. This increased vigilance resulted in the arrest of 16 Kuwaitis in November for allegedly planning to bomb a commercial center in Qatar. Authorities seized large amounts of explosives and weapons. The group, said to include police officers, national guard soldiers, and university teachers, was indicted in mid-January. The trial began on February 10, 2001. There has been conjecture that the leadership of the ring has been tied to Osama bin Laden’s network, but evidence of a clear link has not been provided to this point.

International and Regional Concerns
Despite its close ties to the U.S. and the isolation from the Arab community that those ties often create, the events of the New Year arguably provided some comfort to the Kuwaitis. The December 31, 2000 the Gulf Cooperation Council (GCC) summit in Manama, Bahrain produced a joint defense pact, and provided a positive show of relative unity among the members (see Saudi chapter for more details). A mid-January increase in provocative Iraqi rhetoric directed at Kuwait was met with a measured and savvy Kuwaiti response and a surprising show of support from some of Kuwait’s neighbors. Unfortunately, the U.S. air attacks on command and control facilities near Baghdad on February 17 once again left Kuwait isolated from not only the Arab community, but from much of the world.

Just when it looked like we were getting along...
As the 10th anniversary of the Gulf War approached in mid-January, and with some rumors of Sadam Hussein suffering a stroke, Sadam’s son Uday went on a rhetorical offensive against Kuwait, claiming that the Gulf War was not over and again referring to Kuwait as the “Nineteenth Province” of Iraq. On January 18, Kuwait allowed the anniversary of liberation to pass without fanfare or celebration. Similarly, without hysteria or uproar, the Kuwaiti leadership responded to the provocative Iraqi comments with strong, but measured actions. Aside from Kuwaiti government calls for an end to the rhetoric, the Kuwaiti UN delegation sent an official letter to the UN Security Council protesting the “threats and provocations.” Sheik Sabah made the strong statement, “Let Saddam know that August 2 will not be repeated.” But at the same time, he dispelled ideas of an emergency GCC meeting, “Kuwait is not thinking of calling for a Gulf or Arab emergency meeting. There is no need for such a meeting and we have diplomatic channels that we can put to work.” At the same time, Kuwaiti editorials expressed sym-
pathy for the sufferings of the Iraqi people and acknowledged the humanitarian problems of the UN sanctions regime. The strong but tempered response to the Iraqi rhetoric reflects a clear understanding on the part of the Kuwaiti leadership of the realities of regional politics. It was rewarded on January 18 when Syria’s foreign minister expressed support for Kuwait’s sovereignty and territorial integrity.

... a few bombs and we’re back to square one

Unfortunately, the February 16 bombing by U.S. and British planes of air defense command and control centers near Baghdad once again isolated Kuwait and added fuel to the fire of anti-U.S. resentment that had been building in the region over Israeli-Palestinian violence. While the U.S. denied that the strikes were anything other than within the scope of the status quo (which has involved frequent attacks on anti-aircraft and radar sites), leaders in the region and around the world interpreted them very differently. The strikes were universally condemned, leaving the U.S., Britain, Israel, and a quiet Kuwait isolated. The near unanimous, and open, opposition to the strikes and increasing violations of the sanctions regime based upon the prevailing opinion that they have only hurt the Iraqi people, reflects just how broken the current system is. Moreover, the strikes energized Saddam’s own campaign to assume a leadership role in the region by rallying grassroots Arab sentiment against the U.S.-Israeli “occupation” of Palestine and continued presence in the Gulf. The February 25 welcoming of former President Bush and current U.S. Secretary of State Collin Powell, two key figures in the Gulf War and the liberation of Kuwait, only reinforced the perception of many in the region that Kuwait is subservient and beholden to the United States.

Ten years later, a very different picture – U.S. defense posture in Kuwait

The tenth anniversary of the liberation of Kuwait brought with it both celebrations and demonstrations by U.S., British, and Kuwaiti military forces of their capabilities in the region. It was a reminder of how different military postures are from August 1990, when no western forces were in the region and Kuwaiti forces fled in the face of the Iraqi invasion. If Baghdad were to attempt an exact repeat of its invasion of 1990, U.S. and Kuwaiti forces would be able to significantly slow and probably stop the advance. The question is whether Saddam would choose to repeat his invasion in exactly the same manner and whether the U.S. and its regional allies would have adequate warning time to build up combat power in the region. What follows is a short discussion and analysis of U.S. combat capabilities in Kuwait and issues that U.S. military and political planners face as they seek to deter, and if necessary, defeat future Iraqi aggression against what Baghdad again is calling its nineteenth province.

Though Iraqi military strength within 140 km of the Kuwaiti border is believed to be approximately 5 heavy divisions (50,000 men), it is difficult to envision a realistic invasion scenario that did not involve some level of Iraqi buildup in the south. Any such buildup would provide enough strategic warning to initiate a deployment of U.S. forces to the area, similar to the 1994 Operation Vigilant Warrior deployment of forces in response to an Iraqi buildup along the border of 80,000 soldiers and over 1,000 tanks.

Don’t mess with Doha

Shortly after the Gulf War, the U.S. began prepositioning military equipment in the Gulf to decrease the amount of time it would take to build up combat power in a future crisis. One of the places where it put the most equipment was Kuwait. At Camp Doha (see map), the U.S. has positioned equipment for an armored brigade, a force of approximately 4,500 soldiers supported by 120 M1A1 tanks, 100 Bradley armored infantry fighting vehicles, and 191 armored personnel carriers among other vehicles.
Task Force-Kuwait (C/JTF-KU), at Camp Doha. This means that at any given time, there are approximately 4,500 U.S. Army soldiers in Kuwait and a grand total of approximately 5,000 American personnel (including support staff and security) at Camp Doha. United States only has to fly in a few aircraft full of troops in a crisis to have a fully operational brigade on the ground in Kuwait. This is a significant change from 1990 when the first heavy brigade was not fully in place in Saudi Arabia until mid-September, a month and a half after the Iraqi invasion of Kuwait.

In addition to these ground forces, the United States Central Command (CENTCOM) also has approximately 160 combat aircraft in the region, at bases in Kuwait, Saudi Arabia, and Bahrain, as well as on a U.S. aircraft carrier normally positioned in the Persian Gulf. Most of these aircraft are involved in patrolling the southern no-fly zone over Iraq, but they would instantly switch to more intense combat operations if Iraq were to attempt to repeat its invasion of Kuwait. In addition, the U.S. has prepositioned equipment for another heavy brigade in Qatar and has the equipment for a Marine Air Ground Task Force (a Marine force of 17,500) on ships at Diego Garcia in the Indian Ocean. These ships can be in Persian Gulf waters in 5-7 days, and the Marines to man the equipment could be flown in from the United States in a matter of days.

It is also important to note that Kuwait has spent a great deal of resources building up its own military capabilities, and while its forces remain small, (approximately 11,000 troops) they are not insignificant. Kuwait has invested in new equipment (including U.S.-made M1A1 Abrams tanks and F/A-18 Hornets) and has worked closely with U.S. forces to present an interoperable, coordinated defense force that provides not only a deterrent to any Iraqi provocation, but a force capable of defending Kuwaiti territory.

Could it happen again?

In the near term, the probability of a repeat Iraqi invasion of Kuwait is low. Given the strong U.S. commitment to Kuwait and the existence of U.S. ground assets on Kuwaiti soil and air sites in the region, any attack on Kuwait would almost certainly be met with massive U.S. firepower. For a large-scale attack, Iraq would need to mass enough armor, artillery and infantry along the border that the U.S. and regional allies would easily have the strategic warning necessary to mobilize troops and assets to deter or, if necessary, provide an adequate defense of Kuwait. However, Saddam Hussein has miscalculated U.S. resolve and capabilities in the past, and there are no guarantees that he will not repeat his mistakes, or more importantly, that he is unwilling to embark on a new adventure given the lessons he has learned.

One of the clear lessons that Saddam and adversaries of the U.S. around the world have seemingly digested is that asymmetric warfare is the best way of attacking the U.S. Given its massive conventional superiority, tackling the U.S. in a conventional war is an unattractive proposition. To this end, a future Iraqi attack on Kuwait may look very different from the 1990 invasion. With the U.S. deployments at Camp Doha, Ahmed Al Jaber and Ali Al Salem air bases, and the strategic Kuwait International Airport (necessary for landing 747s carrying U.S. troops), there are four critical strategic targets for Iraq to hit in any future invasion scenario.

The specter of asymmetric warfare

Asymmetric attacks on these facilities would likely involve the use of chemical or biological weapons. Iraq could do this with ballistic missiles or using special forces and/or terrorist cells that infiltrated Kuwait. While UN resolutions currently restrict Iraq to missiles of no greater than 150 km in range, it is likely that Baghdad has kept some longer-range missiles hidden from UN inspectors and that it is currently rebuilding its capacity to produce longer-range missiles. A catastrophic short-term scenario could involve an extremely well coordinated chemical or biological attack on the above mentioned targets, Kuwait City, and other command and control assets. Such an attack could effectively eliminate the ability of the U.S. and Kuwaiti forces to defend against a large-scale rapid Iraqi invasion that would soon follow, and hinder U.S. attempts (particularly if Kuwait International Airport is shut down) to introduce additional assets into the theater. U.S. airpower in the Gulf and elsewhere in the region would certainly be capable of bringing heavy force to bear on the advancing Iraqi military, but a determined offensive would likely be capable of occupying much of Kuwait.

The use of chemical or biological weapons by Iraq would almost certainly create a worldwide outcry, and it would only be a matter of time before the U.S. was capable of launching a large-scale counteroffensive to liberate Kuwait for a second time. It is likely that Saddam Hussein is aware of this fact, making the above-mentioned scenario unlikely.

Less grandiose, more troubling?

A much more likely and potentially worrisome scenario would involve a “lighting strike” offensive of Iraqi assets close to the border into the contested area of Northern Kuwait “taken” from Iraq after the Gulf War. This includes the disputed Ratga oil field,
which Iraq had claimed was actually just a southern component of its own large Rumalia oil field. The refusal of the Kuwaitis to reconcile the ownership and production rights of the Ratga field was one of the pretenses for the Iraqi invasion in 1990. It would not be difficult for Iraq to quickly move into this area with assets in place and claim it as “stolen” territory being justifiably recovered. Such an attempt to alter the facts on the ground would present the U.S. and others with a dilemma. While there could be some firefights between Iraqi and Kuwaiti forces, it is unlikely that Kuwait could hold the border, and given the very limited scope of the incursion, the Iraqis could likely dig in and reinforce their forces fairly easily. Without the strategic warning that reinforcement would provide and without a direct assault on the U.S. presence in Kuwait, and absent an attempt to annex all of Kuwait, it is not clear that the international community would be ready to support a large-scale coalition operation to expel Iraq from a small swath of disputed territory. It is also not a contingency that CENTCOM planners have necessarily spent a great deal of time working on, so there may be a degree of “strategic hesitancy” to commit forces before the Iraqis are able to dig in. This limited war could prove very difficult to resolve. Indeed, an Iraqi withdrawal in 1990 to a position such as this was one of the “nightmare scenarios” that U.S. planners considered as they built up combat power in the region during Operation Desert Shield.

In the near-term an Iraqi attack seems unlikely, but given the recent history of the region, the Middle East’s incendiary political environment, and Saddam’s unpredictable behavior, it is difficult to take anything for granted. At the current time, the U.S. and Kuwait seem reasonably well prepared for a large-scale contingency, but the limited war scenario is troubling and the potential use by of chemical or biological weapons Iraq creates serious problems for U.S. military planners. Clearly, as the sanctions regime deteriorates further, Saddam will accelerate the replenishment of his missile and chemical and biological weapons stockpiles, and as the situation in Israel deteriorates, Saddam’s stature as a leader of Arabs against the Zionists and their Western allies increases. This could be a recipe for a dangerous level of instability in the Gulf over the medium term.
Run, Khatami, Run

Over the past quarter, events in the Islamic Republic of Iran continued essentially along the same trajectory documented in recent quarterly reports. Liberal-minded lawmakers passed legislation designed to open up the stifling Islamic system, while conservative dinosaurs deployed the judiciary and the security services in a counteroffensive against the tottering reform movement of President Muhammad Khatami. Clearly, the reform movement is in deep trouble. In hopes of improving their fortunes, both sides have begun to position themselves for the upcoming presidential elections, set for June 2001. The president should win easily against any conservative opponent. He has been unable, however, to translate his personal popularity into concrete political gains. A downcast Khatami has been openly musing about declining to run for reelection – and thereby exiting the protracted and inconclusive struggle with autocratic conservatives. The president’s Hamlet-like indecision has rallied support among his friends, kept his antagonists off balance, and provoked consternation in unlikely – and influential – quarters. After trying to restrain Khatami’s liberalization program since 1997, Supreme Leader Ali Khamenei has called on him to stand for reelection in the national interest.

The president’s continuing popularity accounts for this turnaround by the supreme leader. His withdrawal would disappoint and anger his supporters – with unpredictable consequences for domestic tranquility, and possibly even for the survival of the Islamic regime. Khatami’s calls for liberalization, moreover, have gained traction with some prominent conservatives. In February the president proclaimed that, if Iranian leaders continued to disregard the demands of the people for greater liberty, “no military, legal or security force will be able to save the country.” His concern is sincerely meant. Khatami is as dedicated to preserving the Islamic Republic as are the dinosaurs. They simply have differing visions of how to accomplish this feat – by relaxing restrictions on the people or by using force to freeze Iranian society as it was in 1979. The conservatives will ultimately fail. A static Revolution is a contradiction in terms, and ordinary Iranians know it.

But a faltering conservative movement does not necessarily mean Khatami’s reformers will prevail. In the wake of the electoral triumph of 2nd Khordad last spring, Supreme Leader Khamenei unleashed the conservative judiciary to clamp down on liberal news outlets. He also gave the Council of Guardians a free hand to spike legislation issuing from the reformist-dominated Majlis (parliament) – a power which the council used with relish. But Iranian citizens have tired of these transparent, heavy-handed maneuvers and have begun to chafe at the thinly veiled contempt for them displayed by the conservative clerics. No fool, the supreme leader has recognized the warning signs and has apparently acted to rein in the more extreme of his allies.

For instance, Entekhab, a newspaper that usually reflects the thinking of Khamenei, editorialized in February against “petrified thinking” among some proponents of Islam. The target of this vitriol was Ayatollah Muhammad Taqi Mesbah Yazdfi, an archconservative who maintains that Islamic government does not require popular support to be legitimate. Yazdi’s intemperate remarks were a riposte against President Khatami’s theory of “Islamic democracy” founded on the consent of the governed. Alarmed at some of the excesses of the judiciary, Supreme Leader Khamenei has openly declared that the survival of the Revolution hinges on observing the will of the people. He also – surprisingly, in view of their marked philosophical differences – pledged his support to Khatami in the June elections. A change of heart by Khamenei presents one of the few ways out of the bitter struggle between reformers and conservatives.

Whether the supreme leader will – or can – follow through remains to be seen. The outlook is mixed. His institutional clout is considerable, and he has called on his hardline followers to mute their inflammatory rhetoric. Still, the supreme leader is not omnipotent. In January 2001, stiff sentences were imposed on reform journalists who attended a conference in Berlin last year. (Dominated by Iranian exile groups, the gathering featured several presentations that infuriated conservatives in Tehran.) In February, the judiciary arrested or summoned to court over a dozen reformers, including journalists,
American calculations on Iran might play out. What of America’s Iran policy under a new president? Will George W. Bush, who prides himself on toughness, continue the clampdown imposed during the era of Clinton (and the Republican Congress), or might he pursue the opening to the Islamic Republic that the Clinton administration hinted at in last February’s elections, which he was charged with overseeing. The verdict was a transparent attempt to discredit the election outcome and implicate the president in corruption. Assuming Khatami runs, the Tajzadeh case is unlikely to turn many among the increasingly savvy Iranian citizenry against the president in the June balloting.

**Contain This**

What of America’s Iran policy under a new president? Will George W. Bush, who prides himself on toughness, continue the clampdown imposed during the era of Clinton (and the Republican Congress), or might he pursue the opening to the Islamic Republic that the Clinton administration hinted at in its waning months? As the new administration gets its bearings, it would be worthwhile to assess how American calculations on Iran might play out.

Dual containment is a thing of the past. Europe is speedily improving ties with Iran, negating the effectiveness of American sanctions. “Smart” sanctions akin to those proposed for Iraq would not apply to the Islamic Republic, whose involvement in state-sponsored terrorism remains a matter of stark disagreement among Western governments and whose pariah status is steadily eroding. Under the logic of sanctions, state sponsors of terrorism should be totally excluded from normal economic (and diplomatic) intercourse. Reducing the pressure on a rogue government, then, would verge on condoning terrorist activities.

Lifting the sanctions outright, on the other hand, would leave the military option open should Iran be conclusively tied to events such as the Kobar Towers bombing or the attack on the destroyer Cole. The Bush administration, with a presumably realist outlook on international relations, and with growing skepticism about the utility of economic coercion, might decide to enact a policy of responding in kind to terrorism – that is, by retaliating to acts of violence with military force rather than economic sanctions.

Not that the administration is going wobbly on Iran. Faced with mounting evidence, U.S. policy and academic communities have simply begun to conclude that economic pressure is not a panacea for international troubles. During his confirmation hearings in mid-January, for instance, Secretary of State-designate Colin Powell took a backhanded, and long overdue, swipe at the longstanding and ineffectual sanctions on Iran. Powell hinted that – despite continuing animosity – the United States would be receptive to “more normal commerce” between the two countries.

Powell’s remarks reflected a long-overdue recognition that Washington’s confrontational policy, a product of both Clinton administration diplomacy and meddling by the Republican Congress, is partly to blame for the torrent of bad feelings that has disfigured bilateral relations. The secretary of state’s grudging admission is no small matter. Americans impose sanctions almost reflexively. Since colonial days American statesmen have regarded the economic weapon as a talisman that could work almost magical feats abroad. The War of 1812, the Civil War, and the two world wars bear ample witness to this almost boundless faith in economic coercion.

That the economic cudgel rarely works has not diminished its popularity with the foreign policy establishment in Washington. Indeed, over a third of the world’s 193 countries, some 75, are the targets of unilateral U.S. sanctions – most of them levied between 1993 and 1998. The economic embargo against Iran – the centerpiece of U.S. policy – supposedly discourages support of international terrorism and reduces the amount of resources that Iranians can devote to developing weapons of mass destruction. In reality, the embargo harms American businesses and workers while generating frictions between the United States and its allies, who are anxious to do business with targeted countries.

All of this while producing no discernible change in Iranian behavior and failing to reduce the flow of trade to and from the Islamic Republic. Indeed, the sanctions reinforce stereotypes of America as an implacable foe of Islam – helping to shore up the theocratic regime in Tehran. To cut American losses, President Bush and Secretary of State Powell could allow the Iran-Libya Sanctions Act (ILSA) – imposed by the Republican Congress in 1996 as part of a legislative crackdown on “rogue states” – to lapse when it comes up for renewal this June. Until then, the administration could quietly cease enforcing ILSA.

ILSA applies unilateral sanctions against firms – whether American or foreign – that do more than a
trivial amount ($20 million) of business in the Islamic Republic. This heavy-handed law hurts American businesses prohibited from competing for Iranian contracts. One business consortium recently estimated the cost of the embargo at $19 billion in lost export revenue annually. In tandem with executive orders prohibiting U.S. firms from doing business in Iran, ILSA’s stringent requirements translate into a loss of some 200,000 well-paying jobs in the U.S. oil, aerospace, and agricultural sectors.

The embargo also angers governments that are understandably mindful of their own constituents’ interests. Unilateral sanctions against non-U.S. businesses reinforce suspicions of an overweening America in capitals abroad and tempt foreign governments – even staunch U.S. allies such as Germany, and especially France – to flout American policy on Iran. Many European businesses openly defy ILSA with official blessing.

These ill effects might be tolerable if they brought about a change in the Islamic Republic’s behavior. But Iran will not buckle under to America’s will. The Islamic government – heir to the Persian Empire, which dominated the Gulf region for centuries – will not abandon its aspirations to supremacy in the Middle East simply to appease the United States and attract trade. Indeed, U.S. sanctions actually buoy Iranian conservatives by perpetuating the image of an America hostile to the Islamic Republic. Conservative clerics have parleyed the “Great Satan” into twenty years of political dominance.

As previous quarterly reports attest, Iranian conservatives have used the specter of American cultural penetration to beat back the liberalizing reforms of President Muhammad Khatami – portending ill for the ultimate direction of Iranian diplomacy. In an extreme case, ILSA could actually backfire by helping to bring a hardline president to power in this June’s elections. Such a disastrous scenario would obviously do little to fostering a mellowing of the Islamic Republic’s bad behavior.

A more effective U.S. policy on Iran would resemble a rapier more than a bludgeon. Rather than applying economic pressure indiscriminately, Washington could declare that it would respond forcefully, even militarily, when Tehran can be linked to specific transgressions such as terrorist attacks on American citizens and installations. In keeping with such a “lift and deter” outlook on the Islamic Republic, U.S. officials would also signal their determination to keep a strong military force in the Persian Gulf to deter aggression against Iran’s neighbors. Best of all from the standpoint of U.S. policymakers, the new strategy would require no change in actual force dispositions. American forces stationed in the region to deter Iraqi aggression could perform the same function with respect to Iran.

A strategy of deterrence would uphold energy security in the region and discourage both terrorism and overt action against Iran’s neighbors – all while preserving the option of a strong American response to Iranian provocations.

Conclusions

Political conditions in the Islamic Republic are as muddled as ever. President Khatami likely will run for reelection in June and win handily. If Khatami has really won over the supreme leader – magnifying his previously trivial influence over conservatives -- the reform movement could finally begin to make inroads against Iranian conservatives. That would be a welcome development that would augur well for the diplomacy of the Islamic Republic. For its part, the United States will move gradually to modify the Iran sanctions. Inertia, as well as George Bush’s avowed opposition to terrorism, will slow this process. The new president, moreover, will be reluctant to jeopardize his domestic programs by appearing soft on Iran – and thus exposing himself to rightwing attacks on Capitol Hill. Still, an end to the sanctions, whether outright or de facto, is a likely outcome.

From the vantage point of energy security, conditions in the Persian Gulf region have brightened somewhat. If sincere, his newfound respect for the will of the people and his backing of President Khatami would make Supreme Leader Khamenei a potent force for moderation in Iran. The president has never managed to exert influence over the security institutions, but the supreme leader is the titular leader of the conservatives and could restrain them in the unlikely event that they decided to launch any military adventures overseas. In any case, political conditions in the United States continue to support maintaining a large military force in the Middle East. While Iran could bloody the nose of western navies, then, it could not long sustain an interruption of vital oil supplies to the industrialized world.
The UAE’s attention remains focused on the health of President Sheikh Zayed bin Sultan al-Nuhayyan. In addition, the recent decline in oil prices, and signs that the American engine of global economic growth is slowing, are forcing Emiri leaders to restructure spending programs. This puts further strains on family relations and rivalries as pet projects get squeezed. Although the accession of Sheikh Zayed’s eldest son and Abu Dhabi Crown Prince to the presidency seems assured, divisions remain between Khalifa and his younger, ambitious half-brother Sheikh Mohammed bin Zayed al-Nuhayyan. Meanwhile, rhetorical support for the ongoing Palestinian Aqsa intifada and a furthering of Abu Dhabi’s ties with Baghdad are signals to Washington and northern Gulf Cooperation Council members – namely Saudi Arabia and Kuwait – that the UAE will retain an independent foreign policy.

Bush is Back
Relations with the United States are expected to remain strong despite Abu Dhabi’s more independent track concerning Iraq and Israel. With billions at stake in the UAE defense, energy and commercial sectors, Washington will continue to play a fine line vis-à-vis its small yet confident ally. The UAE leadership undoubtedly perceives that it has the upper hand in dealings with the United States.

George W. Bush, Vice President Dick Cheney, and Secretary of State Colin Powell have received mixed marks thus far. Abu Dhabi, while favoring military sanctions against Baghdad, views the ongoing U.S.–UK military operations over Iraq as counterproductive. The UAE is also positioning itself to take advantage of business opportunities in a post-sanctions Iraq. Emirates Airlines has already signed an understanding with the Iraqi Civil Aviation Authority under which it would operate the Baghdad airport after sanctions are lifted. In mid-February it was announced that a second UAE ship would transport travelers between Iraqi and UAE ports. The UAE ship Manar is expected to commence services directly between Dubai and the Iraqi port of Umm Qasr at the beginning of March. The Jabal Ali has been making regular weekly voyages between the Dubai, Bahrain, and Umm Qasr since November 1999. To support these efforts, the UAE embassy in Baghdad was reopened earlier this year; Iraq subsequently reopened its mission in Abu Dhabi.

On the Arab-Israeli issue, Bush’s pressure on Israel to release monies to the Palestinian Authority was well received in Abu Dhabi. Emiri leaders are looking to the new administration to pursue what they would view as a more balanced policy in the region. The ongoing fighting in the Palestinian territories continues to anger many in the UAE and GCC. Abu Dhabi continues to protest Israeli actions, and the UAE Red Crescent Society (RCS) is providing funds for humanitarian relief efforts in support of the Aqsa intifada. The RCS is channeling medical equipment and supplies to the UAE-Jordanian field hospital in the Palestinian territories to care for the Palestinian wounded. Additional money and material has been allocated to the Zayed Surgical Hospital in Ramallah.

GCC Collective Defense: Still on the Backburner
Despite the December 29, 2000 GCC announcement of plans to push ahead on collective defense, the new mutual defense pact will likely remain hollow. Saudi Arabia’s Crown Prince Abdullah spoke to the difficulties of creating a true collective defense system during his summit address, noting “it was absurd to talk about a unified military front in the absence of a unified and cohesive political front.” Clearly that political cohesion is lacking and will be for years to come.

The UAE has participated in previous defense exercises and protocols, but Abu Dhabi’s differences with Saudi Arabia in particular will likely result in a mixed approach to any substantive new measures to put flesh on the bones of a true collective defense capability. With the principle lesson of the Gulf War – that Washington is the only power capable of protecting the GCC states from external aggression – internalized, the UAE is taking a two-fold approach to its security. It is building up its forces as a hedge against uncertainty and to give it greater clout in GCC councils while relying on bilateral ties with the U.S. and other UN Security Council members to keep Iran, or a potentially resurgent Iraq, at bay.
Internal Jockeying Continues

As the various factions in the Emirates jockey for position in a post-Zayed scramble for power, succession politics will remain the focus both of the street and expatriate community as well as the UAE elite. Sheikh Zayed, estimated to be 86 years old, recently underwent a kidney transplant and, while convalescing at a U.S. hospital, suffered a hip fracture. He also reportedly suffers from a painful nerve disorder and prostate condition.

The rivalry between Sheikh Khalifa and Sheikh Mohammed bin Zayed, never far beneath the surface, is reportedly centered now on control of the UAE Armed Forces (UAEAF). Sheikh Mohammed, UAEAF Chief of Staff, has been a prime driver behind the UAE’s modernization efforts and retains great support within military ranks. Regardless of whether Mohammed was promised by his father continued de facto control over military issues, Khalifa, upon the death of Zayed, will certainly move to undermine his younger half-brother’s position. Mohammed’s retaining control of the military will be difficult, however, and is dependent upon the intricacies of internal family politics as well as the dying wishes of the current president.

Mohammed, in parallel with his military duties and in a likely effort to exert additional control over the country’s future, has – via the UAE Offsets Group (UOG) – taken an increasingly larger role in the UAE’s energy and commercial sectors. The Dolphin project, a gas distribution scheme envisioned to eventually connect the UAE with other GCC countries, is the centerpiece of the UOG’s current strategy. Khalifa, in turn, has criticized the Dolphin project as it encroaches on his powers as head of the Supreme Petroleum Council.

Another avenue for Mohammed to pressure Khalifa is to highlight Khalifa’s relative unwillingness to provide additional funds to support development of the UAE’s resource poor Northern Emirates. Sheikh Mohammed has increasingly strong ties with the crown prince of Dubai/UAE Defense Minister, Sheikh Mohammed bin Rashid al-Maktoum. The two Mohammeds support an enhanced federal structure and increased investment throughout the UAE, including the direct participation of foreign firms. Khalifa and a core of wealthy businessman, on the other hand, oppose such reforms as they would destroy – or at least weaken – those commercial structures and practices upon which their personal finances rest.

Spending Continues, But With Care

With revenues from oil decreasing as the U.S. and world economy slow, the UAE is expected to push ahead with at least some economic liberalization, including investment-oriented programs. However, the pace of reform will differ among the emirates, with Dubai leading the way in creating a more favorable investment climate. Abu Dhabi will continue its hydrocarbon-centric policies, further developing refining and other downstream activities. Construction of additional combined cycle desalination plants, using excess gas associated with oil production as power, is also on the agenda. Reform programs in Sharjah and the Northern emirates will remain dependent upon Abu Dhabi’s financial, and the combined Dubai-Abu Dhabi political, largesse.

The UAE’s Military Modernization Program – A Primer

Since the early 1990s, the UAE has been following an ambitious military modernization program. The primary purposes of the build-up are to deter Iran, to enhance the UAE’s ability to participate in out-of-country operations and thereby raise its international profile, and to increase Abu Dhabi’s relative prestige among its GCC colleagues. Despite rhetorical support for GCC defense efforts, the modernization program has not been designed to support further development of a GCC collective defense capability. Modernization efforts have improved both the UAE’s defensive and offensive capabilities, but problems of interoperability, combined with training and logistical deficiencies, have hampered the development of a truly modern, sustainable, and effective force.

Building Capabilities...

Lockheed Martin’s contract to provide 80 F-16 Block 60 Desert Falcons to the United Arab Emirates, scheduled for delivery from 2004 to 2007, follows the 1997 purchase of 30 French Mirage 2000-9 multi-role aircraft. The eventual introduction of the F-16 will mark a significant qualitative leap forward for the UAE Air Force, particularly in the areas of long-range precision strike and air defense. However, problems remain. Not only does the UAEAF have to develop completely new logistics, training, and maintenance programs to meet the F-16’s requirements, their ability to man and utilize the full extent of the Desert Falcon’s capabilities is doubtful. Deficiencies in training, qualified personnel, doctrine, integrated airborne early warning, and targeting systems, as well as its dependence on externally supplied maintenance and targeting data will limit the UAEAF’s ability to conduct sophisticated and sustained operations.

The key area in which the F-16s will enhance UAE capabilities is air defense. The primary anti-air weapons to be carried by the F-16s, the Advanced...
Medium Range Anti-Aircraft Missile (AMRAAM), provides pilots with the ability to fire their weapon and turn away from the target as the missile independently tracks and engages enemy aircraft beyond visual range. Deep strike capabilities could be realized if the UAE acquires advanced land attack cruise missile (LACM) technology. The Black Shahine, a joint French-UK manufactured LACM, is rumored to be under consideration by Abu Dhabi. However, the missile may have to be mated with the UAEAF’s fleet of Mirage aircraft given potential software problems between the Black Shahine and the F-16’s fire control systems. Washington has also raised concerns with Paris and London that the transfer of the weapon may violate the provisions of the Missile Technology Control Regime.

The UAE Land Forces have also been the beneficiaries of modernization and restructuring efforts. French Leclerc main-battle-tanks and enhanced Russian BMP-3 armored personnel carriers began to enter service in the mid-1990s. The re-integration of Dubai’s Central Military Command (CMC) into the UAEAF in 1997, due to Dubai’s growing inability to finance a separate force, in addition to warm relations between key Dubai and Abu Dhabi leaders, has led to a greater sense of a federal approach to national security.

In June 2000, the UAE signed a $734 million contract with Russia’s KBP Instrument Design Bureau for the development and purchase of 50 96K6 Pantzyr-S1 self-propelled air defense systems. Armed with 12 SA-19 Grisom short-range surface-to-air missiles and two 30mm rapid-fire cannons, the system is designed to engage a spectrum of fixed and rotary wing air threats. In addition, KBP claims the Pantzyr-S1 can be used against cruise and ballistic missiles, unmanned aerial vehicles, and against lightly armored ground targets. Given the increasing Iranian air and missile threat, enhancing the UAE’s ground-based air defense capabilities remains a high priority.

Naval planners have focused on the acquisition and integration of two Dutch Kortanaer-class frigates, purchased in 1996, and maritime surveillance aircraft. Contracts for up to eight ocean-going patrol boats are currently pending. Coastal patrol, interdiction, and anti-submarine warfare – in light of the Iranian subsurface threat – remain key priorities.

…but only so far

These purchases serve both military and political objectives for the UAE. First, while open conflict between the UAE and Iran over the ongoing Abu Musa and Tunb islands dispute is unlikely, Abu Dhabi’s air and air defense advances could – if used correctly – offset the numerically larger Iranian air force for a short time in such a scenario conflict. Second, buying state-of-the-art equipment raises the UAE’s regional prestige in security affairs while providing the option to act independently of the GCC, in particular Saudi Arabia. Abu Dhabi’s deployment of a ground unit – under French and U.S. command – to Kosovo is a prime example of the UAE’s growing independence.

Although the new equipment looks impressive on paper, UAE – and GCC – limitations in deploying, supporting, and integrating such a wide range of sophisticated equipment will restrict Abu Dhabi’s ability to conduct medium-to-large scale operations beyond its borders. Abu Dhabi will certainly provide forces for the recently announced move to increase GCC collective defense capabilities, but its security focus will continue to be Iran.

The UAE military, as seen by its reported professionalism in Kosovo, can be effective. However, it should be noted that this activity was conducted jointly with U.S. and French forces, and UAE forces received direct logistical support and training from Western allies. The true test will be whether the UAE units involved in Kosovo, upon return to the Emirates, continue to maintain training and equipment levels. The chances of that happening are low, meaning that the UAEAF will remain a relatively hollow, if impressively equipped, military force.