Overview

Succession and Stability

As the U.S. presidential race enters its final two months, much of the world has begun to speculate on who will be the next U.S. president and whether the change portends any significant shifts in U.S. national security or foreign policy. For the Gulf and energy security, change will be small regardless of whether Al Gore or George W. Bush wins. Despite appearances, there is a well-established, fairly broad public consensus on foreign policy in the United States supported by a large bureaucracy that militates against dramatic policy shifts. Leadership change in Washington is rarely generational, and the U.S. constitutional system of checks and balances keeps new leaders from wandering too far away from the policy consensus.

The same cannot be said for leadership change in the Middle East. Change is often generational, rarely democratic, and almost always has the potential for upheaval, unrest, and severe shifts in foreign and energy policies. Recent leadership changes in the Gulf and surrounding area, namely in Iran, Bahrain, Syria, Jordan, and Qatar, and the likelihood of additional short-term turnover in the Saudi Arabia and the UAE, will see a new generation – if not in age then in mindset – of leadership enter power. Several recent and upcoming changes in leadership bear careful watching as they may have profound affects on the politics of energy security.

Fathers and Sons

In both Damascus and Amman, the torch has been passed to a new generation. King Abdullah of Jordan, while having performed well since his father’s passing, faces an uncertain neighborhood. A Palestinian state in the West Bank and Gaza, threatens to undermine the identity of Jordan, whose population is over one-half Palestinian. Meanwhile, Iraq continues to be problematic, forcing Abdullah to balance between his need for Iraqi oil and appearing supportive of the anti-Saddam policies of Jordan’s American patron. Washington’s attention to Jordan, however, may slip if Israel and the Palestinians eventually make peace and Syria comes out of its shell under the leadership of Bashar Asad.

Syria remains a question mark for Jordan and more broadly for the region. On the one hand, the death of Hafiz al-Asad and the rise of his son Bashar have left the future of Syrian domestic and foreign policy in doubt. While a weakening of the Syrian state may lower the chance of conflict with Amman or Tel Aviv, any internal violence between the ruling Alawi minority and the Saudi-backed Sunni community would likely lead to chaos in Syria and possibly Lebanon, with repercussions for the entire region. How Bashar handles the recent defeat of the pro-Syrian Lebanese prime minister by the Saudi-backed Sunni former prime minister (sacked by Damascus several years back) – Rafik Hariri – will be a good indicator of how well the new Syrian leader is able, and willing, to exert political power. Any lessening of Syria’s position in Lebanon could cause the Alawi barons to move against Bashar, opening up the country to unrest.

And Brothers, and Half-Brothers, and Cousins

Crown prince Abdullah of Saudi Arabia, the day-to-day ruler of the Kingdom given King Fahd’s failing health, holds both promise and peril. The basic issue is age. Abdullah, the brother of King Fahd is thought to be around 70 years old and faces health issues of his own. While his political acumen thus far has won respect within the Kingdom, the Gulf region and the West, he must remain in office long enough to ensure reforms become institutionalized. If Prince Sultan, likely successor to King Abdullah, assumes the throne, reforms aimed at curbing expenditures and rebuilding the domestic infrastructure would likely be diminished. A short reign by Sultan, also about the same age as Abdullah, would likely lead to a generational shift in Saudi leadership with unpredictable consequences for both internal stability and foreign and energy policies.

In Bahrain, the ascension of Sheikh Khalifa to the throne has brought some lessening in the traditional Sunni-Shia friction on the island. The new emir has taken several steps to ease tensions, such as the release of a prominent Shia leader imprisoned under his father’s regime and allowing Shia citizens to join sections of the Bahrain Defense Force. However, the continued inability of the Al-Khalifah to create new jobs for Shia and Sunni alike may result in renewed domestic violence.

The succession politics in the UAE were covered in detail the June 2000 quarterly, but in sum is a
complex and little understood issue and process. While it seems likely that Sheikh Khalifa bin Zayed Al-Nahyan will assume rule over the emirate of Abu Dhabi as well as the federal presidency upon the death of UAE president and Abu Dhabi ruler Sheikh Zayed bin Sultan Al-Nahyan, it remains to be seen who will become Abu Dhabi crown prince. The two primary factors to be considered in the succession process will be the wishes of Sheikh Zayed, one of the region’s most respected leaders and founder of the modern UAE, and the tribal/family tradition of consensus-based leadership. Whatever the outcome, the UAE will face several obstacles in filling the vacuum left by the passing of Zayed. His sons, lacking the leadership capabilities and respect of their father, will inherit a federal system composed of relatively underdeveloped governing institutions. Thus, the transition to new leadership will see a period of political and national uncertainty. The absence of Sheikh Zayed’s control over his ambitious sons may also see an increase in political and commercial infighting. However, adoption of federalism as a guiding force – instead of individual emirate interests – by all is essential to the continued growth and success of the UAE. Perhaps the passing of Zayed will be the force leading to greater national cohesion. In the absence of his leadership, the only long-term option for growth is interdependence and reliance on federal institutions. Abu Dhabi’s willingness to share its oil-related wealth equitably, vice pursuing the politics of divide and conquer, will be key.

Conclusion

Traditional security issues relating to inter-state war are at the moment fairly straightforward in the Gulf, in large part because of the continued U.S. military presence. While Iraq and Iran will continue to build conventional and unconventional arsenals, neither are likely to challenge the United States directly for military primacy in the Gulf or openly attack one of the Gulf Cooperation Council states in the short-to-medium term. However, the internal security of numerous states in the region remains in question due to leadership changes. Internal unrest resulting from a new sovereign’s inability to control the power centers in his country could spill over and threaten stability in neighboring states. Predictions in this area are dangerous, but continuity in policies and stability is unlikely in every instance where a new leader takes over. Each change in leadership bears watching, with particular attention being paid to whether the new kings and presidents can keep a firm a grip on the increasingly restive centers of power in each of their states.
A Setback for Peace...and Energy Security?

The Israeli-Palestinian peace process suffered a severe blow in mid-July with the failure of the U.S.-sponsored negotiations at Camp David. The fortunes of the United States dimmed as well. The Clinton administration had gambled by consciously evoking President Jimmy Carter’s success at engineering a settlement between Israel and Egypt, also at Camp David. By failing to match Carter’s triumph, the administration magnified the political damage arising from the unfavorable contrast between the two Camp David summits. Despite its well-publicized efforts on behalf of a deal, the standstill in the peace process has exposed the United States to withering criticism from the Gulf states on which it relies to fortify its Iraq policy.

The timing of the summit militated against a comprehensive settlement. The gathering had to be held well in advance of the 13 September deadline for a final-status agreement – and, implicitly, the date on which Palestinian Authority (PA) chief Yasser Arafat could declare a Palestinian state based in Gaza and the West Bank. Israeli prime minister Ehud Barak had repeatedly urged U.S. president William J. Clinton to orchestrate an early summit in the belief that only the “pressure cooker” of face-to-face talks could compel the necessary concessions from both sides. Yet Arafat had called for postponing the talks for several weeks to allow himself adequate preparation time. President Clinton, the third principal, was scheduled to attend the Group of Eight summit in Okinawa commencing on 19 July 2000.

The realities of an American election year also intruded into the peace process. The Republican convention was scheduled for early August. Any summit held concurrently with the convention would be viewed as politically motivated. The resulting furor in U.S. domestic politics could distract the delegates at Camp David and inhibit a settlement. An early July convening date, then, was seemingly the only viable alternative. In sum, the parties were forced into a negotiation with a fixed deadline. Since the consequences of failure at such an early date were not disastrous for either side – indeed, both Barak and Arafat enhanced their “tough-guy” credentials by standing fast – the deadline tended to foster posturing. Stalemate rather than painful compromise was the result.

Jerusalem was the major sticking point. All else – the proportion of territory in the West Bank to be handed over to the Palestinians, the right of refugee return, water rights – will be soluble if the two sides can devise a formula satisfying both claimants to the disputed city. At Camp David, Prime Minister Barak reportedly conceded Palestinian sovereignty over the Muslim holy sites in the walled Old City, and a measure of control, though not sovereignty, over the Muslim and Christian quarters of the Old City. He also seemed prepared to grant Palestinian control, though again not sovereignty, over the outlying suburbs of East Jerusalem. However, Tel Aviv seems determined to maintain its hold on the inner Palestinian areas of East Jerusalem.

Israel has ringed the city with Jewish settlements in an attempt to consolidate its claim to sovereignty.

For his part, Arafat cannot make concessions on East Jerusalem, having publicly insisted that the city would be the capital of a Palestinian state. Concessions on the fate of Jerusalem would be interpreted as a sign of weakness and a betrayal not only of Palestinians, but of the aspirations of the entire Arab world. At Camp David, Arafat repeatedly pointed out his responsibility to the wider Islamic community. No Arab dignitary whom Arafat consulted, including Egypt’s President Hosni Mubarak, Jordan’s King Abdullah, and Saudi Arabia’s Crown Prince Abdullah, offered support for modifying Palestinian claims over the city. Yet both sides realize some form of compromise is necessary to bring a lasting Arab-Israeli peace.

The domestic weakness of Barak and Arafat prolonged ill for an agreement. As noted in the June 2000 quarterly report, the rightist Shas party defected from Barak’s coalition in a dispute over public funding for religious schools, then, bizarrely, retracted its withdrawal, then departed again. The incident highlighted the fragile nature of the coalition and left Barak without a governing majority. Subsequently, former Soviet dissident Natan Sharansky, now head of a Russian immigrant party, resigned from the cabinet, denouncing the prime minister’s willingness to make concessions to the Palestinians. On 10 July, the prime minister lost a no-confidence vote in
the Knesset, although the Likud-sponsored initiative fell short of the sixty-one votes needed to remove him from office. The unexpected election of a Likud candidate, Moshe Katsav, to the presidency of Israel over Shimon Peres was a symbolic rebuke to Barak’s leadership. The prime minister’s precarious standing undoubtedly impelled him to display his toughness in hopes of appeasing right-wing critics. Whatever the case, Barak is clearly unable to sustain the incremental negotiating strategy he had previously pursued.

Yasser Arafat’s weakness with his own constituents, compounded by Ehud Barak’s obvious vulnerability, encouraged the Palestinian leader to drive a hard bargain. In the process he hoped to exact concessions, reap the benefits of well-publicized toughness, and thereby quiet his hardline critics. Opinion polls taken during the summit showed that only a third of Palestinians supported Arafat, while half expected him to wilt under the pressure. Worse, the Palestinian leader has severely constricted his freedom of maneuver by publicly committing himself to the foundation of a state, based in Gaza and the West Bank, with its capital in part of Jerusalem. Nothing less than these maximal demands will appease his constituents. The central council of the Palestine Liberation Organization has empowered Arafat to declare a state on 13 September. The Palestinian chief thus boasts an ace-in-the-hole should the West Bank, with its capital in part of Jerusalem. Their efforts at Camp David might boost his standing with restless constituents whose support will be indispensable to an accord. Given the formidable rhetorical skills of Barak and Arafat, they might yet carry the day.

The American Angle
The triangular dynamic in the peace process has subjected President Clinton to as much scrutiny as Barak or Arafat. In the wake of the collapse at Camp David, the Gulf Arab press rained abuse on Clinton, alleging bias towards the Jewish state. Why the venom? In order to deter a unilateral declaration of Palestinian statehood, the president had threatened to move the U.S. Embassy from Tel Aviv to Jerusalem. Clinton’s maneuver inspired headlines such as “Clinton the loser praises Barak, blames Arafat and waits for fateful decisions. Camp David was destroyed in front of Jerusalem” (Al-Qabas, Kuwait). The Gulf News accused him of making Jerusalem a gift to the Jews in the waning days of his presidency. Even the relatively moderate Al Khaleej (Khaleej Times) greeted the president’s action as evidence of “naked partiality to Israel” and an effort to curry favor with “the American Jews to win their votes for his deputy Al Gore in the presidential elections or for his wife Hillary Rodham Clinton who is running for the Senate.”

These lurid assessments notwithstanding, President Clinton is unlikely to carry out his threat on Jerusalem. First, he will be reluctant to jeopardize the electoral prospects of Albert Gore, his hand-picked successor, by taking an action with such unpredictable repercussions. Second, he will hesitate to saddle a new president, especially if Gore prevails in November, with the possibly messy aftermath of an impetuous move such as shifting the embassy. Third, and most importantly from the standpoint of energy security, the consequences of a complete rupture in the peace process could undermine the edifice of cooperation with the Gulf states which the administration has so painstakingly constructed. Washington’s Iraq policy, then, could hang in the balance. If Arafat forces the president’s hand by a unilateral declaration of statehood, Clinton will likely opt for some half-measure such as announcing a (probably lengthy) timetable for moving the embassy. Such a stratagem would allow the administration to save face while buying time for a new American president.

The U.S. Congress is a wild card in the peace process. Bipartisan support for any deal agreed to by Israel is no longer a foregone conclusion. As mentioned in previous quarterly reports, the American share in the cost of a settlement could include some eye-popping numbers – particularly for an election year. Estimates of the cost of military equipment to assure Israeli security have ranged from $10 billion to $17 billion. Factoring in the resettlement or compensation of Palestinian refugees and, potentially, Jewish settlers, the total U.S. contribution could come to $30 billion. Already miffed by Israel’s bid to sell advanced radar equipment to the Chinese, a Republican Congress could prove unsympathetic to the appeals of a Democratic president rumored to be in search of a “legacy.” In all likelihood, however,
President Clinton, the focus of Republican ire, will be out of office before lawmakers deliberate on a bill. In the end, Congress will likely approve the necessary funding despite partisan grandstanding.

**Adjusting to the New Security Terrain**

The rapidly evolving security milieu has generated intense intellectual ferment within the Israeli security apparatus. Manifold developments have impelled the Israeli Defense Force (IDF) to rethink its traditional approach to security. Chief among these are the loss of the redoubt, such as it was, in southern Lebanon; the prospects of a peace settlement requiring Israel to relinquish most of the Golan Heights and the West Bank; the likelihood that a rival state, complete with its own armed forces, will emerge in the West Bank; the potential resurgence of Syria under a youthful president; and the proliferation of long-range ballistic missiles, notably Iran’s Sha-hab-3, able to deliver weapons of mass destruction against Israeli population centers. Maintaining the qualitative edge of Israeli hardware and personnel is the nation’s foremost priority. After vigorous debate, defense officials have alighted on joint operations, information warfare, precision armaments, orbital surveillance platforms, and sea power to redress the impending loss of strategic depth.

Maritime capabilities are a fairly new addition to this equation. “We believe one of the answers” to this dilemma “is sea power, which essentially allows us to expand the borders and territory of Israel in the direction of the sea,” declared Admiral Yedidia Ya’ari, commander-in-chief of the Israeli navy. In late July, for instance, the navy took delivery of the third and final German-built, Dolphín-class submarine authorized under its modernization program. While the primary mission of the submarine flotilla is coastal defense, the new boats also boast an impressive sensor suite useful for intelligence gathering and other covert activities. Rumors have abounded, moreover, that the diesel-electric-propelled Dolphín can be equipped with nuclear-tipped cruise missiles, giving the nation its first invulnerable deterrent against the Syrian and Iranian missile threats. The navy has also begun exploring the feasibility of deploying theater missile defenses at sea. In the meantime, a joint U.S.-Israeli commission is evaluating ways to link the U.S. Navy’s Aegis combatants and its planned Navy Theater-Wide missile-defense system with Israel’s ground-based Arrow missile-defense system.

Yet funding shortfalls could truncate these ambitious defense programs. Israeli defense officials remain preoccupied with reversing the precipitous decline in defense spending witnessed in recent years. Most recently, the Treasury managed to shave some $250 million from the 2000 budget, leaving the IDF with $9.1 billion (including $1.9 billion in American aid). In order to mollify the defense community, Treasury officials promised an increase for 2001. A venomous and highly public war of words has erupted between the Ministry of Defense and the Treasury, which has reneged on its pledge by seeking a $175 million cut to the 2001 defense budget. This has been a losing battle for the military in recent years, despite its warnings of dire consequences for Israeli security.

Unsurprisingly, then, the annual budget haggling has been unusually bitter. The IDF General Staff has insisted that annual $250 million increases through 2004 are required to fund the government’s modernization plan. A failure to provide the requested funds, warned the chief of the General Staff, would compel the IDF to reduce its order of battle, reduce training, suspend research and development, and postpone the reorganization of the armed forces – impairing national security in a time of flux. The IDF plans to retire older assets such as F-4 Phantom fighters and antiquated M-48 tanks in order to free the necessary funding for new aircraft, intelligence systems, and precision munitions. Fortifying the northern border is another drain on the defense budget in the wake of the Lebanon pullout. The earnest pleas of IDF officials notwithstanding, the outlook for stable budgets is mixed. Avi Yehezkel, chairman of the defense budget committee in the Knesset, predicted that no drastic defense cuts would take place in 2001. Yet he also forecast that the MoD would not receive the increases it had requested. Since the Barak government apparently intends to use increased American aid to make up any shortfalls, the budget battle could be an irritant in relations between Israel and its superpower patron.

The government has increasingly relied on arms exports to countries such as Turkey to offset these budgetary woes and bolster the defense industry. The government-owned defense firm, Israel Aircraft Industries (IAI), and its subsidiary, Elta Electronics Industries, posted record sales in the first half of calendar year 2000. Existing orders totaled $3.76 billion for IAI and $891 million for Elta. IAI also concluded new contracts worth $1.5 billion during the first two quarters, while Elta garnered $306 million in new business. These figures might seem to be reason for buoyant optimism in industry circles. Yet several developments boded ill for the export trade. Most prominently, mounting American pressure forced Israel to terminate the sale of a Phalcon airborne-early-warning suite to China. The aborted contract represented a loss of $1 billion for the Israeli defense industry, assuming the People’s
Republic exercised its option for three additional systems. (Refer to the June 2000 quarterly report for details.) Elta, manufacturer of the radar, was especially hard hit by the cancellation in view of its heavy reliance on export revenue. The Phalcon debacle prompted Prime Minister Barak to softpedal further sales to India pending explicit approval from Washington.

Clearly, Tel Aviv will be forced to softpedal further sales to China or other potential U.S. adversaries. The Phalcon controversy was part of a broader showdown between Tel Aviv and the Clinton administration on arms sales. During bilateral talks in early August, representatives of the U.S. State and Defense departments demanded that Israel report all weapons sales to twenty-seven countries designated as “states of concern.” The American officials rebuffed a counterproposal from the Israeli delegation that only arms transfers involving U.S. technology should be reported. (The IDF had maintained that the Phalcon system contained no American components and therefore did not violate U.S. arms export policy.) One senior Israeli official openly decried the American strong-arm tactics, terming Washington’s new requirements “harsh limitations” on Israel defense policy.

The denouement in Lebanon promises eventual relief on the budgetary front and thus should cheer military officials. On 9 August the Lebanese army reestablished a presence in the border region formerly comprising the Israeli “security zone.” Although Tel Aviv said it expected the force, composed of 1,000 soldiers and police, to end the daily skirmishes with entrenched Hezbollah guerrillas, Beirut maintained that its troops would perform internal policing functions only. Hezbollah in fact continued its presence in the region. The Lebanese government refused to take responsibility for quieting the border between the two countries. It was the responsibility of the 5,000-strong U.N. Interim Force in Lebanon, proclaimed the interior minister, to patrol the frontier. Nonetheless, Syria, still preoccupied with the presidential succession, seems disinclined to foment mischief on the northern flank of the Jewish state for the time being. Lebanon will not act except at the behest of its patrons in Damascus. The guerrillas pose little genuine threat to a well-defended border. Moreover, two successful tests of Israel’s Tactical High-Energy Laser (in June and August 2000) suggests that the IDF will eventually be able to neutralize the Katyusha rockets that comprise Hezbollah’s only real threat. While Israel must spend prodigiously in the short run to fortify the border against Hezbollah, the long run should bring dividends from the withdrawal.

Conclusions

As predicted in the June 2000 quarterly report, a comprehensive approach to the Israeli-Palestinian negotiations was doomed to failure. Trying to do everything meant that nothing definite was accomplished. Jerusalem had never been discussed at the summit level. In fact, it was barely discussed directly between Barak and Arafat even at Camp David. The two leaders only met when President Clinton was present, leaving the rest of the work to aides and to shuttling American experts. An issue of this complexity was unlikely to be untangled under the heat of the cameras and without greater direct work by the two principals. Yet the incremental approach also is no longer viable in view of Barak’s glaring political weakness. The only hope for the Israeli prime minister at this juncture is to work out a deal, away from the glare of publicity, and take it to the Israeli people in a referendum.

What will Barak do should Arafat declare a state on 13 September? Most analysts have assumed that Israel would respond by annexing the Jewish settlements in the occupied West Bank. A new intifada or even a guerrilla war would ensue. Yet violence may not be the inevitable outcome of a failure to agree. The PLO declared a Palestinian state in 1988, and a previous deadline for a declaration passed quietly in May 1999. Israel’s best option may be to simply ignore any declaration by Arafat and continue negotiating as if nothing had happened. The PA is unable to oppose Israel effectively from the standpoint of armed strength. Barring a terrorist campaign, then, Arafat has few cards to play other than a return to the bargaining table and renewed appeals to international sentiment.

The implications of all this for energy security are unclear. While the Camp David summit failed, it would never have taken place except for the exertions of the Clinton administration. Additionally, the two parties did manage to narrow their differences somewhat, providing a platform, however unsteady, for further talks. So long as the administration scrupulously avoids the appearance of favoritism towards Israel, the temporary slowdown in the negotiations should not do serious damage to America’s relations with the Gulf Arab states. The peace process, then, will have a neutral impact on the Iraq policy of the United States, and thus on energy security in the Middle East.
“Khatami, This Is the Final Notice!”

Who rules Iran? Always a fragile endeavor, the cause of political reform has backpedaled since June. The explosive domestic landscape became acutely clear on 8 July, when thousands of impoverished Iranians, fed up with average wages of $70 per month and unemployment rates estimated at 16 percent, joined with pro-democracy students to protest the sluggish pace of political and economic reform. Complaints range from contaminated drinking water to lackluster municipal services while a flurry of public works projects has done little to alleviate tensions. The convergence of poverty with a long -festering resentment of social and political repression has generated an extraordinarily tense atmosphere.

Oddly, the target of these inchoate sentiments is not those who have stifled Iranian, economic, political, and social life, but President Muhammad Khatami and his incremental approach to reform. “Khatami, Khatami, Show Your Power Or Resign!” and “Khatami, Khatami, This Is the Final Notice!” read the signs at the 8 July demonstrations. Despite his weakness, the president must produce results commensurate with his lofty rhetoric. As so often happens, hotheads in a movement for social change have turned on the moderates who seek to work within the existing political framework. The interests of the progressive elite could combine with those of ordinary workers to thwart moderate reform. While the common opponents of the moderates and revolutionaries seem to benefit from this fratricide, a revolutionary convulsion would bring about the downfall of the system as a whole and signal the emergence of a new tyranny.

Khatami recognizes this danger. He warned hard-line rivals, “We must not expect the people to behave as we would like, and [threaten] to suppress them if they do not. People must be allowed to speak freely and criticize their government. If people are left unsatisfied, this will one day lead to an explosion.” Blaming America and Israel for Iranian troubles, it seems, will no longer suffice to stave off discontent.

“You Cannot Save Islam with Liberalism and Tolerance”

The past quarter witnessed a brutal conservative backlash against liberal seats of power in the media and parliament. Mimicking President Khatami’s invocation of the rule of law, albeit in grotesque fashion, conservative ayatollahs have taken to using their Friday Prayer sermons to issue directives against reform journalists. This “legal violence,” to borrow Supreme Leader Khamenei’s term, provides a façade of legality for the courts, which then imprison the offending journalists. Over twenty progressive news outlets were closed in this manner, decimating the liberal press. Journalists associated with reform publications were tried for the usual litany of political and religious offenses. In early August the Press Court, applying the coup de grace, closed the last important left-leaning paper, Bahar, and arrested the writers associated with it. “You cannot save Islam with liberalism and tolerance,” crowed Ayatollah Ahmad Jannati, a leading conservative and secretary of the Guardians Council. “I am announcing clearly and openly that the closure of the newspapers was the best thing the judiciary has done since the revolution.”

Supreme Leader Ali Khamenei injected himself boldly into the debate over freedom of the press. On 6 August, Khamenei cut off debate in parliament over liberalization of the press law. Hardliners in the Majlis had rushed through a restrictive press law in the aftermath of the February elections, but before the liberal-dominated parliament could be sworn in, in hopes of silencing the reformers’ most effective weapon. Amending the law to permit a limited revival of previously banned newspapers had been a top priority of the reform delegates. The supreme leader’s intrusion into parliamentary affairs was unprecedented. His letter barring consideration of the bill noted that the press law, as then constituted, had inhibited the efforts of “enemies of Islam” to infiltrate the press and subvert the Revolution. Khamenei’s heavy-handed action underlined the arbitrary nature of the Iranian regime. Equally onerous was the insistence by conservative parliamentarians that the word of the supreme leader was final.

Even President Khatami, normally a reliable friend to the reform press, was evasive. Asked when the repression of the media would end, Khatami replied that government and judicial institutions must take into account the national interests and...
security of the country. He also called on “academics and thinkers” to cooperate with the government in accordance with divine law. His answer clarified little and was undoubtedly of small comfort to embattled journalists. Indeed, the president’s remarks could be interpreted as a warning to refrain from provocative commentary. On 16 August he told three official news organizations that the “situation which has come about nowadays for our press and mass media is not satisfactory. I agree completely that any offense or deviation should be dealt with, but within the framework of the law and regulations.” Whether Khatami’s disheartening comments reflect political expediency or a genuine change of heart remains to be seen.

President Khatami thus continues to grapple with the fundamental paradox in his political philosophy. He insists on the primacy of freedom of thought. Yet, as a devout supporter of the religiously based Iranian constitution, he also demands that individual liberty yield to religious orthodoxy when the two conflict. The president’s comments suggest that he objects only to politicized repression of the media—not to the principle of censorship itself. This is a shaky foundation for a liberalization movement. Khatami has never satisfactorily explained how liberty and Islam can be reconciled without religious monitoring of political expression, backed up by coercive means. How a system of religious supervision could be administered even-handedly is also an open question. The reform movement has floundered haplessly in the absence of a set of transcendent principles to weld together its disparate factions.

Khatami and the reformers, then, may be tilting at windmills. One prominent intellectual, the cleric Mohsen Kadivar, has drawn the logical conclusion from which Khatami recoils. Kadivar has predicted that conditions in the Islamic Republic will continue to worsen until the vilayat-i faqih, or rule of the supreme leader, is abolished. Democracy and Islamic law, he maintains, are simply incompatible. This clearly goes too far for Khatami, who to date has achieved modest results only by appeasing Supreme Leader Ali Khamenei and his henchmen. The president is aware of the powerful conservative forces arrayed against reform. Nonetheless, he has announced that he will run for a second term in the 2001 presidential elections and vowed to persist in the cause of reform. Khatami is gambling that the Iranian political system can transform itself without revolutionary upheaval.

Retroactive Supervision?
The dinosaurs also grasp the dissonance between democratic aspirations and the precepts of Islamic law. As mentioned above, matters came to a head when Supreme Leader Khamenei silenced debate of a liberalized press law. Reform parliamentarians demanded that the text of the supreme leader’s letter prohibiting debate be read into the legislative record. Fearing an attempt to publicly embarrass Khamenei, Guardians Council spokesman Reza Ostadi threatened to retroactively revoke the credentials of any member of the Majlis who failed to exhibit loyalty to the vilayat-i faqih. Ayatollah Jannati, secretary of the council, amplified this threat. Jannati declared that the deputies “were elected to serve Islam. If any of them should wish to propose a bill or do something contrary to Islam, they would not be serving Islam, they would not be representing the people….They do not have unlimited authority to do whatever they wish.” Who controls the definition of Islam, then, controls the fate of the Islamic Republic.

Two interpretations of the Iranian constitution are at war. Article 84 guarantees representatives the right to express their views on the internal and external affairs of the Islamic Republic. Allies of the beleaguered delegates deny that “supervision” extends to expelling a sitting representative. In this view the action of the Guardians Council is a naked power grab and an unwarranted intrusion into legislative affairs. However, backers of the Guardians Council seize on Article 98, which grants the council the right to interpret the text of the constitution. These partisans evidently believe the council can revise the document to suit the needs of the moment. The meaning of any written document is notoriously malleable. So long as conservative clerics remain the arbiters of constitutional law, invoking Islam will remain a convenient way to truncate discussion of controversial topics and rid the public square of dissent.

Conviction of the Iranian Jews
A sidebar to this tumult was the denouement in the trial of the thirteen Iranian Jews and four Muslims accused of espionage. As predicted in the June 2000 quarterly report, the court refrained from imposing the death penalty, largely to avoid a return of the Islamic Republic to pariah status. Ten Jewish defendants and two Muslims were convicted and sentenced to stiff prison terms ranging from two to thirteen years. The verdict was widely condemned in foreign capitals. American president William Clinton, for instance, issued a public statement calling on Tehran “to remedy the failings of these procedures immediately and overturn these unjust sentences.” Possibly in response to such criticisms, Hussein Ali Amiri, chief of the provincial judiciary, has agreed to accelerate the appeals process. Ismail Nasser, the chief defense lawyer, predicted reductions in some of these sentences upon appeal. Clearly, Tehran would
like to be rid of the espionage case that has endangered its economic ties with Europe.

**Outflanking the United States?**

Whatever the outcome of its internecine struggles, the Islamic Republic will certainly continue maneuvering towards its ultimate goal, however fanciful, of ejecting Western armed forces from the Persian Gulf region. Securing the cooperation of the Gulf states that have granted basing rights to the United States will be Tehran’s central objective. Iran will seek to build on the recent rapprochement with Saudi Arabia in hopes that the smaller powers will follow the Saudi lead. Cowed by their larger neighbor, the Gulf Arab states will be receptive, or at least make a show of being receptive, to gestures such as a security pact recently proposed by Tehran. The accord ostensibly aims to combat terrorism, organized crime, and the drug trade. Woven into the Iranian proposals, however, are preconditions mandating the expulsion of American troops from the Gulf region. These provisions betray the true purposes of the Iranian government.

Ejecting the United States is a farfetched prospect. Despite its recent overtures towards the Gulf states, the messianic policies Iran pursued after the Revolution earned the behemoth the lasting enmity of its Arab brethren. The United States, by contrast, is no direct threat despite its vaunted military might. The Americans, who have no territorial ambitions or pretensions to regional hegemony, can be speedily ushered from Arab soil if circumstance dictates. Iran’s physical presence and its aspirations to regional dominance, on the other hand, are a permanent fixture in Gulf politics. The Gulf Arab regimes will maintain cordial relations with Tehran and continue to conduct uncontroversial joint military exercises with Iranian forces. While fearful of openly antagonizing the Islamic Republic, they will not relinquish the security provided by the U.S. forward presence, which checks the pretensions both of Iran and of Saddam Hussein’s Iraq. Still, Iran can be expected to continue laying the groundwork to unify the Persian Gulf littoral under its sway.

**“An Extraordinary Missile”**

Judging by its official statements, Tehran has made swift progress in its effort to develop a family of indigenously produced missiles. Most prominently from the vantage point of energy security, Vice Admiral Ali Shamkhani, minister of defense and armed forces logistics, trumpeted the successful test of the Shahab-3 (Meteor-3) intermediate-range ballistic missile, an improved version of the North Korean Nodong-1. Unlike the previous test, in which the missile exploded in mid-flight, the most recent test, on 15 July 2000, was apparently a complete success. As mentioned in previous quarterly reports, the range of the Shahab-3, estimated at 1,500 kilometers, will vastly enhance the ability of the Islamic Republic to strike targets throughout the Middle East. The new capability will allow Iran to offset a reemergence of the Iraqi threat; counter the advanced air forces of Gulf states such as the UAE; hedge against instability in neighboring Afghanistan; and threaten Israel. On state television Shamkhani candidly proclaimed that Tehran was “investing in production of those military equipment that, with minimum cost, can have maximum effects on our deterrence capabilities. In fact we are investing in [space technology] or its prerequisite field like missile technology by improving the range, accuracy, and destruction power of missiles. This is one of our main aims.” Missiles confer prestige and political clout as well as military utility.

Successors to the Shahab-3 are already in the planning stages. Advances in civilian space technology, maintain Iranian defense officials, will be an immense boon for the armed forces. In particular, the Shahab-3 suffers from a crude guidance system that makes the missile more of a bludgeon than a rapier. The Iranian government has entered into multinational projects with partners such as China and South Korea in hopes of producing three multipurpose satellites useful for navigation, data transfer, and scientific research. The accumulated technical knowledge will be incorporated into next-generation weaponry such as the Shahab-4, a derivative of the Russian SS-4 which will boast a range of some 2,000 kilometers. Additionally, real-time telemetry provided by satellite down-link will dramatically improve the accuracy of ballistic-cruise-missile strikes. These refinements are consistent with the rhetoric of Admiral Shankhani, as well as the aspirations of the Islamic Republic to regain its status as the premier regional power.

While ballistic missiles are evidently the top priority for the defense establishment, Admiral Shamkhani also announced that, “in the field of shore-to-see missiles, God willing, we shall very soon bring an extraordinary missile to the inauguration phase.” Although he did not reveal the designation of the missile, the defense minister presumably referred to an indigenously produced variant of the C-802 anti-ship cruise missile. The C-802, a Chinese platform modeled on the French Exocet that has generated such anxiety in Western naval circles, will multiply the ability of the Islamic Republic to threaten merchant and naval shipping in the Gulf of Oman and the Persian Gulf. More ominously, the C-802 could be fitted to deliver biological or chemical warheads against neighboring states.
such as Iraq or Afghanistan. In addition, Shamkhani declared that the armed forces would soon deploy solid- and liquid-fueled variants of the Saeqeh and Sayyad-1 air-defense missiles, as well as the Tifan, Tousan, and Misaq anti-tank missiles. Because of their low cost and potent capabilities, the Islamic Republic expects these new missiles to bolster its political influence in the Gulf region.

A Bug’s Life

Two apparently innocuous developments suggested that the Iranian biological warfare (BW) program remains on track. First and foremost, Tehran has cultivated ties with several foreign governments in order to boost its capabilities in biotechnology. In May the government concluded agreements with Cuba and Malaysia to further its ambitions in this field. Russian, Chinese, and Cuban experts already work in a variety of academic and military institutions active in biotechnology research. Much of this research has both a potential military and non-military use. Second, Saff, the Iranian military journal, recently published an article titled “Biological (Germ) Warfare, A New and Effective Method in Modern Warfare.” The Iranian military clearly contemplates using biological weaponry as a tool of Iranian grand strategy.

There is little doubt, then, that Tehran, notwithstanding its protestations of innocence, is aggressively pursuing these weapons. Its isolation inhibits the importation of conventional weaponry and spares, especially for U.S.-built hardware such as F-14A Tomcat fighter aircraft. Developing a defense industrial base adequate to build conventional arms has proved a slow and expensive proposition – witness the decision to focus on inexpensive but potent systems such as the Shahab-3. By contrast, constructing biological weapons requires minimal expertise and infrastructure. The ease of production of BW, the country’s pursuit of delivery systems, and numerous other clues alerted Western observers to Iran’s covert BW programs. Weapons of mass destruction mated to ballistic missiles offer an attractive, and relatively inexpensive, way to boost the Islamic Republic’s diplomatic clout.

Stemming “the Foreign Cultural Onslaught”

Amid the rapid expansion of the manpower of the armed forces, defense officials have had to confront the worrisome influx of Western mores among Iranian youth. To counter this “foreign cultural onslaught,” the Islamic Revolution Guard Corps (IRGC) plans to implement extensive cultural training. Cultivating the warrior virtues, revolutionary fervor, and strict adherence to Islamic law are the foremost priorities. One high-ranking IRGC official recently lamented “a society today where people hardly accord any recognition to a veteran who defended three kilometers, or borders where the death rate was 70 percent, whereas thousands applaud a footballer who defends a six-meter goalpost.” Within the IRGC, ideological orthodoxy is enforced by representatives of Supreme Leader Khamenei, while members of the Political Ideological Directorate oversee the training of regular military units.

Major General Muhammad Salimi, chief of the Joint Staff of the Armed Forces, spelled out the role of ideology in an August interview with armed forces television. “The culture of seeking martyrdom and total loyalty to the supreme commander of the armed forces, as the guardian of the cause of the Muslims, has its roots in the religious faith of the courageous personnel of the army….we military men in Iran are God’s soldiers and are always victorious.” Whether Tehran can instill such unquestioning loyalty among the younger generation is a doubtful prospect. Memories of the indifferent success of the armed forces against Iraq call into question Salimi’s expansive claims regarding Iranian martial glory. This healthy skepticism among a large segment of the population, as well as the disenchantment of Iranian youth with stringent ideological conformity, augurs well for the long-term security of the Gulf region.

Conclusions

In short, the Islamic Republic has taken a worrisome course over the past quarter. Although Khatami and the reformers control the presidency and the Majlis, they have failed to gain influence over the security institutions. Thus control of the effective instruments of state power has eluded them. The supreme leader, in collusion with the conservative-dominated courts and security services, has launched a ferocious counterattack against the liberal press, the main vehicle for delivering the message of reform. By meting out lengthy prison terms to pro-democracy academics, moreover, the dinosaurs have muted another powerful voice for social reform. The outlook for Khatami’s 2nd Khordad movement seems bleak.

Yet the implosion of the Soviet bloc suggests that government coercion cannot stem aspirations for greater social and political liberty forever. The fierce resistance to even the limited reforms advocated by President Khatami bodes ill for a peaceful outcome to the struggle between Iranian liberals and conservatives. Barring some form of violent upheaval, however, the prospects for energy security will
remain fairly bright. Neither hardliners nor reformers wish to antagonize the international community on which Iran’s economic fortunes depend. While Tehran will continue to pursue the advanced military capabilities that buttress the claims of the Islamic Republic to great-power status, it will not squander its newfound military might and its hard-won diplomatic capital in foreign adventures.
Power Positioning

The past three months have seen Saudi Arabia further its position politically throughout the region. Riyadh’s achievements, in particular the border pact with Yemen, are largely due to Crown Prince Abdalluh’s continuing efforts to consolidate power and signal his willingness to move past traditional disagreements to strengthen relationships with neighboring countries. Moreover, Abdalluh’s new diplomacy is aimed at fostering economic growth and stability at home. Riyadh is also continuing its military modernization program, but persistent problems in the implementation of maintenance and training programs will limit the forces’ effectiveness.

Settling of Borders

The July 12 border agreement between Saudi Arabia and Yemen has apparently resolved one of the region’s most intractable – and often violent – border disputes. Although press releases have described the pact as being “final and permanent,” further negotiations are required to settle the issue once and for all. The two countries have bickered and fought over their borders almost as long as the two emerged as sovereign states. As detailed in the Kuwait section, Riyadh also reached an agreement on offshore boundaries with its small northern neighbor.

At Long Last?

The Saudi-Yemen agreement divides the border area into three sections, with the first part being that already covered under the 1934 Treaty of Taif. This runs from the Red Sea coast to Jebel Al-Thar, a hotly disputed mountainous region. The second part of the treaty, covering the longest portion of the border, begins at Jebel Al-Thar and runs to the Omani frontier. Maritime issues are covered in the third section. Treaty language treats the second section ambiguously, with both parties agreeing to demarcate this area in an amicable manner. Apparently, Riyadh and Sanaa concurred as to fixed points along this stretch of border due to the rugged nature of the terrain, and will contract a third party to perform the actual demarcation lines between the agreed points. Problems also exist, particularly in the area covered under the Taif treaty, regarding tribal boundaries and grazing rights. Despite these issues, the importance of the agreement should not be underestimated. Although the borders themselves hold no surprises with respect to location, the fact that leaders on both sides came together and actually agreed to something is groundbreaking.

Although the treaty represents a remarkable feat for both parties, Riyadh apparently came out ahead. The use of Taif-era boundaries has apparently sealed Saudi sovereignty over the previously Yemen owned regions of Jizan and Najran. Then-Prince Faisal, later king and elder brother of both King Fahd and Crown Prince Abdalluh, was responsible for imposing the Taif terms.

Security ranks high among Riyadh’s concerns. Several sections of the treaty deal with security issues, including the prohibition of massing armed forces within 20 kilometers of the border and the prevention of well-armed smugglers from traversing the border. Black markets on both sides for commercial goods and construction equipment are well entrenched, with armed bands roving the region. Of particular concern is the potential for weapons smuggling as well as the use of isolated border routes by terrorists to enter the kingdom. The agreement also stipulates that neither territory will be used as “bases or centers of aggression against the other: nor will they be used for political, military or propaganda purposes against the other party.” Given the history of Saudi intervention in internal Yemeni affairs and the Yemeni proclivity towards blaming domestic dissent on Saudi conspiracies, this is a potentially contentious issue.

Sanaa has long maintained that economic aid would be included in any border resolution, but wording to that effect was absent from the July document. Whether Saudi economic assistance and special allowances for the use of Yemeni workers in the kingdom, cut following Yemen’s pro-Iraqi stance during the 1990-91 Gulf War, will be reinstated – officially or unofficially – is unclear. The agreement does incorporate the 1995 Memorandum of Understanding calling for the promotion of economic, commercial, and cultural ties between the
two countries. Aid will likely be used as future leverage in remaining border negotiations and to influence those Yemeni actions deemed to effect Saudi interests.

Oil is also an issue as Yemen produces relatively small quantities in the northern Marib border region. The agreement provides that, in the case of new oil discoveries along the border, negotiations would be required to divide this "shared natural wealth." However, as this only stipulates the need for negotiations, either side could exploit potential finds unilaterally.

The Arms Bazaar
Riyadh reportedly is looking to proceed with a follow-on order for an additional 24 multi-role Boeing F-15S Eagle aircraft from the United States. Discussions regarding the potential buy were allegedly held during U.S. Secretary of Defense Cohen’s visit to the Kingdom in April. Initial talks began in 1999 with Boeing, but low oil prices delayed any decision.

The additional aircraft, if purchased, are expected to replace around 70 1960’s vintage Northrop F-5E/F Tiger IIIs still in service with the Royal Saudi Air Force (RSAF). The RSAF currently fields 98 F-15 C/D models in addition to 72 F-15S models. Both Washington and Boeing are likely to lobby hard for the sale given Boeing’s loss of contracts in Greece and Israel and the pending closure of its St. Louis production facilities. The potential F-15 deal may have to compete for monies if Riyadh goes ahead with a planned acquisition of up to 100 F-16 C/D Falcon aircraft.

Although the RSAF maintains the largest and most qualitatively capable air force in the Persian Gulf, its inability to implement a consistent and efficient logistical train has previously impacted the number of aircraft deemed airworthy. Combined with limited pilot numbers to man existing and new aircraft as well as training deficiencies, this limits the RSAF from exploiting fully its technically superior force. Reliance on foreign – mainly U.S. – contractors to maintain the F-15 airframes implies that no effective technology transfer has occurred as Saudi citizens are disinclined from such work. In the absence of Western assistance, technicians from Pakistan are often used to provide support.

The Saudi National Guard (SANG), headed by Crown Prince Abdalluh, now in day-to-day control of the kingdom given King Fahd’s failing health, was the primary mover behind these agreements. A symbol of the Crown Prince’s new foreign policy was seen in his attendance at Sanaa’s unification anniversary in May, something that would not have occurred prior to his rise in prominence. As he moves to consolidate political control further, Riyadh will likely look to resolve as many border and other intra-GCC disputes as possible to bolster its influence throughout the region. Moreover, his involvement in the Yemen issue – long the province of rival Saudi royals Defense Minister Prince Sultan and Interior Minister Nayef – underscores the ongoing domestic jockeying for position in preparation for a likely post-Fahd power scramble.

Of utmost concern to Abdalluh is resolving as many of the regional disputes as possible while building economic prosperity at home. A youth bulge in the Saudi population means that Abdalluh must create new jobs, a hard task as the largely untrained Saudi workforce prefers – and expects – to either find a cushy government position or a managerial post in the private sector. Laborers from the subcontinent, the Philippines, and likely growing numbers of Yemenis fill most technical and menial positions. Regardless of oil prices filling government coffers over the last year, Riyadh cannot sustain the domestic economy without serious reform. The reli-

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gious community’s hold over the Saudi education system is of particular concern given its emphasis on Koranic, vice scientific or commercial, teaching. Young, impressionable Saudis, if no jobs are forthcoming, are subject to potential radicalization. Usama bin Ladin and his like, while vilified by Riyadh, still have many supporters within the Kingdom. As evidenced by the July shooting of two westerners at a Saudi military complex, the presence of mainly U.S. personnel in the kingdom is a contentious issue. With concern over Iraq waning and the evolving rapprochement with Iran, the raison d’être for the American presence will continue to be called into question by local leaders. Abdalluh realizes time is short to implement reforms and prevent the rise of internal discontent. If reforms are not forthcoming, the Royal family will face the choice of either ruling with an iron fist – a strategy that cannot last – or a dilution of their political control.
Security Issues and Iraq

Back to the Future

“We tell the dwarfs,” thundered an editorial in Baghdad, “don’t play near the lion and try to find a shelter or a sand dune to hide your rotten heads because the date of August 2, 1990 is still alive in the memory.” As this excerpt suggests, the prolonged impasse between Saddam Hussein’s Iraq and the U.S.-led coalition has showed little sign of slackening. On the one hand, the United States maintained a tight grip on Iraqi oil revenues by means of the oil-for-food program. American and British aircraft continued their sporadic war against Iraqi anti-aircraft emplacements in the no-fly zones. On the other, the United Nations Monitoring and Verification Commission (UNMOVIC) was activated. Yet Hussein, predictably, refused to cooperate with the new inspections agency, leaving the Security Council divided and floundering. Meanwhile, Baghdad sought to exploit the rifts in international solidarity by cultivating ties with Russia and other states.

Saddam Hussein and his spokesmen vented their anger by railing against the “aggression” of the Gulf Arab states. The twelfth anniversary of the end of the Iran-Iraq War and the tenth anniversary of the invasion of Kuwait occasioned an outpouring of overheated rhetoric. On 8 August the Iraqi president delivered a wrathful “Victory Day” speech celebrating the nation’s “triumph” over the West, while paradoxically, condemning the Gulf Arab states for supporting Western efforts to oppress Iraq. Hussein branded Saudi Arabia and Kuwait as “traitors” to the Arab world for allowing the West to use their soil to launch air strikes against a fraternal state. Al-Jumhuriyah, the dictator’s mouthpiece in the press, called on groups that had resisted British rule to regroup, oust the Gulf Arab regimes, and launch a crusade to drive the United States from the region. Such fanciful ambitions underline the desperation of the Iraqi regime.

At a 12 August joint meeting of the Revolution Command Council and the Iraq Command of the Ba’ath Party, Hussein subsequently denounced the “ongoing Saudi-Kuwaiti aggression on Iraq” and vowed to “expose this aggression by all means” to Arab and world opinion. More ominously from the standpoint of the Gulf states, Babil, a newspaper published by Hussein’s son Udayy, declared that the nation had not relinquished “our lawful historical rights to the land, to sovereignty, and to water outlets” in Kuwait. Understandably wary, the Kuwaiti government summoned the ambassadors of the permanent five members of the Security Council, as well as representatives of the Gulf Cooperation Council countries, to “inform them of the gravity of the situation.”

The secretary-general of the Arab League deplored this inflammatory rhetoric, while Saudi officials rightly dismissed the Iraqi threats as bluster. As he is wont to do, Saddam Hussein sought to use the foreign menace to suppress internal dissent. How seriously Iraqis take their government’s violations is an open question. Analysts of energy security, however, have little to fear from Iraq for the present.

Widening Fissures in International Solidarity

A mountain of anecdotal evidence suggests that the decay of international consensus on Iraq is accelerating. French foreign minister Hubert Vedrine aptly summarized the international community’s disenchantment with the U.N.-imposed sanctions. Vedrine told Al-Hayat, a London-based Arab-language newspaper, that “economic sanctions that were the result of the occupation of Kuwait and Iraq’s threats and were necessary at the beginning are now having a very dangerous effect on Iraqi society and the Iraqi people.” Consequently, “France feels that the sanctions...are oppressive, ineffectual, and dangerous because they have no effect on the regime and do not encourage it to cooperate, and dangerous because they instill in the sanctions generation feelings of revenge, a generation that knows only war and deprivation.”

A prominent Iraqi parliamentarian chimed in with a direct appeal to American lawmakers. The speaker of the Iraq National Assembly, Dr. Sa’dun Hammadi, sent a letter to both houses of the U.S. Congress blasting the attitude of the Clinton administration. Hammadi contended that, “while several world states, including permanent members of the UN Security Council, believe that Iraq has fulfilled its commitments per the relevant UN Security Council resolutions, the U.S. administration has continued a hostile approach against Iraq and its
people.” However influential the speaker’s analysis may be elsewhere in the international community, his letter evidently found little sympathy in the halls of Congress.

By contrast, Russian discontent with the isolation of Iraq has become increasingly overt. In late July, Russian president Vladimir Putin met with Iraqi deputy prime minister Tariq Aziz. Putin assured Aziz that the two countries enjoy an “eternal friendship.” Thus, he declared, they should enhance their cooperation “in every sphere,” including joint efforts to terminate the international sanctions. Putin also hinted that his country would seek to block U.S.-backed efforts to try the Iraqi leadership for war crimes. There is a clear economic dimension to the Russian maneuvering beyond this symbolic resistance to American diplomacy. In mid-August, Prime Minister Mikhail Kasyanov told Tariq Aziz, then visiting Moscow, that Russia would continue to pursue an outright end to the sanctions. Additionally, Kasyanov pledged to enhance bilateral economic ties even if the sanctions remain in place. The militant rhetoric emanating from Moscow suggests an attempt to reestablish Russian influence in the traditional Soviet sphere and, as a corollary, to contest American primacy in the Persian Gulf region.

Though less abrasive than Russia, the Western European nations are likewise sympathetic to the plight of the Iraqi people and eager to do business with Iraq. An Italian delegation, for example, recently met with Iraqi ministers in Baghdad to discuss cooperation between the two countries. The Iraqi vice president, Taha Yasin Ramadan, received a delegation from Austria’s Freedom Party. Ramadan welcomed their offer of support for ending the sanctions and promised to forge stronger ties with Austria. The Belgian province of Wallonia, meanwhile, announced a sizable agricultural deal with the Iraqi government. This signaled the intention of Belgium, a country not normally known for its desire to band together as a counterweight to American power. Saddam Hussein will undoubtedly play on these fears of an overwhelming United States, as he has done adeptly in relations with Moscow, in his effort to erode the sanctions regime.

Opinion within the Arab world has also taken on skeptical overtones. Even Egypt, a stalwart member of the Gulf War coalition, has voiced disapproval of the sanctions regime. The state-owned daily Al-Ahram, for instance, recently observed that the “international urge to sympathize with the Iraqi people…is growing constantly.” The paper further advised Baghdad to supplement its strategy of economic pressure with other efforts to undercut international consensus on the embargo. Underlying the rhetoric from Cairo, and indeed from all of the capitals courting Saddam Hussein, is the economic motive. During the first half of 2000, Egypt expanded its exports under the oil-for-food program to $392 million, bringing the total value of its exports under the U.N. aegis to $1.44 billion. Cairo would undoubtedly like to bolster this lucrative source of revenue.

Iraq’s immediate neighbors have also begun the process of normalizing relations with Saddam Hussein’s government. First, Jordan’s King Abdullah II declared that “the phase of tension in Jordanian-Iraqi relations is over” after consultations with Iraqi vice president Ramadan. Second, Iraq and Syria continued their effort to improve bilateral relations, which soured when Damascus sided with the West during the Gulf War. The death of Hafez el-Assad, a long-time rival to Saddam Hussein for symbolic leadership of the Arab world, removed one obstacle to warmer relations. At the behest of the new Syrian president, Assad’s son Bashar, Iraqi foreign minister Muhammad Sa’id Al-Sahhaf visited Damascus in June, becoming the most senior Iraqi official to visit Syria in over two decades. Finally, Turkey upgraded its diplomatic representation in Baghdad to the ambassadorial level. Fueling this move were the joint interests of Iraq and Turkey in preventing the emergence of an independent Kurdistan and Ankara’s desire to renew ties with a major trading partner. Interest and altruism, then, have propelled these overtures to Baghdad.

Aviation provided an unexpected avenue for demonstrating displeasure with the sanctions. Russia again led the way. In a gesture of solidarity with
Iraq, a Russian aircraft landed at the newly reopened Saddam International Airport without U.N. permission. The plane carried a delegation assigned to negotiate an agreement to rejuvenate Iraq’s dilapidated energy sector. In late August a German aircraft followed suit, and a French flight is scheduled for late September. Although U.N. resolutions, most notably Resolution 670, do not explicitly prohibit flights to Iraq, the resumption of air traffic is a reminder of growing opposition to the sanctions regime and sympathy with the Iraqi people.

Lots of Oil, Little Food
The controversy over Iraqi oil exports exemplifies the standoff between the Anglo-American coalition and Saddam Hussein’s regime. Officials in Baghdad have played up the hardships created by the sanctions and enlisted friendly voices at the United Nations in order to portray the United States and Britain as stubborn and hardhearted. Consequently, public and elite sentiment in many countries has increasingly gravitated towards Iraq. The Security Council has sought to blunt this criticism. In early June, the council extended the oil-for-food program for an additional 180 days. Resolution 1302, which authorized the extension, also gave the U.N. secretary-general greater authority over implementation of the program; simplified procedures for contract approval by the Sanctions Committee; and streamlined financial transactions associated with the program. For instance, the secretary-general now will oversee all Iraqi oil export contracts, an area in which the Security Council formerly had jurisdiction.

Loosening the restrictions on Iraqi oil exports has allowed Baghdad to vastly increase its oil revenues, although the funds continue to go into the U.N. escrow account. The oil sector has managed to export an average of 2.18 million barrels per day during the current phase of the oil-for-food program. In a representative week in August 2000, the nation produced 2.03 million barrels per day. Foreign sales garnered $348 million for the cash-strapped economy. Buoyed by the rise in world oil prices, revenues under the current phase of the oil-for-food regime have totaled roughly $2.9 billion. Aggregate earnings since the program’s inception in 1996 have come to $29 billion, far outstripping expectations. Of that total, $20 billion was earmarked for humanitarian initiatives, with the remainder allotted to pay Gulf War reparations and routine administrative expenses.

The U.S. Department of Energy has forecast that Iraqi oil production will rise to 3 million barrels per day by the end of 2000 (of which some 500,000 barrels are consumed domestically). Therein lies the rub. Analysts estimate that the rate of production could be boosted to as much as 3.4 million barrels per day, were the U.N. Sanctions Committee to approve contracts with foreign firms to supply the spare parts needed to repair the oil infrastructure. Members of the committee can place holds on dual-use items believed to be destined for clandestine weapons programs. The United States and Britain have blocked $1.25 billion worth of contracts thus far, representing approximately 10 percent of the total humanitarian contracts submitted by Baghdad.

Breaking this artificial logjam, some officials insist, would ease the suffering of the Iraqi citizenry. Stung by this criticism, the committee agreed in mid-July to expedite the approval process for contracts involving the purchase of oil production equipment. During a meeting with Iraqi vice president Ramadan, for example, Benon Sevan, executive director of the oil-for-food program, reportedly criticized the United States and Britain for delaying these contracts. Additionally, Sevan strongly implied that normal trade activities should resume as soon as possible in order to alleviate the humanitarian repercussions of the sanctions regime. His tart words reflect the widening fissures in the international community on the Iraq sanctions.

Dr. Strangelove, Iraqi Style
Iraq’s quixotic pursuit of nuclear, biological, and chemical (NBC) weapons continue unabated. Because U.N. resolutions bar direct importation of conventional weaponry, the Iraqi armed forces boast only a fraction of their pre-Desert Storm strength. Saddam Hussein and his lieutenants have concluded, consequently, that the only avenue to resuscitating the nation’s regional power status is to build a potent NBC arsenal. A senior Israeli official recently contended that “Saddam is resolutely determined to achieve a top-level strategic capability. He has invested almost unlimited infrastructure, personnel, and budgets to this end.” Clearly, Hussein’s posturing on behalf of the suffering Iraqi masses bears little relation to his true agenda.

Troubling rumors have linked the Russian Federation to Iraqi weapons programs. Intelligence reports allege that Baghdad has acquired components for biological arms and ballistic missiles from a network of front companies in Russia and perhaps elsewhere in Europe. Russian and Iraqi officials reportedly agreed to establish a plant in Iraq to manufacture gyroscopes, a key component in ballistic-missile guidance systems. The deal was clinched during a visit by Iraqi defense minister Sultan Hashim Ahmad to Moscow in April 1999. Both Baghdad and Moscow have vehemently denied the existence of such an agreement, which would represent a clear violation of the sanctions. General Valery Manilov, first deputy to the Russian chief of staff, described
reports that Russian technology had found its way into Iraqi hands as “flights of fancy.” Nonetheless, covert Russian assistance to Iraq would be consistent with Moscow’s declared policy of terminating the sanctions.

Because of the critical role of weapons of mass destruction (WMD) in Baghdad’s aspirations, Saddam Hussein has invariably maintained tight control of their development and use. However, Hussein seemingly feared a challenge to his authority in recent years. During the thirty-month interval since the 1998 upswing in the confrontation with the United States and Britain, he had delegated release authority for weapons of mass destruction (WMD) to regional commanders, fearing an attack that might disrupt communications between the presidential sites and the military. A defector from the Iraqi intelligence service recently reported that Hussein, confident that he has outlasted the internal challenges to his rule, had resumed personal control of the country’s chemical and biological arsenal. The defector’s report, if true, should come as disheartening news for those who hope to oust the Iraqi dictator.

Invisible War

In an increasingly pointless exercise, American and British warplanes continued to trade fire with Iraqi air-defense emplacements. Anti-aircraft artillery engaged coalition aircraft patrolling the no-fly zones on some 370 occasions between October 1999 and June 2000. Fifty-nine surface-to-air missiles were fired over the same period. Coalition pilots retaliated by dropping 141 bombs on Iraqi positions. As usual, Iraq claimed that the bombing raids had exacted civilian casualties in hopes of garnering sympathy in foreign capitals. Baghdad’s efforts bore fruit: the Russian government, for instance, has been increasingly vocal in opposing the air campaign. In a late July consultation with Tariq Aziz, for instance, President Vladimir Putin demanded an immediate halt to the bombing. The desultory fighting served only to further sap international consensus on Iraq policy.

Conclusions

The heated rhetoric attending the tenth anniversary of the invasion of Kuwait was purely for domestic consumption. The Iraqi dictator has a vested interest in retaining the international sympathy he has amassed in recent months, and in shoring up world oil prices. In all likelihood, then, he will avoid any provocative actions that might provide the glue to reconstitute the coalition. Persistent reports that Hussein is readying an armored thrust into the Kurdish enclave have proven false, although the situation bears watching. He may reckon that the United States would be unable to muster the will to intervene in Iraqi Kurdistan in an election year. An offensive would nonetheless seem to be a foolish gamble when Iraq is seemingly on the verge of shattering the sanctions regime. Despite his record of miscalculating international opinion, the Iraqi leader is not rash enough to assail the Kurds now. Nor will he undertake any actions that would threaten the world oil prices on which Iraqi oil revenues depend.

The Clinton administration, however, is not ruling out a seemingly irrational action from Saddam on the eve of the U.S. presidential elections. As has been widely reported in the press, the U.S. has put a Patriot anti-missile battery on alert for deployment to Israel if any threats from Iraq appear over the next two months. Too much should not be read into this alert. No intelligence indicates that Saddam would again launch Scud missiles against Israel. Even if Baghdad did conduct such a strike, the missiles would have little military affect unless armed with weapons of mass destruction. If missiles did land in the Jewish state, the Israeli government would almost certainly retaliate, and the United States would be unable to hold them back as it did during Operation Desert Storm. Moreover, an Iraqi strike would likely setback Baghdad’s – as well as Russian and European – efforts to lift UN sanctions.

For its part, the United States will stay the course on Iraq policy at least for the duration of the election season and the presidential transition. Washington will brandish its Security Council veto, if need be, to turn back any challenge to the sanctions. American policy, moreover, will likely remain constant even after the installation of a new chief executive. During a July meeting with leaders of the Iraqi opposition, Vice President Gore restated the longstanding policy of the Clinton administration, which aims to unseat Saddam Hussein by covert means. It seems unthinkable that George W. Bush, the Republican candidate, would retreat from this firm stance should he be elected in November. Still, it bears repeating that previous efforts by the United States to overthrow Hussein have been laughable. Congress appropriated under $100 million for the purpose, and the administration has released only a minute fraction of that sum to the resistance.

At this juncture, then, there is no graceful exit from the standoff for any of the parties. The United States will neither back down from its current posture nor mount an aggressive campaign to unseat Saddam Hussein. Washington can and will unilaterally avert a formal end to the sanctions regime, and it will maintain adequate forces in the region to thwart any Iraqi aggression. Hussein, conversely, can do little other than to curry favor with powerful states.
such as Russia, continue efforts to build weapons of mass destruction, and await the collapse of the sanctions regime. How that might unfold remains to be seen. The situation will remain static for the time being.
Security Issues and the UAE

The United Arab Emirates (UAE) continues to enjoy the financial gains made from the ongoing high price of oil. Defense and economic modernization programs are well underway, and new projects and acquisitions in the energy and defense sectors are expected. Dubai’s position as the leading regional port and light industrial zone has been relatively unaffected by the opening of Oman’s Port Raysut. However, political wrangling over the succession question may hinder progress.

F-16 Deal Moves Forward

Lockheed Martin received U.S. Congressional approval for the sale of 80 advanced model F-16 Falcons to the United Arab Emirates on 10 July. The planes and their armament are scheduled to be delivered from 2004 to 2007, and will mark a significant qualitative leap forward for the UAE Air Force while helping Lockheed sustain production capacity at its Fort Worth, Texas facility. Although the deal was signed in May, Lockheed could not proceed until Congress had given its seal of approval. Abu Dhabi gave Lockheed permission to start production as soon as it was clear that Congress would not oppose the sale.

The UAE subsequently paid a $900 million down payment in early August; the total deal is estimated to be worth $6.4 billion. Lockheed will likely apply the down payment to a $2 billion performance bond. The bond, unusual in such sales, was forced upon the American manufacturer to cover potential delivery delays or deficiencies in the aircraft’s capabilities. Given the tortured history that led up to the May agreement, Abu Dhabi will undoubtedly use the performance bond caveat to pressure Lockheed as the contract progresses. Given Washington’s extensive involvement in securing the deal, future wrangling could ruffle U.S. – UAE relations already at odds over policy vis-à-vis Iraq, Iran, and Israel.

Spreading the Wealth

In June 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. This represents one of the largest export orders received by a Russian firm as well as one of the few examples when external financing will be used to develop a specific weapon system.

Armed with 12 SA-19 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, as well as a secondary capability – when employing the 30mm weapon – against lightly armored ground targets.

The reasoning behind Abu Dhabi’s purchase is multi-fold. Foremost is the emirates’ desire to weave Moscow – a still powerful member of the United Nations Security Council – into its security alliance system, balancing the ability of Washington and other western powers to influence Emiri policies while deterring external threats, namely Iran. The UAE financing of the research and development of the weapon system mirrors the F-16 deal and will likely prove a template for future contracts. This mechanism is aimed at providing greater technology transfer to UAE industry; whether an indigenous defense industry can be developed is another question. Price is also a question. As seen in the UAE’s ongoing debate over whether to purchase the long range Patriot missile system or its Russian counterpart, the S-300, Russian systems are consistently lower priced than those manufactured in the West. This does not mean that Russian systems are necessarily technically inferior. In fact, the S-300’s radar and tracking system may have advantages over the Patriot (PAC III, one of the latest models). It is Moscow’s need for hard currency that drives cut rate pricing.

As evidenced throughout the Gulf Cooperation Council (GCC) countries, weapons purchases are typically spread between Western powers, Russia, and China, plus a host of smaller players, to create a series of political links perceived as providing the UAE and others with leverage during crises. Such policies underscore the current and future reality of the GCC – a real collective defense is unlikely for the near future given the difficulties individual GCC nations have had building competent national militaries. The UAE is creating a core of military capabilities, but demographic inadequacies – few nationals available for service – and cultural norms such as aversion to manual work and non-manage-
rial activity ensure that the UAE will, even with the addition of foreigners (e.g., Omanis and Pakistanis) to military ranks, have a small force for the foreseeable future. The bright spot for Abu Dhabi is that its primary external threat, Iran, is currently incapable of conducting amphibious operations on a scale necessary for a successful invasion. However, Iranian air and missile threats, as well as terrorism, are serious threats that could test the defensive capabilities of both the UAE military and internal security-oriented agencies.

The U.S. reaction to the UAE – KPB contract has been relatively muted given the stakes involved in the F-16 deal as well as Washington’s Iraq policy. The Emiris are considered soft on Iraq, having repeatedly questioned sanctions on humanitarian grounds and recently reopened their embassy in Baghdad. The Pantzyr’s can operate alongside the host of American, French and other equipment as it is designed as mobile point defense system. However, the full potential offered by the proposed upgrade of UAE and GCC early warning and tracking systems – likely by a U.S. firm – will be decreased given the Russian weapon’s inability to be integrated into the complete air defense picture. Software fixes may be possible but would likely be expensive and unreliable.

Dubai Still in the Lead

Although the much heralded opening of Oman’s Port Raysut, as well as a future rehabilitation of Aden, Yemen, pose a long-term threat to Dubai’s status as the region’s leading transshipment facility, business continues to boom. In addition, Dubai’s Jebel Ali Free Zone (JAFZ) remains attractive to foreign investors. Long term strategic thinking, a hallmark of Dubai, was exhibited once again when the Dubai Ports Authority (DPA) signed a 20 year contract to manage port facilities in Djibouti; reporting also indicates that the DPA is looking to negotiate a similar deal in Sudan. By expanding its business interests to the Gulf of Aden and the Red Sea, Dubai is looking to offset Omani and Yemeni efforts to provide a non-Persian Gulf hub for container and other shipping to and from Europe, the Middle East, Asia, and the Americas. While profits are an important driver in the UAE’s move to create a monopoly-like hold over regional shipping, the political influence gained may prove more beneficial in the long run. The ability to set terms for shipping will increase the UAE’s importance abroad while enhancing its position regionally.

Politics Again

Although the UAE is better positioned than most in the region to capitalize on oil profits as well as new technology-centered markets such as telecommunications and consumer electronics, intra-emirate politics may delay the implementation of economic and defense modernization programs. Squabbles between members of the ruling family of Abu Dhabi, the ruling families of the six other emirates comprising the UAE federation, and wealthy merchants over contract spoils will continue to make the implementation and execution of projects difficult. Competition over economic control is further intensified by internal debates over succession. As the various players jockey for position, more than personal wealth and power are at stake. The UAE federation must overcome personal and familial differences between and within its seven individual emirates in order to achieve new levels of prosperity and prevent the growth of internal dissent.
Ten years after the Iraqi invasion, Kuwait has largely regained its economic and financial viability. High oil prices in 1999–2000 have bolstered government budgets, allowing for a modest expansion in spending. A recent border agreement with Saudi Arabia will hopefully signal a new era of increased ties with Riyadh while opening the door for border negotiations with Iran. Despite these successes, however, security concerns remain the dominant focus of Kuwaiti leaders. Although the physical damage wrought by the withdrawing Iraqi army has been repaired, the psychological impact of the invasion, and the fact that Baghdad’s military power remains diminished but intact, weigh heavily on Kuwait’s strategic calculations.

Kuwait intimately understands that international, including U.S., support for its territorial integrity and independence could wane in the years to come. Thus it must continue to bolster its own military while seeking to maintain existing alliances and create new ways to tie the interests of external actors to Kuwaiti security. Despite defense modernization efforts, demographic factors alone will undermine the emirate’s ability to provide for its own defense. Even with increased Gulf Cooperation Council (GCC) integration, collective defense efforts by the Gulf States – a marginal factor at best (see March 2000 quarterly) – would act only as a minimal deterrent.

**Border Agreement Reached**

In mid-July the Kuwaiti National Assembly unanimously approved a maritime border agreement with neighboring Saudi Arabia. Kuwaiti Foreign Minister Sabah Al-Jaber Al-Sabah and his Saudi counterpart signed the agreement on 2 July in Kuwait City. The agreement is in line with Saudi Crown Prince Abdullah’s attempts to improve intra-GCC relations while enhancing Riyadh’s influence throughout the region.

The dispute stemmed from disagreements over the demarcation of the onshore neutral zone. Kuwait apparently emerged with a slight advantage from the negotiations, having retained sovereignty over all of the border islands, including one previously claimed by Riyadh. The pact places the new Saudi-Kuwait maritime border at 1.25 nautical miles south of the island of Umm Al-Maradeem and calls for the sharing of offshore natural resources.

Of key significance is that the Saudi-Kuwait agreement opens the door for Kuwait to negotiate with Iran over their offshore boundary, particularly in the vicinity of the resource rich Dorra field. Tehran has traditionally held that talks with Kuwait would only follow a Saudi-Kuwait resolution.

Kuwait’s Deputy Prime Minister and Foreign Minister announced that Kuwait will soon dispatch officials to discuss the issue in Tehran, and that a two-track negotiation – one Kuwait-Iran, the other Kuwait-Iran-Saudi Arabia – is possible to resolve all remaining issues affecting the three countries. In a positive move, Iran declared its willingness to halt drilling activity in the Dorra field until the border issue is resolved. Iranian drilling in Dorra had been a point of contention in the past.

Although Kuwait is wary of Tehran’s regional intentions, resolution of its offshore boundaries would be significant in reducing potential areas of tension between the two countries. As with Saudi Arabia, and existing arrangements between Qatar and Iran, any agreement will likely involve both sides sharing offshore resources. The relative ease with which the Kuwait-Saudi agreement was produced, and the likelihood of a Kuwait-Iran pact, indicates a growing appreciation of the requirement for demarcation in order to fully exploit offshore oil and gas fields.

**Still Looking West**

Despite a decade of increased defense spending and modernization efforts, the Kuwaiti military remains unable to defend its borders against potential Iraqi aggression. Even if faced with a combined GCC force, the Iraqi military would – absent the U.S. – almost certainly be able to repeat its 1990 occupation of the small emirate.

Reliance on external powers for its national security is nothing new for Kuwait. From the Ottoman to the British Empire, and now the United States, Kuwait has consistently sought to balance external powers against its regional neighbors. Although the U.S. remains the ultimate security guarantor, the Al-Sabah government has pursued a policy of court-
ing the permanent members of the United Nations Security Council. The primary change is that Kuwait, despite maintaining ties with a variety of countries, has little choice but to tie its security to Washington for the foreseeable future. None of the other countries with which Kuwait has defense agreements has the power projection capability or in-theater presence to deter or push back an Iraqi attack. The inability – and lack of will – of other Arab powers to aid Kuwait reinforces its security dilemma.

Threats

The major security threat continues to be Iraq. Despite continuing attrition by U.S.-led Allied air strikes, estimates indicate that Iraqi forces, using the Iraqi railway system, could mass for a new invasion within several days. Kuwaiti strategy is based on a 48-hour holding operation to allow the deployment of allied forces – U.S., UK, and French – to the region. A “no-drive zone” between the Kuwaiti border and the 32nd parallel, an area wherein Iraq is prohibited from deploying heavy units, is in being. American overhead reconnaissance (satellite plus aircraft imagery) and signals intelligence would almost certainly discover any Iraqi mobilization southward. However, as evidenced by the Iraqi build-up in 1990 and subsequent invasion, the question is whether the U.S. and its regional allies would react in time to send ground reinforcements and, more importantly, conduct pre-emptive strikes on Iraqi forces before they reach the Kuwaiti border. Although Kuwait would welcome ground reinforcements and air strikes, questions remain as to whether Saudi Arabia would allow the U.S. to use the kingdom as a staging area for ground troops or its air bases to hit Iraqi forces. While naval air power and cruise missile strikes are a viable option, ground-based aircraft would be necessary to carry out sustained operations given the relatively limited range of naval aircraft and the increased vulnerability of carrier operations within the Gulf to hostile action. Without U.S. pre-emptive action in the face of an Iraqi thrust, at least part of Kuwait would be occupied.

Iran runs a distant second to the threat emanating from Baghdad. However, Iran’s conventional and unconventional (weapons of mass destruction) armament programs are of concern. The primary threats posed by Iran over the short-to-mid-term are terrorism – possibly against U.S. targets inside Kuwait – and instability resulting from renewed conflict between Tehran and Baghdad. Fears of Iranian-inspired Shia unrest within the emirate and areas of southern Iraq continues to influence Kuwaiti diplomacy towards its unpredictable neighbor. Kuwait’s ties to the United States, Tehran’s long

time rival, are perceived as a balance against Iranian regional ambitions while enhanced cross-Gulf economic relations are perceived as decreasing the probability of Iran taking action against Kuwait.

Military Modernization – Fact or Fiction?

Following the defeat of Iraqi forces at the hands of the U.S.-led coalition in 1991, Kuwait embarked on a $11.7 billion 10-year military modernization program. The primary aim is ostensibly to build a small yet powerful land force, backed by tactical air and naval elements, to “buy time” in the face of renewed Iraqi aggression. Kuwait’s armed forces number 15,300 of which 11,000 are members of the land forces. There are 1,600 foreign personnel included in the overall total and some of the nationals are conscripts. Navy personnel are estimated to number 1,800 and air force personnel number around 2,500.

Despite the financial resources thrown into the modernization program, the Kuwaiti military has generally shown little increase in capabilities. At best, the Kuwaiti military would be able to delay an Iraqi occupation for a maximum of 48 hours. Training and manpower shortfalls are endemic, and the fleet of American-made Abrams main battle tanks remains largely undermanned. However, there is general consensus that finding adequate national recruits for an effective defense force will be impossible. Additional problems stem from using different weapons systems, such as Chinese artillery and Russian armored personnel carriers and land-attack rocket systems, which make interoperability within the Kuwaiti military as well as in with U.S. forces difficult. One bright spot is the Kuwaiti Air Force. Equipped with U.S. F-18 Hornet fighter/bomber aircraft, and trained by U.S. Navy and Marine Corps personnel as well as civilian contractors, the Kuwaitis have developed one of the best tactical units in the region. However, their small numbers, 40 F-18s (32 “C” models, 8 “D” model combat trainers) plus eight French-made Mirage F-1s, and lack of stockpiled ordnance – precision-strike as well as regular munitions – would limit the air force’s ability to carry out sustained combat operations. Moreover, the limited numbers of airbases within Kuwait are potentially vulnerable to preemptive Iraqi air and missile strikes as well as to sabotage. Basing aircraft in eastern Saudi Arabia or Bahrain during a crisis could alleviate this problem, but such a move requires host-county cooperation and would likely result in decreased number of air sorties due to increased distance to target areas. Kuwait does not
have the required air-to-air refueling capability to extend aircraft ranges.

Border defenses with Iraq have been bolstered by constructing a heavily mined trench along the frontier, supported by a parallel move to improve intelligence collection on Iraqi capabilities and intent. Regardless of Baghdad’s true designs vis-à-vis its southern neighbor, the land and sea borders remain areas of constant tension. Shooting incidents and incursions are regular occurrences, particularly on the islands of Warba and Bubiyan. Iraq demanded a presence on the islands on at least three occasions in the 1970s and 1980s. The UN Iraq-Kuwait Observer Mission (UNIKOM) force has been unable to prevent Iraqi incursions across the border, thus outstanding Iraqi claims to Kuwaiti land will remain a sensitive security issue for the foreseeable future.