



# IN SEARCH OF AN AMERICAN GRAND STRATEGY FOR THE MIDDLE EAST

A Report of the Aspen Strategy Group

Kurt M. Campbell, Editor

Co-Chairmen  
Joseph S. Nye, Jr.  
Brent Scowcroft

  
THE ASPEN | INSTITUTE

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*Cover Image:* Framed by U.S. Marines, Iraqi civilians flee the capital of Baghdad as fighting intensifies (April 5, 2003). ©Christophe Calais/In Visu/Corbis

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## PREFACE AND ACKNOWLEDGEMENTS

The Aspen Strategy Group met in Aspen, Colorado from August 2 through August 7, 2003 to examine the contours and complications of American grand strategy in the Middle East. We commissioned and received an unusually exceptional group of papers that helped animate our discussions over the week. The meeting could not have been more timely, given pressing circumstances in Iraq, Afghanistan and, indeed, throughout the Middle East. Our participants, both Aspen Strategy Group members and invited guests, all put enormous effort into tackling the nettlesome issues associated with the formulation and execution of American policy toward this troubled region.

Our efforts in Aspen would not have come together without the hard work of Willow Darsie and Julianne Smith. The Aspen Strategy Group is particularly grateful to the Ford Foundation, the Smith Richardson Foundation and the William and Flora Hewlett Foundation for their vital and generous support. In addition, we must thank our dedicated foundation officers for their commitment to the Aspen Strategy Group. Without their support, these meetings would not be possible. Above all, thanks go to our superb chairmen, Joseph Nye and General Brent Scowcroft, for their undaunted leadership and commitment to understanding the complex world in which we live. Thank you, Joe and Brent.

Kurt M. Campbell  
Director, Aspen Strategy Group  
Washington, DC  
January 2004



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# **WORKSHOP SCENE SETTER AND DISCUSSION GUIDE**





## **IN SEARCH OF AN AMERICAN GRAND STRATEGY FOR THE MIDDLE EAST WORKSHOP SCENE SETTER AND DISCUSSION GUIDE**

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Former Secretary of Defense Robert S. McNamara was fond of saying that the Middle East was the graveyard of American diplomatic hopes and dreams, and this is a man who knows something about disappointment in global politics (as well as cemeteries). Now, the United States has embarked upon an ambitious mission to remake the Middle East – rebuilding war-ravaged and leader-abused countries in Afghanistan and Iraq, seeking to settle the conflict between Israelis and Palestinians, blocking further nuclear proliferation, pushing the region to embrace political moderation and reform, and hopefully improving America’s image in the region in the process. There are unintentional though unavoidable echoes of the “best and the brightest” in this campaign as the U.S. embarks upon a global crusade (call it what it is) to help re-direct the course of one of the world’s dominant civilizations and the institutions that have served it so poorly. This uniquely American sense of mission and manifest destiny is apparent in a range of endeavors worldwide but it is in the Middle East where U.S. ambitions approach the point of audacity.

It would be difficult to exaggerate the stakes, both for the region and long-term American security. Yet it is unclear whether the American leaders or people fully appreciate the magnitude of the task ahead. To be successful in creating a more secure, stable, prosperous, and democratic Middle East will likely require the perseverance and patience of the long, twilight Cold War struggle, the money and resources of the Marshall Plan, and perhaps even the military sacrifices of conflicts past (but hopefully never on the scale of Vietnam or Korea). The purpose of this Aspen Strategy Group meeting in idyllic Aspen Meadows is to consider the broad contours and implications of this new American foreign policy imperative in the Middle East.

The Middle East is a region that defies easy generalizations and one-size-fits-all solutions. Stretching from the deserts of the Mahgreb to the waters of the Persian Gulf and beyond, the region encompasses enormous wealth and tragic poverty, political tyranny and religious extremism, strong security partners and ruthless terrorist networks. It is also the proverbial headwaters of perhaps the most immediate and intractable threats to American security in the world today. U.S. grand strategy in the past was notable for several features, including the “dual containment” of Iraq and Iran through conventional deterrence, a long-standing policy to ensure the safety of oil flows from the Gulf, a robust commitment to the security of Israel, and periodic forays into the business of promoting a Middle East peace. This traditional agenda had general bipartisan appeal and support, but the case for a more powerful set of policy objectives had been building for years. The shock of 9/11 served as the catalyst for embracing a much more activist, even revolutionary, agenda for the region. While there are some clear areas of continuity, the new approach--when viewed in its entirety--represents both a substantial departure from previous efforts and a fundamental

increase in American concern and commitment. The case for re-making the Middle East rests on five key policy objectives, and the U.S. is currently operating along each of these five distinct but interrelated tracks. These are as follows:

*Pursue a comprehensive Middle East Peace:* An important dimension in an emerging strategy to at least appeal to Arab hearts and minds is a renewed American diplomatic interest in dealing constructively and directly in the Middle East peace process. One of the remarkable aspects of the Israeli-Palestinian struggle is that even after so many unsuccessful efforts at peacemaking, new initiatives can still rouse hopes, however faint. They may not be high for the eventual success of the “road map” and every politician on every side, including President Bush, has taken pains not to exaggerate the prospects. Indeed, everything transpiring in the current process—the summit meetings, the cease-fires, the pullbacks, the tapping of special American envoys and interlocutors, the subtle U.S. pressures behind the scenes—has all been tried before. For Hamas, Fatah, and Islamic Jihad, a temporary cease-fire is a tactic, not a religious conversion on the road to Damascus. The Israelis are nearing completion on their separation wall, and we are still a long way from actually uprooting a settlement. For most Israelis, the time when its citizens believed that a peace settlement was key to achieving fundamental security has long since past. Israelis want their government to fight terror, first and foremost, and arguably Americans consider Israel’s security to be the prime directive in our overall approach to the Middle East. The Bush administration, after initially keeping some distance from the peace process (which looked like anything but during the intifada) has now waded all the way in and is deeply engaged in every element of the dialogue. Despite all the early talk of being sparing with Presidential prestige and notions of “ripeness” to prevent diplomatic overextension, the U.S. is now inextricably in the mix.

*Rebuild Afghanistan and Iraq:* After dashing to swift military victories in Afghanistan and Iraq, the U.S. is now slogging through the still very early stages of post-conflict reconstruction in both countries with varying degrees of success. Historians and commentators have begun to recite the eerie similarities between recent triumphalist speeches by U.S. officials after the fall of Baghdad and much earlier statements from an era when Iraq was called Mesopotamia. When the British captured Baghdad in March of 1917 after hard fighting in which thousands of colonial Indian troops were killed, Major General Stanley Maude greeted the suspicious onlookers with a speech that could have been given by Jerry Bremer: “Our armies do not come into your cities and lands as conquerors or enemies, but as liberators.” Of course, this turned out not to be the case for Britain, and it is still too soon to make any clear judgments about the ultimate destiny of America’s current experience with occupation in Iraq. Certainly the early days in the desert bear little resemblance to the last time America undertook occupations in Japan and Germany respectively after World War II. It is certainly instructive to look back on that earlier effort by the leading Western power of the time to refashion the Middle East, especially as the American efforts in Iraq appear increasingly beset. But surely the biggest worry for the U.S. will not be a long and unhappy occupation but rather a tendency to cut and run when the going gets (or stays) tough on the ground. The hope is—recent events clearly underscore that there is yet to be a thoroughgoing plan—that a successful transition to democracy and the establishment of a responsible, secular government in Iraq will provide a powerful example to other authoritarian regimes in the neighborhood flirting with reform, a democratic domino effect across the desert.

*Block nuclear proliferation and the spread of other weapons of mass destruction to and from the Middle East:* Despite the furor over 16 words is there any doubt that the United States went to war

to prevent Iraq from developing further weapons of mass destruction? A classic case not of pre-emption but preventive war, the U.S. has already demonstrated a determination to head off new nuclear proliferation among rogue regimes, either in the Axis of Evil camp or those camping nearby. Iraq, for all its difficulties, turns out to be the easy case in the region, as the U.S. considers much tougher choices over Iran and possibly others. The situation is further complicated by a host of transnational terror groups based in the region that seek to acquire these forbidden weapons. September 11th provided a convincing reminder (if we needed one) of the dangers of these deadly technologies falling into the wrong hands. Clearly, a strategy designed to mitigate arguably the single biggest worry for the United States in international security requires a multifaceted approach, including enhanced international cooperation in intelligence sharing, greater efforts to secure the still dangerous WMD inheritance of the former Soviet Union, a more serious approach to homeland security, and potentially Osirak style—and larger—military options to deal with imminent proliferation. The long-term plan is to dramatically reduce the demand for such weapons through social and political reengineering, but that still leaves us with urgent short-term challenges, beginning in Iran.

*Promote political liberalization and the modernization of the Middle East state:* At the outset, it is important to declare that the United States on its own cannot reform the Middle East. Only the region's inhabitants can do that. But the United States can be a catalyst to help introduce change into the grim stalemate that currently exists between conservative, authoritarian governments and an increasingly restive Arab intelligentsia and middle classes that hanker for reform. The entire political system that has prevailed in the Muslim world since the end of the colonial era is under siege from both radical and moderate elements within societies. Through much expanded and highly conditional foreign assistance, increased opportunities for trade and investment, greater insistence from the international community on accountability in terms of economic decision making and implementing true government reforms, the United States working with its Western partners over a sustained period can make a difference in the region. Yet, we have left to join this struggle very late in the day and with little national appreciation for the complex forces—both political and religious—that are swirling in the region like sand in the desert. Ultimately, the U.S. must make an effort to better understand the deep complexities and mysteries of the Middle East to stand a better chance at succeeding at recreating the failed political, educational and economic institutions that have dominated the region for decades.

*Improve America's image problem:* While it is tempting to simply focus on the rather self-referential question “Why do they hate us?” the Middle East reality is entirely more complicated. The main battle ongoing in the Middle East today is for the very soul of Islam as expertly conveyed in Bernard Lewis' new book *The Crisis in Islam*. He describes not so much a clash of civilizations between Middle East and West but an internal struggle between radical Islam and its more moderate strains. As Jim Hoagland has written: “The American way of life, U.S. support for Israel and Washington's military power provoke specific animosities towards the United States by the jihadists. But their rage against those they consider fallen-away Muslims is great. Apostates are the worst of all infidels. Arab leaders who exercise power through the nation-states created in the colonial era are turncoats and usurpers.” The United States in many ways has stumbled into a central role in a contest between the two main branches of Islam: the Shiites, a minority who rule in Iran but are downtrodden elsewhere, and the Sunni majority that dominates commerce and politics in most Arab states. Americans are somewhat uncomfortable acknowledging the role of religion in

politics (both at home and abroad) and as a result we have focused our attention on the region's political class and used the military as the primary tool of policy. Ultimately, the key to winning this battle is for the U.S. to assist in the mobilization of a revitalized Islamic mainstream that embraces public life and civic responsibility. This is certainly no easy task and our tools for influencing the outcome of events are limited. Yet Washington has already begun to take several steps—a return to the Middle East peace process, the phased removal of U.S. armed forces from Saudi Arabia and proximity to Islam's holiest sites, a clear intention to restore order and prosperity in Iraq, and most importantly a deeper interest in how the region works—as part of what is hoped will be a sustained campaign to improve our standing in the region.

Perhaps an important place to start our discussion might well be to question the entire assumption that fundamental change in policy of the sort outlined above for the Middle East is really in U.S. strategic interests, or simply beyond the limits of American power. A case can certainly be made for a more modest approach to a vast region with enormous differences, even bigger problems, and few clear-cut solutions. While 9/11 brought home vividly the long-term threat of Islamic fundamentalism to the United States and other Western, industrialized democracies, there can still be debate about the best ways to conduct the war on terrorism. The Middle East has been curiously absent in U.S. global efforts to promote democracy and human rights in the past, and never before has the U.S. entertained potentially opened-ended security burdens in a region marked by a rather alarming trend towards anti-Americanism. Still, there are many reasons to be hopeful that this modern American quest is something more than just the most recent incarnation of Great Britain's era of colonial administration in Mesopotamia.

## SUGGESTED DISCUSSION QUESTIONS TO INFORM AND GUIDE THE WORKSHOP'S SESSIONS

### Day One: Setting American Priorities in the Middle East

*Background:* The United States has long maintained several core (though competing) interests in the Middle East, including the stability of world oil markets and uninterrupted flow of petroleum from the region, the manifest importance of Israeli security, and support for moderate Arab regimes. Throughout much of the last decade, policymakers focusing on the Middle East were preoccupied with containing Iranian-style Islamic fundamentalism, confronting Saddam Hussein's Iraq, and promoting Arab-Israeli dialogue and reconciliation. Scant attention was paid to internal political developments in the Arab world and the lack of political and economic development across the region generally. Yet a chain of events, beginning with the prolonged Palestinian intifada, the shock of Islamic terrorists striking the United States on September 11th, Operation "Enduring Freedom," and the war in Iraq, has convinced policymakers that a fundamental re-assessment of U.S. policies and priorities in the Middle East is required. While the free flow of oil seems unthreatened, there are currently five overarching U.S. priorities in the Middle East: 1) confronting rogue states and terrorist groups and preventing the spread of weapons of mass destruction from falling into their hands, 2) rebuilding Afghanistan and Iraq, 3) fostering peaceful coexistence between Arabs and Israelis, and 4) encouraging political and economic liberalization, and 5) improving America's image problem in the Middle East.

### ***The Evolving American Agenda***

#### *Key Questions:*

- How can the United States pursue both anti-terror and anti-rogue state policies that will not precipitate a regional backlash?
- Is political liberalization and democratization in the Arab world an appropriate objective given the possibility that forces hostile to the United States may come to power?
- Will the resolution of the Arab-Israeli conflict create conditions less conducive to extremism or provide an impetus for terrorism?

### ***The Region's Risks and Rewards***

#### *Key Questions:*

- What are the risks/rewards associated with U.S. engagement of the Arab-Israeli conflict?
- How can Washington minimize the regional political risks of a prolonged occupation of Iraq?
- What are the potential rewards in rebuilding Iraq? If the United States succeeds in building a democratic Iraq, what is the likelihood that democracy will spread to neighboring countries?
- Does the United States risk creating conditions more conducive to terrorism through its Iraq, Arab-Israeli, and anti-terror policies?
- What are the risks/rewards of engaging Iran or alternatively supporting advocates of political reform in Teheran?
- Do we have a military option in either Iran or Syria?

### ***Tools for Achieving American Aims***

#### *Key Questions:*

- Given the lessons of Iraq, what is the utility of military force in dealing with Syria and Iran?
- Can direct diplomatic pressure help foster political liberalization?
- Should free trade agreements, the establishment of qualified industrial zones, and other bilateral or multi-lateral economic initiatives be conditioned on steps toward genuine political reform?
- Is it appropriate to use military aid as a tool to convince Arab states to undertake reform?
- How reasonable is it for the United States to entertain the notion of dramatically reducing our reliance on imported fossil fuels from such a potentially unstable region?

### ***Inter-Regional and Extra-Regional Relationships***

#### *Key Questions:*

- How will Iraq be returned to the inter-Arab fold? Assuming progress on the Arab-Israeli front, how will Israel be integrated into the region?
- Extra-regionally, how can the United States more effectively stem the flow of weapons and dual-use technology from Russia, China, and North Korea?



## **Day Two: The Security Dimension**

*Background:* In the 1990s, U.S. defense policy in the Middle East was geared specifically toward containing Iraq and Iran, so-called “dual containment.” While the outcome of “Operation Iraqi Freedom” has eliminated certain dangers—Iraqi weapons of mass destruction and Saddam’s penchant for menacing his neighbors—new types of threats may emerge from Iraq. For example, the lack of strong central authority and problems associated with Iraqi reconstruction may provide opportunities for transnational fundamentalist networks or Iraqi opposition groups to engage in terror activities directed at the United States and its interests in the region. With regard to Iran, the concerns that dominated U.S. policy toward that country in the 1980s and 1990s largely endure—the support for terrorism and the proliferation of weapons of mass destruction, with the latter issue posing an immediate and profound threat to regional stability. These issues, combined with potentially troublesome states such as Syria and the continuing problem of Al Qaeda, ensure that the Middle East will be the focal point of U.S. foreign and defense policy for the foreseeable future. Helping to ensure Israel’s security is also likely to be a problem that increases in urgency and complexity. The entire region and nexus of issues comprise a veritable “arc of instability” in the rhetoric of Pentagon planners. The U.S. is busy trying to more effectively meet these challenges by revamping its forward military presence and troop deployment patterns in perhaps the most far-reaching redesign of our global military empire in 50 years.

### ***Uses of Military Force***

#### *Key Questions:*

- How applicable is the U.S. use of force as exhibited in the Iraqi case to situations such as Syria or Iran?
- Is it possible to contemplate discreet or surgical military options when considering Iran’s nuclear program?
- Are there means other than military force or the threat of military force that will compel Iran and Syria to alter their behavior?
- What are the regional political costs and global ramifications associated with the future use of military force against another Arab or Muslim country?
- What are the likely effects on the U.S. military of long peacekeeping/reconstruction missions in Iraq and Afghanistan?

### ***Weapons of Mass Destruction***

#### *Key Questions:*

- How can the United States strengthen multilateral non-proliferation regimes? How can the United States effectively staunch the flow of WMD technology from countries such as Russia, China, North Korea, and members of the EU?
- Are Israel’s 1981 attack on Osirak or “Operation Iraqi Freedom” appropriate models for dealing with other regional proliferators?
- How would Iran’s successful achievement of nuclear weapons status alter the calculus of other states in the region when it comes to the potential for seeking nuclear weapons?

### ***Terrorist Groups***

#### *Key Questions:*

- Are there identifiable “root causes” to terrorism and if so, what can be done to more effectively address these issues?
- What can be done about terrorist organizations such as Hizballah and Hamas, which hold influential and legitimate places in their respective political arenas?
- How can current efforts to shut down the sources of terrorism financing be strengthened?
- In what ways can the United States and the international community enhance policies intended to deny terrorists’ access to weapons of mass destruction?

### ***Impact on Homeland Security***

#### *Key Questions:*

- Are there specific areas that the newly created Department of Homeland Security should be addressing to deal with virulent threats emanating from the Middle East? Where specifically do more resources need to be directed in this regard?
- Does the terrorist threat demand the creation of a new domestic intelligence agency or other institutional innovations inside the U.S.?
- Are there international steps that must be taken to enrich global cooperation to address these threats?
- How can the United States better invest in the development of individuals with critical skills for homeland defense such as Arabic, Persian, and Urdu language abilities or training in key “first responder” areas?
- Given that many members of the National Guard and Reserves are police officers and firefighters, have long deployments in the Middle East compromised homeland security?

### **Day Three: Post-Conflict Reconstruction**

*Background:* The recent record of the United States in post-conflict reconstruction is decidedly mixed. In the Balkans, the United States along with partners from NATO and the UN has been relatively successful in helping to establish security and a modicum of political stability necessary for rebuilding Bosnian and Kosovar societies. Yet, the general provision of security, state-building, humanitarian aid, and reconstruction efforts in Haiti and Somalia have been plagued by incomplete efforts, lack of international attention and political instability. Clearly, in terms of the magnitude and degree of U.S. interests and involvement, there is little comparison between Haiti and Somalia on one hand and Afghanistan and Iraq on the other. Yet, U.S. experiences in Port-au-Prince and Mogadishu should provide cautionary tales concerning 1) the way initially friendly-appearing populations can turn hostile relatively quickly (witness the ominous occurrence of large Iraqi crowds that have recently gathered to celebrate and dance around burned-out American Humvees), 2) the challenges associated with attempting to establish or replace political authority and legitimacy, and 3) the sheer enormity of physically reconstructing the critical infrastructure of a war-torn (on top of a authoritarian-abused) society. The U.S. has worked closely to spread the burden with key NATO countries in dealing with key post-conflict missions in Afghanistan, but demurred at least initially in efforts to internationalize the effort in Iraq. A key issue in the immediate future for the United States is the degree to which Washington is prepared to seek a greater international role on the ground for either the UN, NATO, or both.

### ***Goals for Iraq and Afghanistan***

#### *Key Questions:*

- Democracy is unquestionably an attractive vision for Iraq and Afghanistan, but what should be the key attributes of a more democratic process for societies just emerging from decades of internal abuse and/or external aggression? Can this truly be a realistic goal for either Iraq or Afghanistan in the foreseeable future?
- Are there any useful models for the development of representative political systems in previously authoritarian or tribal settings that are applicable to Iraq and Afghanistan?
- Would the United States and indeed the international community be satisfied with the emergence of stable, semi-authoritarian political systems in Iraq and Afghanistan? Are there any advantages to this outcome?
- What are the minimum acceptable goals and objectives for post-conflict reconstruction efforts in both Afghanistan and Iraq?
- Are tensions likely to emerge over competition for resources bound for either Afghanistan or Iraq?
- Could Afghan reconstruction get short-changed in the process and the urgency of the stakes in Iraq?

### ***U.S. Political Oversight***

#### *Key Questions:*

- How can Washington foster/identify/cultivate new political elites in Iraq and Afghanistan whose legitimacy is not compromised as a result of their association with the United States?
- Even as the United States seeks to build representative governments in Afghanistan and Iraq, should Washington actively discourage the participation of groups and factions it regards as unfriendly?

### ***Ensuring Security and Stability in the Short and Long Term***

#### *Key Questions:*

- In Afghanistan, what is a realistic timetable for the ISAF mission?
- Does the United States need more troops (or more rotation of troops) in Iraq to establish and ensure short-term security?
- How will a low-level insurgency and mounting U.S. troop casualties in Iraq impact American resolve and staying power on the ground?
- In both Iraq and Afghanistan, how can the United States foster new military/security organizations that are vested with enough power to establish and maintain security and stability effectively, while at the same time ensuring that these services do not become predatory political forces?
- Would a more rapid hand-over of governing responsibilities to the Iraqi Governing Council create conditions more conducive to short- and long-term stability, or the reverse?

### ***Role of the UN and International Bodies***

#### *Key Questions:*

- How can the UN, NATO, and EU contribute further to the establishment of the Karzai government's political authority in parts of Afghanistan beyond Kabul and its immediate environs?
- In Iraq, what are the advantages and disadvantages of a UN or NATO role in reconstruction and the delivery of security?
- Are there any benefits in enlisting the support of individual Arab states in rebuilding Iraq?
- What are the disadvantages if any of a greater Arab role?

### ***The Costs of Success***

#### *Key Questions:*

- What are likely to be the overall costs both in terms of military and security operations and longer term post-conflict reconstruction efforts in Afghanistan and Iraq?
- What percentage of these costs is likely to be born by the United States?
- Is the U.S. prepared both psychologically and financially for this long-term effort?

## **Day Four: Modernizing Societies and Political Reform**

*Background:* The Arab world suffers from a range of political pathologies and political underdevelopment, ranging from authoritarian/semi-authoritarian republics, monarchies, military-dominated states, theocracies, and a “state of the masses” in Libya. The exception to this is Lebanon with its quasi-democratic consociational political system based on ethnic cleavages. However, the common feature in most countries in the region is the tragic lack of political pluralism, the intolerance of legitimate political opposition, and the often-brutal suppression of dissent. Although many Middle Eastern states feature parliaments, multiple political parties, and regular elections, these institutions are vested with little power and have generally been the result of tactical political openings intended to bolster the legitimacy of existing authoritarian regimes. Throughout the region there is a significant deficit in accountability, transparency, and rule of law (as opposed to rule by law, which is the regional norm). Oil has been a blessing and a burden, providing the potential for enormous wealth in some countries but also significant distortions of overall economic development. Unemployment figures are staggering throughout most of the region and educational opportunities are severely limited. When Middle Eastern authoritarian leaders have undertaken economic liberalization in the past, it has served largely to further enrich those already in privileged positions. Economic decisions about where to direct resources are made largely in a political context of shoring up political control.

### ***Status and Direction of Political Liberalization***

#### *Key Questions:*

- Should recent reforms in a number of Arab states be regarded as strategic moves toward fundamental political change or are these initiatives intended merely to satisfy some societal demands while ensuring the prevailing authoritarian political order?
- Assuming the United States can play a role in fostering democracy in the Middle East,

would a policy that conditions political, economic, and military support on political reform be more effective than past efforts that relied on USAID “good governance” programs or other carrots in the U.S. foreign assistance grab bag?

- Can preferential trade agreements with the U.S. play a role in political liberalization in the region?
- How are the new generation of Arab leaders—King Abdullah, Mohamed VI, and Gamal Mubarak, for example—effecting political liberalization in the region? Or are they?

### ***Israeli-Palestinian Conflict and Prospects for Restarting the Peace Process***

#### *Key Questions:*

- Does Mahmoud Abbas have the political, financial, and military resources necessary to confront HAMAS and Islamic Jihad as well as elements within the Palestinian Authority who remain loyal to Yasir Arafat?
- Can Ariel Sharon’s government survive the political pressures associated with a suspension of settlement activity, as the Bush administration has demanded?
- What are the political risks associated with dismantling settlements for any Israeli government?
- Are the “Clinton parameters” still a relevant and logical goal?
- What role/responsibility do the Arab states have in pushing the Palestinians and Israelis to a final resolution of the conflict?

### ***Steps Toward Economic Liberalization***

#### *Key Questions:*

- How can the United States and other international actors help to establish the institutions characteristic of market economies as opposed to merely liberalized economies?
- The ostensible linkage between economic and political liberalization does not seem to hold in the Middle East; what can the United States and the international community do to help foster conditions more conducive to the empowerment of new groups and individuals through economic reform?
- What is the role of U.S. aid and trade in this regard?
- How does oil feature in this overall equation?

## **Day Five: America’s Image in the Middle East**

*Background:* The Middle East is a region rife with anti-Americanism and questions about U.S. foreign policy. Even before the wars in Afghanistan and Iraq, the United States was looked upon by many not as a benevolent actor, but as a neo-colonial state, a crusading power that sought to divide the Arab/Muslim world, dominate the region’s oil producers, punish the Iraqi people needlessly for the crimes of their leadership, and support Israel’s repression of the Palestinian people. The U.S. response to September 11th—including domestic measures that were perceived to target Middle Eastern men—and the war in Iraq, both of which were covered extensively and often unfavorably in the Arab press, accentuated the negative feelings toward the United States within the Arab world. Political leaders in the Middle East, even those aligned with the U.S. in the interna-

tional arena have largely been content to tolerate—and sometimes even encourage—blatant displays of anti-Americanism at home to keep restive domestic audiences preoccupied away from commenting on local conditions. Although religious conservatives in the region object to various aspects of American society, many in the Middle East respect and revere the personal and political freedoms Americans enjoy. As the former Princeton scholar and current president of the American University in Beirut, John Waterbury, recently wrote, “Arabs love American institutions, but hate U.S. policy.” Dealing with and changing this profoundly vexing problem of “civilizational” miscommunication and distrust is perhaps the single most important task in forging a successful American grand strategy in the Middle East.

### ***Middle Eastern Publics’ Perception of the U.S.***

#### *Key Questions:*

- Is it possible to truly measure the contours and context of attitudes towards the U.S. in the Middle East? What do the recent results from the Pew and other polls reveal about trends in public attitudes?
- Is there a connection between the “new Arab media”—i.e., satellite channels such as al-Jazeera, al-Manar, and Abu Dhabi TV—and the unprecedented levels of anti-Americanism throughout the region?
- What role do the collapse of public education in many Arab countries and the prominent place of madrasahs play in fostering anti-American attitudes?
- Is the recent increase in anti-Americanism in the Arab world truly a function of U.S. policy, or is it more a manifestation of the way the Bush administration has pursued U.S. goals in recent years?

### ***Governments’ Changing Posture***

#### *Key Questions:*

- Why do U.S. allies such as Egypt and Saudi Arabia engage in crude forms of anti-Americanism?
- What are the political risks and benefits to Arab governments who practice, tolerate, or encourage anti-Americanism?

### ***Countering Anti-Americanism***

#### *Key Questions:*

- How can U.S. public diplomacy more effectively counter anti-Americanism in the Arab world?
- Should these initiatives focus on U.S. values (widely revered) or U.S. policy (widely reviled)?
- Are programs such as the Middle East Radio Network (also known as Radio Sawa) worthwhile?
- Can cultural and educational exchanges help ameliorate anti-American sentiment? If so, might this require rethinking prevailing U.S. immigration policies?
- Will a U.S. commitment to political liberalization in the region help to change attitudes toward America?
- Currently, there is relatively more freedom in the Middle Eastern press than in previous periods, how can the United States encourage a more responsible press in the Arab world?



**SETTING AMERICAN  
PRIORITIES IN THE  
MIDDLE EAST**







## THE MIDDLE EAST: POLICIES FOR THE COMING DECADES

EDWARD WALKER

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Over the coming decades, the United States will face enormous challenges and threats to our own well-being from the Middle East. And while those challenges have changed since the end of world war I, our interests have been relatively stable and are likely to continue to be so well into this century. Protecting access to the region's energy supplies has been a constant in U.S. policy since the U.S. stared the Soviets down in Iran after world war II—it is likely to remain an interest for decades to come, so long as our economic well-being depends on reasonably priced oil. Ensuring the security of our friends, like Israel, has played a substantial part in policy formation, particularly since the Six-Day War in June of 1967—I see no reason for a decline in our attachment to Israel. And preventing the region from becoming a source of conflict that threatens America or Americans directly has been uppermost on the agenda of every administration and will remain so.

In the area of the risks we face in the region, the nature of the threat has changed substantially. With the collapse of the Soviet Union in 1990 and 1991, we no longer face nuclear annihilation from a superpower confrontation. Instead, we now have to worry about access to weapons of mass destruction and delivery systems by hostile regimes and terrorists. We have to protect against terrorist actions directed against America and Americans. And we have to defend states in the region against the potential for nuclear blackmail by hostile states or terrorists. And because the nature of the threat has changed from cataclysmic superpower confrontation between states, to a diffuse, unpredictable threat from hostile states, organizations and individuals armed with weapons of mass destruction and/or terrorism, our policies and the tools we use in the future will also have to change.

### OUR COLD WAR AGENDA

Our transition from cold war thinking has been slow in coming. Thought processes honed in the period of Super Power confrontation are a hang-over of that period and yet are hard to shake. For many years, until the collapse of the Soviet Union, U.S. policy was directed at preventing the spread and influence of the Soviet Union and Communism, particularly, in the highly sensitive region of the Middle East. To accomplish this objective, U.S. administrations sought to build relations with compliant or friendly regimes and reject those that refused to embrace us and our policies. For much of the cold war period, we had a “you are either with us or against us” attitude. That same attitude persists today.

The alliances we made in the cold war depended largely on autocratic rulers, who we supported without questioning the nature of their rule or the strength of their position in their own societies. Thus we could support the Shah of Iran, despite the self-destructive domestic policies he was pursuing, and we could materially help Saddam Hussein in his war with Iran while he suppressed his own people. While we spoke of human rights, economic development, democracy and the rule of law, our policies and the distribution of our resources did not reflect our rhetoric. We neither

challenged the governments in the region to change nor offered incentives to help stimulate change.

The position we took on Israel was also grounded in and defined by the superpower confrontation. Israel was seen as a bulwark against Soviet expansion, a potential platform for U.S. military action and as a strategic ally in the Cold War. In recalling Israel's victory in the Six-Day War, then Assistant Secretary Joe Sisco exemplified this mind set when he said: "...it was viewed, of course, as an important 'victory,' largely because of the denial of opportunity to the Soviet Union, because it was a period of poor relationships between Moscow and Washington. So in that sense it was an example, in the view of some, of where the Israeli action helped the interests of the United States in the broader, big power, context."<sup>1</sup>

So long as the cold war was active, the assumption in succeeding Administrations was that it was hostility between Arabs and Israelis that gave the Soviets entrée to Arab client states like Egypt and Syria, and that had caused friction in our relations with oil supplier states. In order to resolve these contradictions, each Administration found itself engaged in the peace process. The fact is that when the U.S. was perceived to be engaged, regardless of whether or not we were successful, hostility toward the U.S. in the region declined, the threat of war subsided, and the temptation to play the superpowers off against one another diminished. The peace process gave the United States a substantial edge in demonstrating that the United States could better provide solutions than the Soviets to the one issue, Israel, that dominated Arab concerns.

## **TRANSITION AND CONTINUITY**

One of the surprising things about the collapse of the Soviet Union, given the shadow it had cast over U.S. policy up to then, was that there was so little discernable subsequent change in the orientation of U.S. policy in the Middle East. The U.S. continued its emphasis on cooperation with autocratic regimes, its fixation on oil, its support for Israel and, throughout the 1990s a strong commitment to securing peace between Arabs and Israelis.

As the current Administration has discovered, relations with the Arab states of the region are of continuing importance for maintaining U.S. military projection capabilities in the region, keeping supply lines open, and guaranteeing a free flow of oil to world markets. While oil supplies are no longer under direct Soviet or Soviet proxy threat, the Gulf States have taken on new importance as bases and support structures for U.S. forces deployed to the region to sustain our position in Iraq and keep Iran in check, and to insure stability in the oil supplier states themselves. For these reasons, the ability to project force into the region rapidly, rather than through the many-month buildup that had to precede the war to liberate Kuwait, continues to be critical. It is the existing regimes that provided the facilities necessary for our occupation of Iraq and continue to support our presence in the Gulf region even though popular opinion in those countries has been opposed to U.S. policies. Therefore, it is unlikely that we will see a significant break any time soon with the traditional policies of dealing with and supporting existing regimes. We do, however, have to be aware of and help deal with changing economic, social and political circumstances in many of these countries, which could result in instability, radicalization, and threats to U.S. interests. We can't afford to repeat the mistakes we made in Iran.

As for Israel, if part of the reason for U.S. support for Israel and engagement in the peace process was the superpower confrontation, one might have assumed that these interests might have receded from the forefront of U.S. policy once the threat of nuclear confrontation was gone. Without

Soviet support there was no credible Arab threat to Israel's survival, and with continuing U.S. military assistance the Israelis seemed quite capable of managing any residual threat on their own. But despite the changed circumstances, the United States, if anything, has increased its efforts to resolve the Arab-Israeli conflict and must continue to do so in the future. In fact, a close U.S. relationship with Israel continues to be a key element of our policy in the region.

One of the fundamental reasons that the United States has been seen by the Arab countries in the region as an essential participant in the search for peace has been the belief that our strong relationship with Israel gives us influence there, and that influence will be essential to getting the necessary compromises for a fair and just settlement. For all these reasons, our relations with Israel and our engagement in seeking a comprehensive settlement must continue to be primary components of our Middle East policy until a settlement is reached.

In short, it is hard to see any substantial break with the past in the general U.S. approach to the region. However, while the momentum of old policies and "old think" may partly have been responsible for this continuity, in reality, a fundamental change has been taking place in U.S. thinking. Because the United States and Russia have moved from confrontation to greater cooperation and the risk of a nuclear exchange over regional issues has been virtually eliminated, the United States is able to take a more aggressive, interventionist approach to the problems of the region. The risks that might have been associated, for example, with confronting a Soviet client, Saddam Hussein during the cold war have been eliminated. U.S. military intervention has proven to be not only possible, but relatively cost-free. That was the lesson of the 1991 Gulf War to expel Iraq from Kuwait. The hallmark of the post-Soviet era is, for better or worse, virtually unchecked American power. And our dominance is likely to persist for decades to come. How we use that power will define the first half of the 21st century.

## A NEW PERSPECTIVE

When the current Bush Administration came into office, it changed the priorities in the U.S. approach to the Middle East. Clinton's inability to capitalize on the Camp David summit convinced the new Administration that too much emphasis had been placed on the peace process and not enough on other more direct threats against Americans. The Administration was determined to finish the business with Saddam Hussein as the first, second and third priority. In the initial months of the Bush Administration, meetings of the NSC on the Middle East, which I attended, dealt almost exclusively with Iraq. And the focus on Iraq had nothing to do at that time with fears about Iraqi links to terrorism. The concern, which in my view was real and legitimate, was about weapons of mass destruction and the implications for the region and for the United States down the road of Iraqi nuclear and biological weapons.

After September 11th, President Bush had to deal with a changing world where potential threats, as opposed to actual and demonstrable threats, had to be recognized and dealt with to safeguard the American people. Thus, we can debate the timing and management of the Administration's military action against Saddam Hussein, but we cannot quibble with the potential he had for developing weapons of mass destruction and for adding terrorist operations to his arsenal against the United States. Iraq, of course was not the only potential or actual threat from this perspective, but it was a threat that we could deal with.

## **WEAPONS OF MASS DESTRUCTION**

We can no longer afford complacency when it comes to proliferation of weapons technology. The fact that Iran has now successfully fired an intermediate range ballistic missile lends urgency to efforts to preventing Iran from acquiring nuclear weapons capability or further enhancing its delivery systems. North Korea already has these systems. Pakistan, with both weapons and delivery systems, has a vulnerable political system where the threat of a fundamentalist takeover is conceivable. And if we add the threat of terrorist action to the list, as we must, then unstable regimes in any part of the world can become a threat.

While we may have to hold on to the possibility of military solutions to the proliferation of nuclear weapons in places like Korea, we do not have to try to deal with the problem alone. Unilateralism should be the last resort. We are far more effective when we have international support from a broad coalition of countries and international agencies. And if we have developed that support and our combined efforts fail, then there is far greater likelihood that we will get concrete support if military measures are necessary. The reality is that imperfect international pressure, inspections, agreements and cooperation have slowed proliferation in the past. Mutual recognition of the threat; better, tighter agreements; greater cooperation; and positive incentives for halting production efforts might work to stop the growth of this problem and perhaps even turn the clock back in places like North Korea.

At many points in the past we have been disappointed in the level of international cooperation to deal with the threats we had identified. Partly, we have ourselves to blame. We have a reputation in large portions of the world of trying to dictate rather than cooperate. Partly, however, the problems stemmed from different perceptions of the threat and self interest in areas like trade and investment. Today, however, I believe there is greater recognition of the reality of the threat on which to base common action. European countries have come to understand the nature of the threat Iran poses as a nuclear armed regional power. Joint action to move Iran in other directions is realistic, and it should be a course we plot in common. In the same way, joint action with countries like China and Japan is absolutely essential to deal with the threat of North Korea.

The proclivity to think in cold war terms of nation states as threats has led us to concentrate on targeting “rogue states” today. But while rogue states may present a substantial danger with the potential development of nuclear weapons, they are not the only places where there is inherent risk. We would be misdirected if we confuse the issues of weapons of mass destruction and terrorism. These rogue states are not the driving force behind terrorist movements—and eliminating these states or their regimes, while felicitous and perhaps necessary from a “weapons of mass destruction” perspective, will not eliminate the problem of terrorism. More to the point, countries that do not control their territories can be a repository for the growth of terrorist groups—Afghanistan, Pakistan, Yemen, Algeria and a host of other countries in the world provide unintended but very real safe havens for terrorist organizations. Focusing our attention on a few “rogue” states misses the point. Terrorism is an international movement which is not dependent on state sponsorship. The problem is much broader, more pernicious and more difficult to manage.

## **TERRORISM**

Throughout the 1990s, the threat of terrorism had been developing. By 1995 the impact of the war in Afghanistan as the breeding ground of a new form of fundamentalist Islamic terrorism was being felt by Egypt, Saudi Arabia and the United States. Egypt’s President Mubarak was the subject

of an assassination attack in Addis Ababa, Ethiopia. A truck bomb blew up the Egyptian Embassy in Islamabad and a car bomb exploded outside the Saudi National Guard Headquarters. In 1996, at the U.S. military barracks in Dhahran, the Khobar towers was devastated.

We have to recognize the generic threat of terrorism and the environment which permits it to thrive. There is no one brand of terrorism. It is an oversimplification to assert one source or motivating factor. Palestinian terrorists have come in all shades and religions, including Christians and nationalists. Hizballah is a Shia-based organization. Hamas is not. It is not Wahabism, as some would claim, that spawned Al Qaeda. In fact, much of the underpinning of Al Qaeda comes from an obscure Egyptian pseudo-philosopher, Sayyid Qutb who wrote in the 1920s and 1930s. Al Qaeda itself was formed in the 1980s through a coalition of Osama bin Laden's circle of "Afghan" Arabs and two Egyptian terrorist groups, the Islamic Group and the Egyptian Islamic Jihad. These factions had come out of the Muslim Brotherhood.<sup>2</sup> Their target was the governments of Egypt and Saudi Arabia, not the United States. The U.S. became a derivative target when it was assumed by these organizations that the regimes in question would fall if U.S. support was removed. And the assumption was that the United States can be brought to retreat in the face of terrorist action against the American people.

### **THE PROFITS OF TERROR**

We will not stop terrorism so long as it appears profitable to those who engage in this tactic. Terrorism had begun to target Americans in the late seventies and early eighties and for much of the next 20 years, we either ignored a growing problem, or worse, validated the tactics of terrorism. In 1979, we allowed the seizure of our Embassy in Tehran to stand and negotiated a solution to the benefit of the Ayatollahs. In 1983, Hizballah carried out a suicide attack on the Marine barracks in Lebanon, killing 241 Americans. The subsequent withdrawal of U.S. forces from Lebanon a few months later validated the tactic and became the model for Osama bin Laden's subsequent attacks on U.S. facilities.<sup>3</sup> The president of American University in Beirut, Malcolm Kerr, was murdered in 1984 and the CIA station chief, William Buckley, was kidnapped and subsequently murdered. This began a string of kidnappings of Americans in Lebanon that led the Reagan Administration into a strange and destructive bargain with Iran of arms for hostages through the good offices of Israel. Again, the signal sent was that terrorism pays. We have responded to the attack of Osama bin Laden on American soil by promising to carry out his primary objective of removing our forces from Saudi Arabia, driving a wedge between the Saudis and ourselves, and undermining the Saudi leadership in the press and Congress. Now, if we back away from our commitment in Iraq because of the attacks on our men and women, we will once again validate the tactic. We have to stop rewarding or giving the appearance of rewarding terrorism. At the same time we need to reduce our profile such that the outcome of any crisis where terrorism has an interest will not be decided by the United States alone. We need allies and non-U.S. feet on the ground in places like Iraq and Afghanistan. And we will need them elsewhere as well.

### **MOTIVATIONS**

In the mid nineties, we profiled a number of the terrorists that were operating in Egypt and were to become the backbone of Al Qaeda. For the most part they came from poorer sections of the country but not from impoverished families. They came from conservative and religious families. They were educated in university or technical schools and were striving to join the middle class.

They graduated to a lack of opportunity, no jobs and no prospects. Marc Sagerman, a lecturer at the University of Pennsylvania, testified in mid-July at a public hearing of the commission investigating September 11, that two-thirds of the members of Al Qaeda came from middle class backgrounds, 60 percent had attended college, and that their average age was 26, i.e., shortly after graduation from university.<sup>4</sup> In the absence of jobs or a way forward, these young men turned to religion and the social center of their communities, the mosque. They were recruited by professional recruiters and sent for training, primarily in Afghanistan which included a heavy dose of mental reengineering. One common thread that seems to prevail among those who practice terrorism is personal frustration with no perceived recourse for change except through violence. Religion can be an additional factor in providing an incentive and motivation for self-destructive behavior but it is rarely the sole motivating factor. Under these circumstances, efforts to suppress or destroy the terrorists by force alone can have the counterproductive result of increasing the sense of frustration and encouraging new recruits to the very ranks we are trying to eliminate.

## **DEALING WITH ROOT CAUSES**

So as we look to the future of the War on Terrorism, in addition to the defensive and offensive measures we are taking directly against terrorists and their supporters, we have to also look to a “War on Poverty,” a “War on Lack of Opportunity,” and a “War on Repressive and Corrupt Governance.” These are long-term wars where international cooperation and the participation of the private sector are essential.

The development of representative institutions in the countries of the Middle East would go a long way toward reducing the sense of frustration that contributes to the making of a terrorist. But the simplistic notion that holding elections will answer the problem is more likely to lead to electoral results we would prefer to avoid. Elections in today’s environment, in which many countries of the region are hostile to the United States, would most likely lead to more concerted opposition to our interests and, possibly, to further growth of the radicalism that feeds terrorism. Democracy is something of a hot house flower—it tends to take root better where there is a reasonable standard of living, where there is a strong middle class, where there is freedom for a responsible press, where the population is broadly educated and where people have experience in decision making and in questioning authority. Few of these conditions exist in much of the Middle East. And if it is true that democracy is the best antidote to terrorism, then we need to help countries in the region meet higher standards of political, economic, and social development.

Official development assistance is not an answer. It is a drop in the bucket for any developing country that we might target as a possible progenitor of terrorism. We need to stop thinking in terms of aid as we have traditionally given it. Instead, the engine of development, which can provide jobs, and hopes for a better future, which can build the middle class and create democracy, is trade and investment.

One lesson we must take away from September 11th is that our well-being has a lot to do with the well-being of others on this planet. And to meet this problem, we need a new approach, in conjunction with our allies, to the concept of investment, where profitability is in question either due to instability, bad governance or inadequate resources. So instead of building another sewage system or power plant in a struggling country, we should be looking for ways to make it profitable for people in the region and outside to invest. Investment guarantees against political and economic risk coupled with industry-specific reforms in a target country could be one way to go. Subsidized venture capital funds and special tax incentives for investment in critical areas could even up the

risk/benefit ratio. Spreading the risk among a number of companies investing together in a single start-up venture might make a proposal more attractive. The mechanisms are many, but the essential ingredient is a commitment on our part to help these countries create jobs and opportunities for their people in partnership with our private sector and with the private sector of the country involved.

Educational systems in the region are based on the authority of the teacher or professor; students are expected to regurgitate rather than question. This authoritarian approach serves authoritarian leaders but magnifies the sense of frustration when people are not prepared to compete in the global free-market economy. The more we can do to develop partnerships between educational institutions in the region and the U.S., the more likely the systems of education will begin to change. The more we do to develop teacher exchanges, the greater the chance for internal pressure to develop for reform. But these exchanges cannot take place in an environment of suspicion and impediments to travel. We need to build a better system to guard against terrorism than the blanket onerous procedures that are encouraging people from the region to stay away.

The press and media are prisoners of the state in many places, in part because the media cannot survive economically without state subsidies and newsmen and women cannot survive on salaries mandated by strapped institutions. We need to stimulate our own media, its investors, management and professional staff, to explore joint ventures and exchanges with media in the region. Saudi Arabia invests heavily in the Arabic press, particularly that which is based in London. While our government might be constrained from engaging in such investments by virtue of our own standards of the freedom of the press, our private sector is not. Commingling of U.S. media standards, expertise, and money with Arab partners could go a long way toward providing the independence that is needed from government control or political party control in the region.

## LIMITS OF MILITARY ACTION

It is comforting to know that we have the finest military in the world. And it is a weapon that can be brought to bear to deal with threats to our nation. But it cannot provide a comprehensive answer to the problems facing us. In fact, our efforts in Afghanistan and Iraq, and engagements that went before in Somalia, Lebanon and elsewhere highlight the fact that we are ill-prepared to deal militarily with the requirement of nation building.

Throughout my career, the most senior U.S. military officers have explained to me why our military should not be used for peacekeeping, policing, and civil administration. And they have been right. Such duties destroy the combat capabilities of our troops, undermine the training they receive, and reduce the effectiveness of our principal deterrent, our military capability. Our military is neither trained nor equipped for these jobs. We should listen to the complaints of some of our men and women in Iraq today when they say that they are not trained for the duties they are being pressed to accomplish, and they are certainly not equipped for them.

It is time for us to recognize that the United States may have to engage in various situations involving nation building and occupation duties abroad in the future to deal with the threats that we face. Our interventions have become the norm. And despite the reservations that some have about U.S. involvement in nation building, we have repeatedly been drawn into such situations in the past and will be in the future if the President is to fulfill his duty to the American people.



## A NEW APPROACH

It is time to recognize these facts and to start training and equipping an independent U.S. force within our defense establishment, linked to our combat forces and their chain of command, which is capable of peacekeeping, policing, and special civic operations as needed in any part of the world. And it is important to integrate into this capability our assistance programs designed to strengthen economic, social and political development. Finally, it is important to link our own efforts in this regard to similar action within the international communication so that the burden can be spread among a number of states.

The Administration and Congress reacted to the threat to our homeland by constructing a Department of Homeland Security—there is no less of a need for an overseas counterpart in our national security establishment that can bring together in one package peacekeeping, policing and law enforcement, intelligence, civic action, trade programs, development programs and democratic nation building in troubled spots abroad. We are not going to solve our problems unless we can bring to bear a multi-disciplined approach, supportive of a target country's own potential and capabilities and in close consultation with them.

Our objective should be to deal with problem areas preemptively with measures short of military force. It will cost far less, in coin and lives, to prevent instability from becoming a refuge for terrorism than it is to use our combat forces to deal with the problem after it has fully developed. The President's National Security Strategy leads in this direction, but the emphasis has been placed on military action and on helping those states, like Morocco that are already managing quite well. We need to reorient our priorities and resources toward the more difficult and potentially dangerous targets, like Pakistan, Afghanistan, Algeria, and Yemen among others in Africa, East Asia, Latin America and elsewhere.

## CONCLUSION

We have to be ready for a long struggle. We need to organize or reorganize ourselves to engage the problems of proliferation and terrorism. Match the Department of Homeland Security with a Department of External Security. Study and understand the ingredients that go into making a terrorist. Strike at the root causes of terrorism and stop pretending that they don't exist. Build the institutions of representative government in the region like liberal education and a free press. Recognize that our safety depends on the well-being of others. Develop mechanisms to use the power of private investment for economic development and job creation in marginal states where terrorism can grow. Use the full weight of our power to resolve conflicts where we have assumed a responsibility such as the Israeli-Arab conflict. Enlist the international community in all our efforts and build a coalition of like-minded democracies that can bring pressure to bear on states that refuse to adhere to international norms and signed agreements. And above all, do not reward terrorism in word or in deed.

## ENDNOTES

<sup>1</sup> Joseph Sisco, Foreign Affairs Oral History Project, ADST, March 19, 1990, Michael Sterner.

<sup>2</sup> "The Philosopher of Islamic Terror", Paul Berman, The New York Times Magazine, March 23, 2002, p. 26.

<sup>3</sup> *Holy War, Inc.*, Peter L. Bergen, Simon & Schuster, 2002, 2002 p. 88.

<sup>4</sup> Independent Commission Investigating September 11, Public Hearing, July xx, Marc Sageman, Lecturer, Solomon Asch

## GRAND STRATEGY IN THE MIDDLE EAST: THE LONG WAR OF THE 21ST CENTURY

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A grand strategy in the Middle East for the foreseeable future must be bold enough to match the substantial challenge. We are faced by a set of three interlocking and difficult conditions: the nature of the threat posed by our enemies based there, the vulnerabilities of our society and the leverage over our behavior provided by our oil dependence, and recalcitrance in the Middle East to the fundamental changes in the form of government that will be essential for any transition to peace and prosperity.

The threat consists of essentially three movements, Islamist and fascist, different in origin to some extent, but quite capable of burying doctrinal or other differences in the interest of damaging the West in general and the U.S. in particular. The essence of the threat is the potential these movements pose for the mating of weapons of mass destruction (especially nuclear or biological) with terrorist groups. The existence of regimes that will facilitate this linkage requires us not only to defend ourselves and reduce our vulnerabilities, but also to bring about fundamental change in the region. The Middle East will not move toward peace until there is a solid movement there toward governments becoming democracies that operate under the rule of law. To win, we will need, from time to time, to use military force preventively, as we have in Iraq. But as in the cold war (a partial but far from complete analogy to the current war) much of our effective action will need to be outside the military sphere.

We no longer have the option, if we ever did, of sitting back, buying oil from the region, occasionally punishing a few terrorists, and excusing the nature of its regimes in the name of “stability.” We tried that approach. Its effectiveness was demonstrated two years ago September.

### THE CHALLENGE

#### *Three Enemies*

Islamists from the Shi’ite side of Islam’s great divide are one major group. (I use the term “Islamist” to denote a totalitarian movement masquerading as a religion—my contention is that the Islamists and those who support them have about the same relationship to the great religion of Islam that Torquemada and his supporters in the Spanish Inquisition had to the teachings of the Sermon on the Mount.) At the center of this movement is, of course, the group of ruling mullahs of Iran (the Rule of the Clerics, established by Khomeini) but it most definitely includes their instrumentalities such as Hezbollah. The Shi’ite Islamists have effectively regarded themselves as at war with us for nearly a quarter of a century, ever since seizing the American Embassy and taking its occupants hostage in 1979, and bombing our Embassy and Marine barracks in Lebanon in 1983.

A second collection comprises the dictators, essentially fascist regimes. Those of Syria, Libya, and formerly of Iraq were originally of secular stripe but have increasingly in the last two decades donned at least a jacket-length Islamist mantle—Assad seeking (and obtaining) the blessing of Tehran for his Alawites to be considered true Shi’ites, Saddam writing ‘Allah is Great’ across the face of the Iraqi flag on the eve of the 1991 war, etc. Although these steps are comparable in cynicism to Stalin’s discovered enthusiasm for the Russian Orthodox Church in 1941, nonetheless such efforts have marked the cooperation of the three groups across what some have perceived to be a religious-secular divide. Sudan’s Islamist dictatorship delighted in hosting convocations of terrorists of all stripes in the early 1990s, but began to worry about the implications of this in the late nineties. North Korea, for these purposes, may be regarded as an honorary outlying member of the Middle East because of the real possibility of its selling fissionable material, or even nuclear weapons, to Middle Eastern terrorists. These dictators have effectively regarded themselves as at war with us for varying periods over the last quarter of a century as well.

Third are the Islamists of Sunni stripe. Al Qaeda is at the center of course, but of substantial importance are also: its affiliates, such as Egyptian Islamic Jihad; its ideological supporters, such as the Wahhabis of Saudi Arabia; and its financiers, in Saudi Arabia and elsewhere, engorged by the oil wealth of the Gulf. They have effectively regarded themselves as at war with us for around a decade since they turned from concentrating on “the near enemy” (such as the Mubarak regime in Egypt) to a primary focus on “the Crusaders and the Jews.”

These groups may reasonably be compared to three Mafia families, who hate, insult, and kill one another, but who are perfectly capable of cooperating from time to time against a common enemy. Those who continue to deny that such cooperation is possible and even evident—across both the Sunni-Shi’ite and the secular-religious divides—are, at best, badly out of date.

### ***Network Vulnerabilities and Oil Dependence***

The vulnerability of the many networks that serve us—from the Internet to food processing and delivery—is discussed below. But a combination of factors makes our dependence on oil a matter of particular strategic vulnerability.

The problem is not U.S. oil imports in isolation—the strategic situation would change very little if the U.S. could contrive to import oil only from, say, Mexico and Canada and the rest of the world moved toward somewhat greater dependence on the Middle East. To a first approximation there is one oil market, and chaos in or conscious interference with oil supplies would seriously damage the economy of the world and the United States even if we did not import a drop from the Middle East ourselves.

The heart of the matter is that the Middle East’s long-term dominance of oil supplies creates three effects. First is the continuing uncertainty due to the nature of the region’s governments. Second is the leverage over our behavior caused by the Saudis’ possession of the majority of the world’s swing production in oil, some 2 million barrels/day that can readily be turned on or off. It is this swing capacity, which has been called the “energy equivalent of nuclear weapons,” that holds out the possibility for the Saudis’ causing sharp spikes in oil prices and resulting recessions in the West. This is not theoretical—it has occurred three times since the 1970s. Third is that directly and indirectly it is funds that proceed from the sale of oil that pay for the repression, weapons of mass destruction, and terrorism that proceed from the Middle East.

The prospect for the world's dependence deepening in the years to come is substantial. The oil geologist King Hubbert discovered in the 1950s the principle that the exploitation costs of an oil field begin to increase sharply when the field reaches its mid-point. Most of the rest of the world's major fields will reach (or have reached) their mid-points well before those of the Gulf. This ensures that the Gulf, as the low-cost provider, will have an increasing share of the world's market as demand escalates in this century. The very substantial added demand for oil created by economic growth in China and India alone for the foreseeable future should keep the Gulf in a dominant position and prices relatively high, even with new fields (including growth in Iraqi production) coming on line. In the absence of decisive leadership in the West on this issue, dependence by the rest of the world on the Middle East will grow—with major strategic consequences.

### *The Recalcitrance*

Democracies operating under the rule of law do not generally war on one another. Instead they argue about such matters as agricultural subsidies. Freedom House indicates that today there are 121 democracies in the world—89 with regular elections and most elements of the rule of law, 32 with regular elections but serious corruption or similar problems, such as Indonesia. As Europe has been moved over the last nearly nine decades from being a continent dominated in whole or major part by empires, then fascist and Nazi dictatorships, and finally communist dictatorships to one of democracies (excepting Belarus and Ukraine) it has come to be at peace. Certainly nations can fall out of the democracy column, as Venezuela is proceeding to do. And one should not distort the picture by labeling dictatorships that once had an election, such as Belarus, as democracies. Still, the overall trend is clear—the world has increased the number of democracies by around an order of magnitude since August of 1914. Over a hundred new democracies have come into existence since 1945.

Islam is not inconsistent with democracy. The majority of the world's Muslims live in democracies, in Indonesia, Bangladesh, India, Turkey, the Balkans, Mali, etc. However, it would be foolish to ignore that of the 22 Arab states there are no democracies, and only three (in the Gulf and Morocco) guarantee effectively even a few basic liberties such as relative press freedom. Recently the "Arab Human Development Report, 2002" by a brave group of Arab intellectuals to the UN Development Program has indicated some of the reasons for this situation: approximately half of Arab women are kept illiterate; there are only one-fifth as many books translated into Arabic every year as are translated into Greek; Arab per capita income growth has shrunk to a level just above sub-Saharan Africa. Bernard Lewis pointed out not long ago that the 22 Arab states plus Iran (together approximating the population of the U.S.) export less to the world, excluding oil and gas, than Finland.

There is no single reason for the Middle East's recalcitrant resistance to the movement toward democracy and the rule of law that has swept the planet. Certainly it is important that we in the U.S. have for far too long regarded much of the Middle East as principally a filling station for our SUVs. We have given a distinct impression that we are less interested in its people living under democracy and the rule of law than we are in the rest of the world where, over the years, we have had a good deal to do with the advance of such reforms. Our behavior at the end of the Gulf War in 1991—e.g., when we stood aside and watched the Kurds and Shi'ites whom we had encouraged to rebel against Saddam be massacred—said to much of the world that, once we had made the oil of Saudi Arabia and Kuwait safe, we cared little about the Iraqi people's freedom. Other reasons for recalcitrance include: the influence of Saudi Arabia's Wahhabi sect in the region, with its followers'

wealth and hatred of modernity and openness of every kind; the pathology of the Wahhabis' more modern cousins, the Islamists; and the history of the region after it was freed from the Ottomans in world war I, a painful birth whose effects are still felt, chronicled by David Fromkin in the classic, *A Peace to End All Peace*.

## THE STRATEGY

Any effective strategy must be as bold as the challenge is difficult and its elements must fit together. It must have major domestic and foreign dimensions.

### *The War at Home*

#### *Liberty vs. Security*

For most of the cold war, and certainly in the decade that followed, the U.S. behaved as if liberty and security never conflicted—we had all the liberty any reasonable society could want at home and we behaved as if security was something for the Navy, the CIA, and others to deal with abroad. September 11 changed all that in a morning. There were visitors legally in the country studying to be pilots, and they killed thousands. We have found terrorist cells in Lackawanna, and terrorist-funding charities in Herndon, Virginia. We have been sorting through the need to move domestically against terrorists, and have already made some important changes: the legal barrier to the FBI's sharing terrorism information, if obtained pursuant to grand jury subpoena, with the intelligence community has been repealed; it is no longer necessary for CIA case officers abroad to spurn recruiting spies in terrorist organizations if the latter have some violence in their past; special military tribunals may be used to prosecute illegal combatants, as the Supreme Court sanctioned during world war I.

As we take such steps we must remember, and balance, two vital principles.

First, we must be effective, and political correctness must take a back seat. The greatest danger to civil liberties is not the steps taken thus far, which have virtually all been sanctioned by the courts, but rather the possibility of an overreaction in response to further terrorist attacks, as the nation reacted wildly to Pearl Harbor by incarcerating Japanese-Americans. Preventing further attacks and limiting their effects if they occur has the highest of priorities. As we strive for effectiveness in fighting terror domestically it is far from unreasonable to subject, e.g., Wahhabi charities to special scrutiny; it would be entirely reasonable to search grandmothers at airports less often than we search young men.

But of equal importance we must remember that we in the U.S. are not a race, a language, or anything other than the children of Madison's Constitution and his Bill of Rights. Everything we do must be subjected to the test of these covenants. We should keep in mind, even in wartime, Michael Novak's dictum that the American system of government is, in essence: In God We Trust—and for absolutely everyone else, checks and balances.

### ***Network Resilience***

We live in a world of increasingly complex and interdependent networks—the electricity grid, the internet, food production and delivery, financial transfers, chemical production and delivery, etc. In recent years chaos theory, complexity theory, and network theory have all dealt with the consequences of this complex interdependence. One principle that pervades these assessments is that an occurrence in one area or network can cause major and unpredictable resonance in others: Lorenz’s Butterfly Effect. For example, by choosing to have considerably fewer children than would be necessary to replace their populations, Europeans are of course not trying to make HIV-AIDS more difficult for Africa to deal with. Yet the aging of European populations has led to Europe’s hiring substantial numbers of health care workers from Africa, reducing the ability of that continent to deal with AIDS. Americans, similarly, are not trying to sink Bangladesh beneath the waves by buying low-mileage SUVs, but by contributing substantially to CO<sup>2</sup> emissions and thus possibly to climate change they may be doing so. One might call these unintended negative effects of network interactions “malignant,” since they are unplanned and unintentional cases of a kind of network-to-network metastasis.

But international terrorism adds, in a world that contains both interactive networks and weapons of mass destruction, another set of problems: “malevolent” ones. The weakness of U.S. airlines’ cockpit doors was one factor (together with intelligence and other failings) that made it possible on 9/11 for the terrorists to take over control of the aircraft and use them to kill thousands more people than they could have killed by destroying the airliners alone. Our various networks, unfortunately, such as the electricity grid and the Internet, have a number of equivalents of flimsy cockpit doors: weak points that can be exploited to wreak damage and death. We need urgently to get into the business of fixing these weak points. This alone will not stop terrorist acts from being perpetrated or being destructive, but it can help prevent their becoming catastrophic.

Although we may, if we are lucky and diligent, obtain tactical warning via intelligence and law enforcement of individual terrorist attacks, we should not count on it. Terrorist groups are famously difficult to penetrate with spies, satellite pictures tell us little about them, and we seem incapable of keeping secret the communications intercept breakthroughs that we have had—e.g., we were listening to bin Laden’s satellite telephone in the late 1990s until someone decided to talk to the press about it. We may get tactical warning from terrorist prisoners or captured documents or computers, but terrorists’ operations will never be as predictable nor the build-up for them as clear as was the mobilization of armies. Consequently, a great deal of our preventive effort will have to be driven by the analysis of network vulnerabilities, not by intelligence warnings of the sort to which we became accustomed in the cold war. Much of the current debate about “failures of intelligence” is mired in the assumption that warning of terrorist operations will be, to a first approximation, like warning of the mobilization of the Warsaw Pact. This assumption is nonsense.

### ***Oil Dependence: A Special Network***

The oil dependence described above cannot be repaired quickly or with any single solution. There is a set of actions that can help reduce the likelihood that we will be seriously damaged due to this dependence, through unintended or intended consequences. However, today we are not taking steps that are available to us even without making major changes in the existing transportation infrastructure to reduce oil dependence. These steps and the reasons we should take them are set out in *Commentary* (September 2002, “Destroying the Oil Weapon,” by the author but, briefly, they involve:

1. Building up the strategic petroleum reserve to undercut the Saudis' potential use of their swing capacity to influence our behavior.
2. Promoting the exploitation of major remaining fields outside the Middle East (in Russia and, with developing technology, possibly now in Canada's fields, which hold substantial heavy oil and shale deposits).
3. Encouraging the use of alternative fuels, derived from biomass and waste, within the existing transportation infrastructure. Two of the many technologies that are applicable here—biomass (not grain-derived) ethanol and thermal de-polymerization—are set out in the above Commentary article and the former in "The New Petroleum" (Foreign Affairs, Jan.-Feb. 1999, by Senator Richard Lugar and the author).
4. Encouraging the purchase of vehicles with characteristics that are already on the market—hybrid gasoline-electrics, flexible fuel vehicles (FFVs), which can use any mixture of gasoline and ethanol up to 85 percent ethanol—and that can have substantial effects on improving mileage. A hybrid such as the 52-mpg Honda Civic now being sold, if it were equipped with the simple inexpensive FFV package that has been on the Ford Taurus for years, and it used 85 percent biomass ethanol, would be getting some 300 mpg of gasoline.

It is neither wise nor necessary to wait to reduce oil dependence until the arrival of the hydrogen economy and fuel cells. These latter must in turn await very substantial changes in our transportation infrastructure.

Moreover, we are at war, and as the generation that won world war II knew, it is important to provide useful ways for the population as a whole to contribute to a war effort in the interest of maintaining national commitment and morale. The portion of the Great Generation that stayed at home did not just conduct business as usual to maintain economic prosperity—they were asked to plant Victory Gardens, and children were asked to collect scrap aluminum for the war effort. The contribution to a spirit of national commitment was probably at least as important as the vegetables grown and the aluminum saved. Taking a number of steps to reduce oil dependence could provide one reasonable way for people who want to help in the war effort—almost certainly a substantial majority of the population—to do so.

## ***The War Abroad***

### ***The Objective***

Our objective should be to bring democracy and the rule of law to the Middle East, currently present only in Israel and Turkey. This undertaking will take decades, as it did with Europe, and will face great challenges—it looks manageable only if one looks back at the extraordinary successes of the years since 1945. More than 100 democracies have been established since then by Freedom House's calculation. Mongolia and Mali, for example, are fine democracies. Many, indeed most, of these democracies are in places where self-appointed experts have said time and again that democracies will not take root: the experts said it first of Germany and Japan, then of Asian cultures, then of predominantly Catholic countries, then of Africa, then of Russia and Eastern Europe, that these peoples would not be able to establish and operate democracies. As Germany, Japan, Taiwan, South Korea, Thailand, India, the Philippines, Spain, Portugal, most of Latin America, important parts of sub-Saharan Africa, almost all of Eastern Europe, Russia, and many other states

have moved toward democracy and the rule of law, however, the experts have grown silent about their past misjudgments. They now focus on the Middle East, and tell us that it is hopeless to believe that this region can ever be moved effectively toward democracy. It is time for the world's democracies to prove the experts wrong yet again.

From time to time, preventive use of military force may be necessary, as it was in Iraq. But of the nations moved toward democracy in the years since world war II only three—South Korea, Grenada, and Panama—were freed by U.S. military force. Military power of the U.S. and its allies, including nuclear deterrence, underpinned our successes of the cold war and largely contained the Soviets and their allies. But much of the spread of democracy was the result of actions by all sorts of other parties. In Poland, the Pope and the AFL-CIO were central. In Spain, it was a brave king and the German Social Democrats, working with Iberian socialists to forestall the communists. In the Philippines, it was people power with an important assist via Senator Richard Lugar from the Reagan Administration. In a number of circumstances we made compromises with dictators to thwart communism—in Taiwan, South Korea, Iberia, Latin America, just as we had compromised with Stalin in world war II to form an alliance against Hitler. Franklin Roosevelt once famously said of a Latin American dictator, “He’s a sonofabitch, but he’s our sonofabitch.” But our temporary dictatorial partners in these compromises were virtually all subsequently replaced by democratic regimes due in part to successful pressure. Except in the Middle East.

### *A Partial Analogy to the Cold War*

To succeed in the current long war we will need to repeat some aspects of our cold war strategy and adapt other aspects to the very different situation we face.

The adaptation is that preventive military action must sometimes now be used instead of deterrence and containment. The key dictatorships in this war that have chosen to be our enemies (Iran, Syria, Libya, North Korea, and probably but not certainly now, Sudan) may generally be deterred from open attacks on their neighbors or on our forces in the region. The only one of these states that could plausibly threaten U.S. territory with direct attack by military forces in the relatively near future is North Korea, due to its ballistic missile and weapons of mass destruction (WMD) programs. But these sorts of attacks are not the principal threat—it is rather these states being instrumental in fostering the development of weapons of mass destruction and terrorism, and their potential role in mating the two.

For some of these states, especially North Korea, the threat of their mating terrorists with weapons of mass destruction is urgent and substantial. North Korea may well not be deterrable from providing fissionable material to terrorists, since it could profit greatly economically by doing so—and due to the oil wealth of the Gulf, Al Qaeda could probably meet their price. Further, we may well not have tactical warning of such shipments, since the North Korean regime will not hesitate to use covert methods, including logistical arrangements protected by diplomatic privilege, to ship fissionable material—after all, its principal exports today are ballistic missiles and illegal drugs, both shipped covertly. Thus unless China steps forward to use its substantial influence in North Korea to bring about fundamental changes, we may be driven with great reluctance to military action there. As a prudent measure we should begin promptly to increase the size of our armed forces, especially the Army.



But another aspect of this war may be more amenable to a strategy parallel to that which we used in the cold war. We won the cold war in no small measure because in time we convinced Vaclav Havel, Lech Walesa, Andrei Sakharov, Solidarity, those who brought down the Berlin Wall, and many others that we were not involved in any clash of civilizations with them or even a clash of countries, but rather a war of freedom against tyranny—that we were on their side and they on ours. That is a substantial part of the reason why we won (and recent memory of being subjected to totalitarianism is an important reason why the leaders of the nations of Eastern Europe have supported the U.S. and the UK in the current war). We must do the same thing and make common cause with the hundreds of millions of decent and reasonable Muslims in the world who want peace and prosperity for themselves and their families, are not interested in supporting terror or living in dictatorships, and who can be brought to understand that Middle Eastern varieties of democracy and the rule of law are the best path to their preferred end.

From our solid base of military and economic power that kept the Soviets and their allies generally contained, the democracies won the cold war to an important degree by defeating the communist ideology and allegiance to the communist system in the minds and hearts of those behind the Iron Curtain. We will only win this current long war, from a base protected by using military and economic power effectively and promptly against the terrorists and those who support them, the same way—by defeating the Islamist ideology.

### ***The Current Battles***

The military victories in Iraq and Afghanistan offer us an opportunity now to succeed, if we will, in moving those two countries toward democracy and the rule of law. What happens in both will have a substantial effect on what happens in Iran and on the whole course of events in the Middle East. In Iran, the ruling mullahs' theocracy has lost the support of most young people (and over half of the Iranian population is in its teens and younger), most women, all reformers, and even increasing numbers of conservative Shi'ite clerics such as Ayatollah Taheri. These vulnerabilities should be exploited. We must block Tehran from disrupting Southern Iraq and Afghanistan, and we should push hard for progress toward economic rebuilding, democracy, and the rule of law in these latter two countries. This is likely to produce resonance in Iran. It is more likely than not that in the end these three countries will move together, either positively or negatively. Most of our other intermediate objectives in the Middle East—except thwarting terrorist attacks via intelligence and law enforcement cooperation with other countries—should be subordinated to trying to bring about the positive movement of these three states.

As part of this effort, should we compromise our ability to make progress in security and in political and economic development in Iraq by, say, inviting the UN to have a major hand in decision-making? Only if one wishes to take Kosovo today as a model of effective economic and political development. Then how about international peacekeeping forces? Certainly a few nations that are willing to work effectively with the occupying powers should be welcomed. But for the real use of force against determined enemies, such as those who have been conducting the post-April guerrilla attacks in the Sunni triangle, a mixture of small units of peacekeepers from a wide range of countries should not be our goal, unless one wishes to consider the protection of the Bosnian men of Srebrenica in 1995 by UN peacekeepers as a model.

The nationality of the forces of which we need more in Iraq is not, say, French but Iraqi. The State Department's and the CIA's unwillingness from 1998 to 2003 to work with the Iraqi resistance and

diaspora—including the refusal for years to spend funds appropriated by Congress for this purpose—was the single most preventable mistake that helped produce the violent aftermath of military victory in Iraq. We should have entered Iraq with thousands of Iraqis trained by the Iraqi resistance accompanying our troops. Only this way could our military forces have understood who were Tikritis, who were members of the Badr Brigades, etc. Instead the Army and Marines, through no fault of their own, were like the cavalry entering Apache country with virtually no Apache scouts.

What other lessons should we learn from recent setbacks?

We urgently need to abandon the notion attributable to a former Under Secretary of State that the U.S. role in communications in this part of the world should be an approach of “branding,” as if democracy and the rule of law were a style of sneakers. It is incredible that the country that invented mass media, and that was responsible for the huge success of Radio Free Europe and Radio Liberty in the cold war, should see the major media influence in Iraq in the summer of 2003 be hostile Arabic-language broadcasts originating in Iran. The mind reels at the degree of incompetence and short-sightedness that produced this state of affairs.

We also need to ensure that we do not give the impression as we try to improve the prospects for peace between Israel and the Palestinians that we have succumbed to communicating, even indirectly, that all terrorism is bad, but only that against the U.S. is truly awful. Nothing could more undermine our position over the long run than such self-serving exceptionalism, however much some might applaud anything that weakens Israel. Yet we hover continually on the edge of equating Israeli settlements in the West Bank and Gaza with Palestinian terrorist attacks. It is important to point out that there are some one million Palestinian Arabs who are citizens of Israel, around one-sixth of the population, and Israel is the one country in the Middle East where hundreds of thousands of Arab citizens routinely vote for representatives in a real legislature and enjoy legally-guaranteed basic civil liberties. If Israel and the Palestinians do indeed figure out how to move to a two-state solution at some point, we should recognize that there should be nothing in principle wrong with a similarly substantial share of a Palestinian state’s citizens’ being Jews, similarly free to practice their religion and live peacefully just as Israeli Arabs are. This was true for centuries in the Muslim Middle East for Jews, and Christians, as “People of the Book” until well into the 20th century. Palestinian treatment of Jews, along the lines of this older history, that is as fair as Israel’s treatment of its Arab citizens may be unattainable for now. But we should be careful not to “define deviancy down” in principle and in any way discount Palestinian terrorism against Jewish settlers or against Israel. A future Palestinian state that is as tolerant of Jews as Israel is of its Arab minority would contain about twice as many Jewish residents as the settlers currently in the West Bank and Gaza.

## IN CONCLUSION

The United States and its allies have the wherewithal and the ability to adopt and implement an integrated and ambitious strategy in this war. We can move to help bring about positive economic and political developments in Iraq and Afghanistan, influence events in Iran to help the Iranian people move away from theocracy, take down terrorist operations using law enforcement and intelligence, take whatever military action may be necessary in Korea, protect key parts of our infrastructure, move away from oil dependence, and seize the high ground of both communications and democratic principle in the Middle East. The question is not ability, but will.

Two examples from the cold war should suffice to answer the question whether the American people will shoulder such substantial commitments. In the late 1940s, before the Korean War, the Truman Administration and the Congress agreed to spend 1.5 percent of GDP annually on the Marshall Plan—the parallel level of commitment today would be, in a ten trillion dollar economy, around \$150 billion. And in the early 1960's, before Vietnam, the Kennedy Administration and Congress agreed to spend 9 percent of GDP annually on defense—the parallel level of commitment today would be about \$900 billion. We are well under half of these combined levels of a trillion dollar commitment, in today's terms, in what we are doing to rebuild Iraq and Afghanistan and to fund our military forces.

Yet as the ruins of the World Trade Center suggest, the war we are in is far from cold.

# **THE SECURITY DIMENSION**

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## FUTURE SECURITY CHALLENGES IN THE MIDDLE EAST

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The elimination of Saddam Hussein's regime in Iraq has removed the most important threat to the security of the Middle East of the last 15 years. Of course, the liberation of Iraq did not solve all of the security problems of the region. Those that remain are, in many ways, more complicated than the more troublesome but also more straightforward threat posed by Iraq. What's more, many of the remaining security problems interlock, creating dilemmas not easily managed, let alone solved.

Over the past 10 years, one of the most important changes in the region has been the breakdown of Arab political and economic systems. The stagnation of the Arab world politically, economically and socially has generated tremendous internal problems that profoundly affect U.S. security interests there. The unhappiness of the Arab populations—and their scapegoating of the United States and Israel for so many of their problems—has been a key factor in the rise of vicious anti-American terrorist groups like Al Qaeda. The fear of crossing public opinion now constrains the ability of many Arab governments to work with the United States. Finally, their internal problems raise the potential for internal upheavals in the future that could produce new rogue regimes and/or threaten the flow of oil from the region.

Indeed, today, some of the most important security threats the United States faces from the region derive from intra-national problems, rather than international disputes as in the past. The threat of another Arab–Israeli war has faded in comparison with the threat of another failed state like Lebanon or Afghanistan, another terrorist group like Al Qaeda or GIA, or another Islamist revolution. For that reason, American military forces are declining as the principal tool for assuring America's security interests in the Middle East.

### THE PACIFICATION OF IRAQ

The first order of business for the U.S. military in the Middle East is stabilizing Iraq to enable long-term reconstruction. Because the Administration failed to adequately prepare to handle the immediate security, humanitarian, and political needs that followed the fall of Saddam's regime, the United States now faces a very difficult situation across the board. All of these issues will need to be addressed, but security is job one. Suppressing those elements of Saddam's regime, Sunni tribesmen, foreign volunteers, and local Islamic fundamentalists resisting Coalition forces through violence is the prerequisite for moving on other fronts. In addition, there is still considerable lawlessness throughout the country even apart from the nascent guerrilla movements. Addressing even these immediate problems likely will require a build-up to as many as 250,000 troops for at least the next six months.

In addition, we must recognize that if we are to prevent the current resistance from developing into a full-blown insurgency, it is critical to address the economic and political problems of the

country. As history has repeatedly demonstrated, the way to defeat an insurgency is to remove the underlying political and economic grievances that create popular sympathy for the guerrillas. If the political and economic situations in Iraq continue to founder—if we cannot get the power on, water running, markets open, and salaries paid (just for starters)—we will sour ever greater numbers of Iraqis on our presence and our plans. Such growing disaffection will eventually begin to generate new recruits for the resistance and instead of the security problem diminishing over time, it will grow.

## **TERRORISM**

It is hard not to argue that the United States underestimated the threat from international terrorism throughout the 1980s and 1990s. However, it is equally true that on September 11, 2001 Al Qaeda overachieved. The amount of destruction they caused was—even according to some of their own videotapes found in Afghanistan—well beyond what they ever expected to cause. It is certainly within the realm of possibility that future terrorist attacks could cause similar or even vastly greater levels of damage, but it would be hard for them to do so. Even with chemical or biological warfare agents it is very difficult to cause large numbers of casualties. In fact, in every instance that terrorists employed weapons of mass destruction, if they had instead employed conventional explosives they would have done far more damage than was actually the case.

There is no question that the United States will have to make a much greater counterterrorism effort in the future than in the pre-9/11 era. As best we can tell, the increased effort the Administration launched after the 9/11 attacks is already paying dividends. We have not had another major attack in the United States since then, U.S. law enforcement and intelligence services have foiled several plots, and the attacks that have taken place overseas have not come close to the level of damage inflicted on 9/11. In fact, had it not been for 9/11, those attacks would look inconsistent with the terrorist threat as we assessed it throughout the 1980s and 1990s.

However, fighting terrorism will eventually encounter diminishing returns. At a certain point, it requires ever greater expenditures of resources, attention, and effort to produce ever smaller additional benefits in terms of added security against terrorists. We may already be approaching that point.

Consequently, a key question that the United States must address regarding the terrorist threat emanating from the Middle East is just how much of a priority is it, and how much are we willing to sacrifice on other issues—including other security issues—to try to eradicate the threat altogether? For instance, it is very painful for the Saudis to take many of the steps necessary to fully shut down financial support for Al Qaeda by Saudi princes and charities, prevent recruitment in the Kingdom and transit across it by Al Qaeda figures, and provide actionable intelligence on Al Qaeda personnel. American policymakers need to keep in mind that pressing the Saudis on these measures could prompt them not to take other actions that the United States may consider equally important, possibly even more important. For example, if we demand that Riyadh make the maximum effort in these areas, Crown Prince Abdallah might believe it impossible for him to continue to press for major domestic reforms for fear that so many painful changes would be too much for the Saudi system to bear.

At present, it is hard to suggest additional concrete steps to fight the immediate threat of terrorism beyond those the Administration has already taken. There are undoubtedly things that could be done differently or better, but these lie mainly in the realm of tactics. Instead, the issues that the United States must focus on to a greater extent are the key strategic choices we face.

- *How much should Washington press Saudi Arabia and other Middle Eastern states to eradicate sources of terrorism?* Doing so would be difficult for many Arab governments and could cause them to lose legitimacy at home or else eschew other, equally unpleasant tasks that the U.S. would like to see them undertake—such as enacting domestic reforms or keeping the price of oil low. This is not an excuse to let them off the hook, it is simply a recognition of real trade-offs that should be explicitly considered.
- *To what extent should the United States make waging the war on terrorism its highest priority with other countries?* Should we hold our trade relations with Europe hostage to their performance on counterterror issues? Should we place Pakistan’s eradication of its various terrorist groups ahead of the stability of the Pakistani state? Should we punish other countries which refuse to follow our lead with the state sponsors of terrorism?
- *To what extent should the war on terrorism extend beyond Al Qaeda?* There are a number of Middle Eastern terrorist groups with “global reach” but that are not currently a threat to the United States, including Hizballah and Islamic Jihad. Taking them on, however, would provoke retaliatory attacks from them (and they are generally more capable and determined killers than Al Qaeda), and would inevitably create other issues; the Hizballahis are considered “freedom fighters” in the Arab world, and so waging against them would further antagonize Arab public opinion. Also, Hizballah is a key element in the Israeli-Syrian and Israeli-Lebanese conflicts, thus a campaign against it might spark problems on these tracks.

It is also critical to remember that the terrorist threat from the Middle East is rooted in the broader economic and political stagnation of the region. Hizballah recruits suicide bombers by promising the younger sons of economically impoverished families—those with no real job prospects whatsoever—that it will reward their family in return for their “martyring” themselves. Similarly, Al Qaeda recruits disenfranchised middle-class Arab boys who are frustrated that they cannot get jobs commensurate with their educations and who are enraged that their governments do nothing to alleviate their plight. Unfortunately, the only response of the Arab regimes—and the Arab intelligentsia—to these problems, is to blame them on Israel and the United States. The only real solution to the long-term problem of terrorism from the Middle East is political, social, and economic reform that addresses the anger and misery of the Arab world.

## INTERNAL INSTABILITY OF THE ARAB STATES

The same fundamental problems that have created a security threat for the United States in the form of terrorism also create more nebulous, but potentially more dangerous, threats in the form of instability in many, if not all, of the Arab regimes themselves. Increasing unemployment and underemployment, declining productivity and investment, educational systems that produce graduates with no marketable skills, and deepening corruption—among other things—are creating badly distressed economies throughout the Arab world. In the Gulf states (and especially Saudi Arabia), these problems are exacerbated by the diminishing ability of oil revenues to cover the extensive social welfare systems built in the heyday of OPEC. Meanwhile, the governments themselves are seen as increasingly out of touch with the sentiments of the populace, and the people are deeply frightened by the great changes of modernity and globalization that have affected every region of the world, but the Middle East least of all so far.



Arab economic and social difficulties have been exacerbated by the policies of the regimes over the past 30 to 40 years. All of the Arab autocracies (and they are all autocracies of one kind or another) suppress virtually all dissent, except that expressed in the Mosques, for fear of being painted as un-Islamic. As a result, the only alternative source of political expression in the Arab world to the regimes and their cronies is now the Islamists. Thus, those angry at the regime often gravitate to the Islamists simply because that is the only group able to express dissent. It is why Islamic fundamentalists would almost certainly take power if truly democratic elections were held virtually anywhere in the Arab world today.

In the short term, these problems create several important dilemmas for the United States. For example, one possible step the U.S. could take to help alleviate them would be to greatly reduce our military presence in the region. Although it is not the source of the instability in the region (or of terrorism, for that matter), the presence of American military forces in the Arab world is an important contributing factor to both. But such a move cannot be taken lightly, because in ameliorating one malady it might create others. The United States (and before us, Great Britain) have maintained military forces in the region, particularly the Persian Gulf, for many decades because the region is vital to the economic vitality of the entire world, vulnerable to aggression, and geopolitically unstable. The presence of U.S. forces was the solution to all of those problems, and removing those forces could entail very serious consequences. It could encourage regional aggressors. For example, to the extent that the United States is concerned about Iran's acquisition of nuclear weapons (see footnote), reducing U.S. forces could send the wrong message to both Iran and the Gulf Cooperation Council (GCC) states that the U.S. is wary of a fight with a nuclear-armed Iran, encouraging Iranian aggression, and provoking the very fight we sought to deter.<sup>1</sup>

There are a number of other things that the U.S. could do to alleviate this set of problems, but they are likely to have only a marginal impact. Washington could refrain from pressuring Arab states to buy expensive American military equipment and instead invest those funds in job creation, education reform, and infrastructure repair. We could provide greater economic assistance to the poorer Arab states. With the wealthier states, we could push them to curb corruption and redirect revenue into more productive avenues. Across the region, we could press Arab governments to revamp their legal codes, privatize industry, and apply the rule of law to create a more hospitable climate for foreign investment.

Nevertheless, we should recognize that unless the Arab states are willing to embrace some very far-reaching economic and political reforms, these problems will persist and worsen over time. Here as well, this creates a dilemma for the United States; if Washington presses too hard for reform it could alienate Arab regimes (which will then shift blame on to us) or possibly provoke a too rapid opening of the system that might bring Islamic fundamentalists to power. On the other hand, if we hold back, many of the Arab governments appear determined to do nothing and we may find ourselves facing true revolutions at some point down the road.

## **THE IRANIAN NUCLEAR PROGRAM**

There is a growing consensus that Iran is making much greater progress toward the acquisition of nuclear weapons than previously recognized. Current estimates suggests that Iran could acquire one or more workable nuclear devices within about five years, possibly in as little as two to three years with considerable outside assistance. Because Iran has learned the lessons of Osiraq, its nuclear program is camouflaged and dispersed, and no foreign intelligence service is confident that it has a good read on the extent of the program, its progress, or the locations of all of its component facilities.

Iranian acquisition of nuclear weapons is worrisome for several reasons. First, it is likely to spur further proliferation to other states wary of Tehran—Saudi Arabia in particular may feel the need to match Iran. Second, it will antagonize traditional Iranian foes. Both Israel and Iraq will feel threatened by Iran's possession of nuclear weapons. This might prompt an aggressive Israeli response—with extremely unpredictable consequences even if it somehow succeeded—and could greatly complicate U.S. efforts to build a pacific, stable Iraqi democracy. Indeed, just as German anger over the terms of the Versailles treaty and fear of its own weakness in the face of assertive neighbors (such as Poland and France) helped create the context for the Nazis to overthrow the Weimar regime, so too might an Iranian nuclear threat prompt Iraqi nationalists to reject both international prohibitions on weapons of mass destruction and any new Iraqi government attempting to abide by those prohibitions.

The greatest threat from Iran's acquisition of nuclear weapons, however, is the potential for it to trigger a change in Iran's foreign policy. As long as the current regime is in power in Tehran, the United States must consider the prospect that Iran will adopt an aggressively anti-American foreign policy in the Middle East. Between 1979 and 1996, a principal goal of Iranian foreign policy was to drive the United States from the Persian Gulf, if not the Middle East as a whole. To this end, Iran attempted to destabilize governments friendly to the United States, supported terrorist groups against the United States and Israel, encouraged Hizballah attacks against U.S. and Israeli forces in Lebanon, and mounted constant rhetorical campaigns against the United States and its allies. This policy ended roughly in 1996 when the Iranian regime realized that 1) it was not having the desired outcome, 2) Iranian belligerence and aggressive support for terrorism was threatening its relations with Europe, and 3) Iran's backing of the Khobar Towers attack came close to provoking a major American military retaliation.

Today, although the hardliners in Tehran are firmly entrenched for the moment, they feel increasingly uncomfortable because the internal events of the last five years appear to have finally convinced them that they face a long term threat from Iran's disaffected youth. At present, this (and the residual fear that the United States will choose to mount a major military operation to topple their regime as we toppled Saddam's) has prompted the regime to extend numerous peace feelers to the United States offering a reconciliation.

Of course, this policy could change quickly once Tehran acquires nuclear weapons. The regime may then feel that its external security is largely assured—that the U.S. would not dare to employ even conventional forces against Iran for fear of escalation to a nuclear exchange amid the oilfields of the Persian Gulf region. This, in turn, could convince the hardliners that a policy of accommodation toward the United States was no longer necessary and that they could instead revert to their prior (and probably preferred) strategy of driving the U.S. from the Gulf through a combination of terrorism and subversion. South Asia experts believe that Pakistan's nuclear test in 1994 was critical in Islamabad's decision to ratchet up support for Kashmiri terrorists (leading ultimately to the 2000 Kargil crisis), because it believed that India would not be able to respond with conventional forces for fear of triggering nuclear escalation. It is entirely possible that the U.S. could face an Iran that had reached the same conclusion, especially if the regime feels threatened at home and feels that either stoking an external threat or securing foreign victories could help deflect domestic pressures.

Unfortunately, the United States does not have particularly good options for addressing this eventuality.

Pursuing regime change in Iran is likely to prove very difficult. Iran may be on the cusp of revolution, but there is no way of knowing; revolutions have historically proven extraordinarily difficult to

forecast by insiders or outsiders and many seemingly obvious revolutions fizzled, while those that succeed invariably catch even the participants by surprise. In the case of Iran, direct U.S. intervention in its internal affairs of any kind has frequently provoked a harsh backlash. Indeed, the U.S. record in influencing the course of Iranian domestic politics is appallingly bad: no matter what course we have chosen—carrot, stick, appeasement, confrontation, détente, sanctions, covert action—all have failed, and usually backfired against us and the very people we sought to assist.

A full-scale military assault on Iran to overthrow the government and so prevent its acquisition of nuclear weapons would be far more daunting than Operation Iraqi Freedom. Iran is four times larger than Iraq geographically; it has a population three times larger; its topography (vast mountain ranges and vaster deserts) is logistically daunting, and Iran's Revolutionary Guards and Basij demonstrated in the 1980s that they could wage a very effective low-intensity conflict against the invading Iraqi army. Regime change in Iran by invasion would probably require a much greater effort than the 100,000-strong force that toppled Saddam.

Nevertheless, there are a number of options available to the United States to cope with the problem of Iran. The first broad approach would be for the United States to work to prevent Iran from acquiring a nuclear device. This now appears far more difficult than was previously believed because Iran is now believed to be closer to becoming self-sufficient in the acquisition process. Still, there are steps Washington could usefully take:

- *Exert maximum pressure on Russia, China, North Korea (to the extent possible) and others to cease nuclear cooperation with Iran.* To the extent that Iran does still require outside assistance, it is crucial to cut it off from its suppliers. To this end, the United States could enact laws imposing severe secondary sanctions on any country that the Director of Central Intelligence could not certify had ceased all nuclear-related cooperation with Iran.
- *Seek European and Japanese support for a tougher line on Iranian nukes.* Our allies have typically played a cynical game with Iran, excusing their behavior in the name of a farcical “critical dialogue” that was mostly a façade to allow them to maintain trade relations. However, there is growing evidence that they are all now quite concerned by the Iranian nuclear program. This creates the opportunity for considerably greater cooperation with them than in the past. The United States could work with them to establish concrete benchmarks on Iran—perhaps the creation of an international inspection regime which might not eradicate the program but almost certainly could slow it down—which if Tehran did not accept would trigger multilateral sanctions. Because Iran's economy is fragile, the choice between nuclear weapons and economic collapse might force Tehran's hand.
- In addition, Washington might even be able to *persuade the Europeans and Japanese to join us in sanctioning the supplier states* if they refused to end their cooperation with Iran.
- *Engage in a covert action campaign to sabotage the Iranian nuclear program* by disrupting Tehran's covert procurement network and its in-country production program. Unfortunately, operations inside Iran have a low probability of success and a high risk of backfiring, but they might serve to slow the program if Washington were desperate.

Overall, it is important to keep in mind that merely delaying Iran's acquisition of a nuclear weapon could be supremely important. An Iranian nuclear weapon in the hands of the current regime in its current political and diplomatic predicaments would be of much greater concern than one in the hands of the inevitable successor regime which is widely expected to want improved relations with the United States.

In addition, the United States should plan for the likelihood that Iran will acquire nuclear weapons in the near future, and that it could well happen with the current regime still in place. Under those circumstances, the U.S. has several options, which are not mutually exclusive:

- *Maintain a large force presence in the Gulf region.* This should look somewhat different from the posture we maintained in the 1990s, which was structured and deployed primarily to counter an overland thrust from Iraq into the Arabian peninsula. Against Iran, the U.S. probably would not require as large a ground presence (in the form of a division-plus of pre-positioned Army and Marine equipment coupled with constant ground force exercises). Instead, we could maintain the same level of naval surface forces (roughly 20 ships including one carrier battlegroup on station at all time in the Gulf region) and air forces (roughly 200 aircraft) that we maintained to enforce the no-fly zones over Iraq. This force could be redeployed to more politically hospitable bases in Qatar, Kuwait and Bahrain, and employed in more aggressive surveillance and patrolling over the Gulf as an explicit warning to Tehran that the United States will not tolerate Iranian aggression in any form. Of course, while this would be the best answer to the Iranian nuclear problem, it could greatly exacerbate the domestic problems of the Gulf states, raising the risk of internal instability there.
- *Extend explicit security guarantees to the GCC states and Iraq.* One element of the problem created by Iranian nuclear weapons is that if the GCC states believe the United States will not defend them from Iranian aggression, they may decide to accede to Iranian demands—a practice they have evinced in the past. Likewise, we must be concerned that the Iranians may calculate that we would not be willing to risk the loss of the Saudi oilfields to prevent the fall of Kuwait or Bahrain. The fact that the Soviets did not make such a calculation during the cold war should not necessarily reassure us in the Gulf, where decision-makers have often defied Western logic. Explicit guarantees from Washington that any attack on the GCC states would be met by the full arsenal of the United States might reassure their governments and dispel any Iranian uncertainty.
- Washington could take this same approach one step further by trying to *create a NATO-like security pact with the GCC states*, and possibly a friendly Iraq. Just as Lord Ismay famously observed that NATO's purpose was to keep the Americans in, the Russians out, and the Germans down, so too could a Persian Gulf security pact keep the Americans in, the Iranians out, and the Iraqis down. What's more, nothing could make clearer to Tehran our willingness to defend the GCC states and Iraq. On the other hand, unlike in Europe, a formal alliance might be politically destabilizing in the Gulf, where the populations of the region might see such an alliance as a façade intended simply to cover American imperialism and interference in Arab affairs.
- Another alternative might be to *build up a strong Iraqi military to serve as a counterweight to Iran*—effectively threatening to impose upon Tehran another long, bloody struggle with Iraq if they were to again threaten to destabilize the region. However, this too would carry significant risks. First, as we learned in the 1980s, an Iraq that is strong enough to independently balance Iran is also more than strong enough to overrun Kuwait and Saudi Arabia. Second, leaving the Gulf states to balance themselves was what got us into the problems of the 1970s and 80s, and what prompted us to solve the Gulf's security problem by deploying large forces there during the 1990s.

## SUPPORTING THE MIDDLE EAST PEACE PROCESS

Finally, the on-again, off-again Middle East peace process also entails important security considerations for the United States. In the past, the Arab–Israeli dispute raised the possibility that the U.S. might get sucked into a conflict on the side of Israel. While not impossible, today the likelihood of such an eventuality seems remote. Instead, the principal threat for the United States is that conflict between Israel and the Palestinians (and potentially Syria and Lebanon) will feed anti-Americanism and terrorism.

What’s more, potential “solutions” to these problems are easier said than done. The United States can get more involved in the peace process and even place greater pressure on the parties to try to achieve a deal that would, hopefully, eliminate the heart of the dispute. Alternatively, the United States could take a more “even-handed” approach to convince the Arabs that Washington was not tilting toward Jerusalem. In theory, this might eliminate an important source of grievance. However, in practice, the perspective of most Arabs is so skewed on this matter that to convince them that the United States was being even-handed enough to dampen the popular anger that feeds terrorism would probably require tilting heavily in favor of the Arab side. The United States could also pump up its financial assistance for the Palestinians as a way of demonstrating that Washington is supportive of their aspirations and wants to see them enjoying the fruits of prosperity. Setting aside the difficulty of securing additional billions in foreign aid from the Congress in a time of spiraling deficits, the massive corruption of the Palestinian Authority makes this highly problematic as well.

A potential new security dimension of the Arab–Israeli dispute is the possibility that American combat forces will be deployed as part of the establishment of a Palestinian state. A number of well-regarded U.S. lawmakers, former policymakers, and Middle East experts have suggested various schemes by which American forces—potentially as part of a larger multinational operation—would be deployed in the West Bank and Gaza as part of a two-state solution. Without becoming embroiled in the various rationales, let alone the pros and cons, such action would have important ramifications for the U.S. security posture in the region:

- *It would further strain overstretched U.S. forces*, particularly high-demand assets like special forces, surveillance, intelligence, civil affairs, and medical personnel and equipment.
- *It could create severe force-protection issues*. U.S. forces would be deployed among a Palestinian population traditionally hostile to the United States and without having been subdued or disarmed in any way. Since the purpose of the deployment would be to assist Palestinian security forces in dismantling the terrorist apparatus in the occupied territories, they would undoubtedly be targeted by those groups.
- Just as the CIA’s involvement as an arbiter between the two sides created problems during the 1990s, *the interposition of an American military force between Palestinians and Israelis could drag the U.S. military into conflict with either group*. Palestinian terrorist groups will attempt to bring U.S. and Israeli forces into conflict. Similarly, at least some Israelis will constantly press the United States to do more, opening up the possibility for conflict with the Palestinians.
- We might find once we were there that *the Palestinians simply had no interest in fighting the terrorists and expected us to do so*. This would be the worst of all worlds; American soldiers forced to conduct a counterinsurgency campaign with little or no support from the PA in the midst of the crowded towns and refugee camps of the West Bank and Gaza.

## A TANGLE OF TRADE-OFFS

Gone are the days when U.S. security interests in the Persian Gulf consisted of keeping the Soviets out or the Iranians and Iraqis contained. Today, the security problems of the Middle East are less threatening—at least for the moment—but more intractable. They are riddled with dilemmas: should the United States reduce its force posture to give the Arab states the political space they need to conduct reforms, or maintain a large presence to deter Iran? They also do not lend themselves easily to solution by the United States: does pressing the Arab states to reform dampen anti-Americanism and terrorism or increase it? What's more, they require difficult choices between clear short-term problems and potentially much more devastating (but less certain) longer-term problems. As daunting as the trade-offs are, we must keep in mind that the worst choice of all would be not to choose anything.

## ENDNOTES

<sup>1</sup>In addition, if the U.S. is concerned about the potential for a revolution in a major Middle Eastern state, and Washington wants to be able to intervene, reducing our force presence will greatly hamper our ability to do so. This is especially true for the nightmare scenario of an Islamist revolution or civil war in Saudi Arabia that threatened irreplaceable Saudi oil exports. In these circumstances, U.S. military planners prefer to have forces in Saudi Arabia to be able to respond quickly to seize the oilfields if ordered to do so by the National Command Authority. Because of the vulnerability of the Saudi oil network, lifting forces in from outside the region might not be an adequate solution.



## COUNTERING WMD PROLIFERATION AFTER IRAQ

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America's first preventive war ostensibly to protect the country from the threat of weapons of mass destruction ended with a resounding military victory over Saddam Hussein's regime and a bitter partisan debate over whether the war was wise or necessary.

The debate would probably not have occurred had weapons of mass destruction that were the stated cause of the second Gulf war been found. But a constant refrain of the soldiers, weapons experts, and intelligence analysts who scoured most of the country between March and mid-June as part of the 75th Exploitation Task Force (XTF), the Pentagon group charged with hunting for WMD, was “where's Waldo?” Why were they not finding the chemical and biological weapons and stockpiles of agents, or the components of Saddam's nuclear program that President Bush and other senior officials said before the war posed a clear, imminent threat to the United States and American military forces abroad?

Even the absence of WMD might not have become so politically divisive, polls show, had the post-war reconstruction of Iraq been better planned and implemented, or had the security situation inside Iraq stabilized. The fact that more American soldiers have died in peacekeeping missions after the war than during the three-week conflict—133 vs. 103, as of July 26th—has reinforced public discord.

In June, the 1,000-person XTF was subsumed into an even larger, and supposedly more agile group of weapons hunters known as the Iraq Survey Group (ISG). But only after the Bush Administration came under political criticism for failing to find unconventional weapons and for allegedly distorting intelligence to build a case for the war did the White House put David Kay, a former weapons inspector and envoy for the Central Intelligence Agency, in charge of invigorating the task force that had already been restructured once before. The White House decision to shift responsibility for the search for unconventional weapons to the CIA was a blunt reproach to the Pentagon, an acknowledgment that the president felt that the Department of Defense had failed to give the weapons hunt, or the reconstruction effort for that matter, sufficient priority.

Whether the ISG will find the WMD that eluded the XTF, with which this reporter was embedded for more than three months, is uncertain. Not knowing whether Iraq had weapons of mass destruction at the time of the war obviously complicates early “after action reports” and efforts to derive “lessons learned” from the Iraqi experience.

But military and political analysts have already begun wrestling with the implications of Iraq for American counter-proliferation efforts elsewhere in the Middle East and beyond. And some initial conclusions about how this hunt, and future searches for, and efforts to deter the spread of unconventional weapons already seem evident:



1. *A majority of Americans appear to support President Bush's controversial strategic doctrine of preventive war, and in particular, the notion that preventive, or preemptive war to protect the country against terrorist threats potentially involving unconventional weapons is justified.* Though slipping in June, in July support for the war in Iraq remains fairly high, polls show, despite the failure thus far to discover unconventional weapons or stockpiles of lethal agents in Iraq.

Patriotic but often ill-informed, Americans, the ultimate pragmatists, have accepted the notion that the September 11th attacks changed the ground rules of what constitutes an appropriate response to potential WMD terrorism. While the Al Qaeda terrorist strike was a conventional attack that used a conventional vehicle in an unconventional way, Americans quickly understood—and apparently accepted the idea—that America can go to war unilaterally in its own interests. They also appear to endorse the notion that subsequent attacks might be equally creative and far deadlier if they involve chemical, biological, radiological, nuclear and other unconventional weapons, and hence, are likely to require American action in advance of such strikes.

Support for unilateral defensive actions by the U.S. could erode substantially if Americans are eventually persuaded that the war in Iraq, was, as Senator Edward Kennedy has charged, a fraud, an invasion sold to the public by false or cherry-picked intelligence. But for the moment, a majority of Americans seem willing to give the President considerable leeway in using military force to protect them against terrorist attacks involving weapons of mass destruction.

2. *At the same time, however, the war in Iraq makes such preventive wars against state proliferators less likely, at least in the short run.* The war in Iraq has used up military and political capital. During fiscal 2003, some 24 of the Army's 33 active-duty combat brigades were deployed in Iraq or on other overseas missions. As of August 2003, 368,900 soldiers were on duty in some 120 countries.

The nation's volunteer military and most of the nation's limited intelligence resources on WMD are now focused on Iraq, and barring a large increase in the current number of foreign troops assisting the U.S., are likely to remain so for some time. Similarly, it is unlikely, given the continued American deaths in Iraq, the international outcry over whether the war itself was justified, the pace of the Iraqi reconstruction and perhaps unrealistic domestic expectations about how quickly law, order, and normal government services in that country could be restored, that the Administration would launch another counter-proliferation war against, say, Iran or North Korea.

3. *The war in Iraq, the earlier strikes against Al Qaeda and its Afghan hosts, and the Administration's current overt and covert actions in some 60 countries suggest that preemptive action against terrorists and other non-state actors will increase.* With respect to terrorists, Americans will act and apologize if need be, or ask questions later. The theme was most recently and forcefully articulated by Vice President Cheney in his July 24th speech in Washington, in which he declared that terrorists could not be “deterred, contained, appeased, or negotiated with.” They could only be destroyed, he said, using the word three times. This policy, too, appears to have broad support from Americans.
4. *“It's the intelligence, stupid.”* A key lesson, the implications of which have not begun to be fully absorbed, is that the United States needs much better intelligence about what rogue states and

other would-be proliferators are doing. American intelligence about WMD in Iraq was, at best, inadequate. Whether or not it was distorted is a separate issue. But what the intelligence agencies thought they knew about what Iraq had actually produced, where WMD precursors and dual-use equipment and the people who made them could be found, was often flat wrong.

Before the war, Deputy Defense Secretary Paul Wolfowitz argued that Saddam's possession of WMD and other "weapons of mass terror" directly threatened America. After the war and his own trip to Baghdad, he argued that both intelligence and WMD information were "notoriously murky," and that September 11th showed that a terrible price had been paid for failing to connect those murky dots. But with respect to WMD intelligence, the failings are far more serious: More often than not, there were too few dots of any kind to connect.

For instance, the list of roughly 575 sites of WMD interest—about 150 of which were considered prime targets—turned out to be "toilet paper," in the words of a weapons hunter from "Mobile Exploitation Team Bravo," one of only two teams of some 25 soldiers, weapons experts, and intelligence analysts which surveyed these sites between March and June.

A CIA internal inquiry has concluded—unhappily for those who denigrated efforts of United Nations inspection agencies before the war—that the quantity and quality of information about Iraqi WMD worsened markedly after inspectors were forced to leave the country in 1998. Inspections forced Iraqis seeking to conceal programs to engage in deception techniques that could be monitored and analyzed. The inspector corps itself, though the United Nations denied that the inspection agencies were engaging in espionage, provided direct opportunities to collect "humint"—information about Iraq's procurement efforts and capabilities from WMD scientists, as well as security and intelligence officials. Inspectors helped piece together crucial components of Iraq's WMD programs. For instance, it is often said that the 1995 defection to Jordan of Hussein Kamel, Saddam's son-in-law who had supervised Iraq's unconventional weapons effort, resulted in Iraq's acknowledgment that it had not only studied germ warfare, but produced thousands of gallons of anthrax and botulinum. But prominent Iraqis say that Kamel defected because of Unscm's detective work. Kamel fled for Jordan four days after information uncovered by Unscm inspectors forced the regime to admit that it had produced enough germs and toxins by 1991 to kill every person on the planet.

There was considerable respect in Washington for the first inspection agency, the United Nations Special Commission, or UNSCOM, under its initial chief, Rolf Ekeus, the Swedish diplomat, and his successor, Richard Butler, of Australia. Washington viewed both as more skeptical of Iraqi claims than the post-1998 inspection monitors, the United Nations Monitoring and Verification Commission, UNMOVIC, which was headed by Hans Blix, another Swedish diplomat, whose early pronouncement that he could "do business" with key Iraqi officials responsible for covering up Iraq's weapons activities undermined American confidence in his judgment and determination to press Iraq to disclose what it was hiding.

5. *Absent reliable humint, cheaters have the advantage.* The initial failure to find WMD in Iraq could also provide political comfort to other states hostile to the U.S. which seek to obtain WMD and which intelligence agencies suspect of cheating on weapons treaties—Iran, Syria, Libya and others within the Middle East, according to intelligence analysts, and beyond the region, states that have refused to sign such treaties like North Korea, Pakistan and India.

Of all the intelligence failures with respect to WMD, the most ominously glaring was the lack of reliable human intelligence. To this day, for instance, the U.S. does not know who led Iraq's biological warfare program. While Dr. Rihab Taha, whom the press irresistibly coined “Dr. Germ,” was often called the head of the program, few germ warfare experts believe that she was really in charge of such a high priority effort.

Answers to such questions might have been found had the Pentagon recruited some of the more than 30 former UNSCOM inspectors who were ready, and indeed, eager to return to Baghdad—including the late Dr. David Kelly, of Britain—to interview the scientists and security officials whom they had met and cultivated a decade earlier. But for months the Pentagon refused to permit American and foreign inspectors, even those from “coalition” nations, to interview scientists who had been captured or turned themselves in. Not until Mr. Kay took over the mission was there an effort to recruit former inspectors with intimate knowledge of Iraqi scientists and other technical and security experts to assist with debriefings.

Intelligence analysts said the lack of current information about Iraq's weapons programs led to an overly heavy reliance on defectors, sometimes of enormous value, but who often come with political and financial agendas and, hence, can spread self-serving or fabricated information.

The lack of current information also produced linear projections of Iraq's capabilities that might well have overestimated Iraq's WMD prowess. Traditionally, American intelligence analysts had underestimated the regime's unconventional weapons programs, as it did in Gulf War I. Particularly after 9/11, fear of underestimating a foe's capabilities has led American analysts to promote “worst case” assessments to avoid responsibility for a terrorist strike of catastrophic consequences.

6. *“It's the people stupid,” but in other Middle Eastern countries, it's also the sites, or physical evidence of programs, and documents.* One can learn the wrong lessons from Iraq. For instance, the lack of huge stockpiles of weapons and agent in Iraq does not mean that site visits should not be emphasized in other countries. Iraq was a very specific case; deception and concealment were hallmarks of the regime. So visits to sites well known to international inspectors for over a decade proved fruitless. But the dogged MET units turned even these worthless site visits into “humint” exploitation opportunities, interviewing people about key scientists and officials who worked facilities. Some of this information has proven tantalizing, though much of it is yet to be independently confirmed.
7. *With advanced 21st century technologies, the advantage lies with cheaters.* Despite advances in detection, monitoring, and other verification technology, catching state and non-state proliferators is likely to grow more challenging over time since giant stockpiles of chemical and biological agents are no longer needed for deadly programs.

Iraq shows that sophisticated proliferators are moving away from the “Soviet” production and storage model towards the ability to produce “virtual” arsenals and “just in time” weapons that lack the large facilities and other tell-tale evidence traditionally associated with unconventional weapons work. This, of course, was not explained to Americans before the war, perhaps because it wasn't known, but also, it seems, because the Administration decided that the image of stockpiles of deadly weapons and agent would more effectively build public support for the war.

But because such stockpiles are no longer needed, the intelligence task is likely to become harder, not easier over time. Absent profound reform, the nation's six intelligence agencies, as currently structured and staffed, are unlikely to be able to detect such sophisticated, deeply hidden WMD programs. Given its record on the former Soviet Union, India, Pakistan, and Iraq, relying mainly on the CIA for good WMD intelligence seems ill-advised.

How do these initial lessons of Iraq apply to the two most urgent WMD challenges—Iran in the Middle East, and North Korea in Asia? The invasion of Iraq both strengthens and weakens America's diplomatic hand. America's war against Iraq, coupled with its earlier, ill-advised decision to brand Iran and North Korea part of an "axis of evil," may have led both countries to accelerate their efforts to acquire nuclear weapons as a deterrent against an American invasion of their countries. As John Mearsheimer has argued, given America's overwhelming conventional military capability, only nuclear weapons and terrorism can even the score and protect a state that views itself as vulnerable. Mearsheimer argues that both North Korea and Iran are now probably determined to redouble their efforts to acquire nuclear weapons as a deterrent, particularly Iran, since the United States is now surrounding it on all sides. Now that force against Iraq has been used, he maintains, the U.S. should be particularly sensitive about curbing hostile rhetoric, which may undermine its efforts to slow Iran's WMD programs.

Overall, the prospects for containing either country before regime change can occur are not good. Because this paper is focused on the Middle East, it is worth examining the Iranian case in slightly more detail. Everything the Bush Administration said about Iraq is true, if not more so, of Iran, according to American intelligence sources as well as the International Atomic Energy Agency (IAEA), at the moment a more internationally credible source. American intelligence agencies say also that Iran also has ambitious biological and chemical weapons programs, as well as stocks of chemical weapons and weaponized anthrax and other perhaps other germs.

Iran, like Iraq, is an oil state that has poured money into its unconventional weapons programs and bought some former Soviet scientific and other foreign technical assistance—how much and of what kind intelligence analysts cannot say with any confidence. While the mullahs must know that Washington is not inclined and is in no immediate position to take military action against Iran absent a clear, deliberate provocation, they must also be concerned about how well their own army would fare if Americans chose to use military force.

But as Geoffrey Kemp has argued recently in *Foreign Affairs*, the use of force would be unwise for several reasons. For one thing, it could be politically counter-productive in Iran, because those most supportive of regime change could be undermined by a surge of what Kemp calls "nationalist fury" over American military action. Moreover, Iran has not yet been found in violation of any of its treaty commitments and has no record of invading its neighbors. Finally, he argues, diplomacy, which the Bush Administration has not really tried, could conceivably slow, if not stop, the Iranian program.

Iran's government, unlike Iraq's, is divided, which offers those who wish to play internal factions against one another potential for change, but as IranGate showed, with tremendous peril. But Iran's ties to terrorist groups that directly and indirectly threaten American interests and those of its allies are even clearer than was the case in Iraq. Tehran is a proud sponsor of Hezbollah, the terrorist group that has killed more Americans than any other group except Al Qaeda. It also supports Hamas, Islamic Jihad, and other terrorists who threaten America's closest Middle Eastern ally, Israel.

The war in Iraq has apparently had some sobering effects. After almost a decade of harboring and aiding individual members of Al Qaeda and affiliated groups, some, but not all of which are fellow Shiites, Iran suddenly announced that it had several high-ranking Al Qaeda members it had previously denied harboring, in custody. After Iraq, Iran permitted the IAEA to inspect facilities to which it had previously barred entry. The war in Iraq has also made the IAEA bolder in demanding that Tehran sign a more intrusive protocol promulgated in 1993 that would make inspections tougher. It has prompted Russia and other traditional suppliers to be more wary of supplying technology and assistance that could speed Iranian efforts to build nuclear and other unconventional weapons. Russia, for instance, has now told the U.S. it would link continued nuclear power cooperation with Iran to enhanced Iranian cooperation with the IAEA.

At such a moment, diplomacy, though anathema to many in the Bush Administration, could be effective. In addition to pressing traditional suppliers to limit the transfer of sensitive technologies, the United States could try to persuade Iran to slow its nuclear program, agree to tougher inspection mechanisms, and abandon terrorism. The alternative approaches to what Kemp calls “cooperative containment” of Tehran—the use of military force, or hoping that the regime will collapse before Tehran secures nuclear weapons—are far riskier.

A nuclear Iran would place almost unbearable pressure on other Middle Eastern states to follow suit, which could trigger a total breakout of the Non-Proliferation Treaty (NPT) in one of the world’s most volatile and strategic areas.

For North Korea, the prognosis is even bleaker. Many analysts do not think that the regime can be stopped from testing a weapon. Talks, long resisted by the Administration, are being held. But while there is still time, Washington should strive to establish a “red line” if it cannot stop North Korea’s nuclear program: if the regime proceeds to test a weapon and produces more of them, the United States will not tolerate the sale of a nuclear bomb to any third party, assuming Washington could detect such transfers at all.

## **BROADER POLICY RECOMMENDATIONS**

I. A full-scale breakout from NPT that might be imminent, with a de facto breakout of the treaties banning biological and chemical weapons possible as well, would damage American national security interests. Rather than treating these accords with disdain and malign neglect, as the Bush Administration has done through its deeds, if not rhetoric, Washington, having proven its determination to act unilaterally, should try to strengthen anti-proliferation treaties as well as other multilateral enforcement and verification mechanisms. The Administration’s recent multilateral effort to interdict the transfer of sensitive technologies is a positive step, particularly now when so many states seem to believe the U.S. has abandoned international cooperation.

After Iraq, the creation of a permanent United Nations inspection agency, along the UNSCOM model, for WMD inspection, monitoring, and verification to operate in Iraq (and perhaps in other countries deemed to have violated WMD treaty commitments) could also serve American interests. A strengthened UNSCOM could coordinate the monitoring efforts of the IAEA, the CWC, and other weapons treaties. Such an inspection agency should set tough standards and have an intrusive inspection mandate.

II. At the same time, the United States should try to ensure that the ongoing domestic debate about the wisdom and justification of the Iraq war is not misinterpreted abroad, and in particular, by would-be proliferators. The war has already had some sobering effects on Iraq’s proliferating

neighbors, as in the case of Iran. Syria, too, was persuaded to shut down some terrorist offices in its capital, if only temporarily, and to send some Iraqi “diplomats” in Syria packing after Secretary Colin Powell visited Damascus.

To dissuade states from concluding that Washington is mired in Iraq and has lost focus on broader proliferation goals, the U.S. should continue supporting efforts by international verification organizations to secure tougher enforcement provisions, such as challenge inspections, more restrictions on member state activities, and tighter monitoring and enforcement mechanisms of treaties. In the late 1970s, for instance, the IAEA, under its then chairman, Hans Blix, denied that Iraq had a covert nuclear weapons program after Israel bombed a French-supplied reactor that was, in fact, a cover for Iraq’s secret nuclear program. Now it is pressing Iran and other suspected cheaters for inspections and a ban on reprocessing of plutonium and the construction of uranium enrichment facilities.

The war also appears to have prompted Europeans, even the Russians, who once ignored American pleas for an end to nuclear, chemical, biological, and missile-related commerce with rogue or suspect states, to rethink such trade, and not just in the case of Iran. While attitudes among Europeans towards the United States are more negative since the war in Iraq, European leaders may be more inclined to respond to such American protests, fearing that the U.S. will once again act unilaterally to protect what it perceives as vital American interests.

**III.** Domestically, no program has been more valuable in containing WMD technology, materials, and expertise than “Cooperative Threat Reduction”—known more commonly as the Nunn-Lugar program. Yet the Pentagon-led program, created in 1991, has in recent years been underfunded, inadequately staffed, and given insufficient policy priority. No other single program has been as useful for overt intelligence gathering—what journalists call “ask-int”—fostering international cooperation and coalition building, self-policing, denying dangerous materials and expertise to would-be proliferators, and fostering scientific cooperation that has led to improvements in WMD defenses and counter-measures. Yet the House of Representatives has long resisted the Administration’s request to expand the program geographically beyond Eurasia. And the Administration has not yet initiated a program to encourage cooperation between Western scientists and their Iraqi counterparts.

**IV.** The war in Iraq has shown that the U.S. needs a permanent weapons hunting capability—quite apart from international monitoring agencies and enforcement mechanisms. The next Defense Policy Guidance should endorse the creation of permanent weapons-hunting units within the military. The army’s chem/bio officers and units, should, in fact, be embedded with maneuvering forces in the event of war. But they should be far better trained and equipped and have greater status within the military.

There should be a permanent XTF, or ISG for weapons hunting—a standing task force composed of soldiers and intelligence and weapons experts—whose mission would have important priority. Given the army’s apparent reluctance to give weapons hunters priority, the “MET” units should probably be embedded with special forces units, which have their own transport, communication, and weapons resources.

In the field, better coordination among weapons hunters is essential. The absence of effective field coordination led to confusion, duplicative efforts, and counter-productive raids. Members of “mobile exploitation teams” would show up at sites already being surveyed by the secretive Task Force 20 special operations units. TF 20’s midnight raids at the homes of scientists whose cooperation was being sought by other military or intelligence units—with bags over the scientists heads and the flexcuffing of their wives and children—alienated potential cooperating sources.

Though this recommendation is beyond the scope of this paper, the Bush Administration needs to become serious about homeland defense. Officials with authority need to be placed in charge of chemical, biological, and nuclear domestic defense. In consequence management, a single plan that supposedly responds to chemical, biological, and nuclear terrorism is no plan at all.

The military should also continue the policy of embedding journalists with weapons hunting units and urge international organizations to do the same. For the U.S., the presence of journalists would help avoid charges of having planted incriminating evidence against a proliferator. It would also help keep such units and international agencies honest. Yes, the embedding experiment was problematic in many ways, but it was important in building Administration credibility and public support for such capabilities.

V. While advantageous in other respects, the promotion of democracy will not in and of itself contain proliferators. India and Israel are vibrant democratic states. They are also nuclear weapons states that have not signed the NPT.

VI. While a strong and flexible military is critical in an era of WMD proliferation, the case of Iraq shows that ultimately, the United States should not “go it alone” whenever possible. Unconventional weapons cannot be contained or rogue states and terrorists disarmed of WMD in the absence of strong-willed international coalitions of the willing. As Joseph Nye has argued persuasively, military power is not enough to protect American national security. WMD containment and disarmament will require improved intelligence sharing, better cooperation on interdiction efforts and trade bans, tracking of financial flows, and border controls.

In Iraq, America needs help with reconstruction and peace-keeping in a mission that is already costing just the U.S. military almost \$4 billion a month. As Nye argues, the Bush Administration’s unilateralist policies have squandered American soft power needlessly. With more patient international outreach, softer rhetoric, and greater sensitivity to the way in which its enormous military power is perceived by others, the U.S. can better maximize its influence and strength, particularly after having demonstrated its military resolve in Iraq.

# **POST-CONFLICT RECONSTRUCTION**







## LESSONS FOR THE UNITED STATES FROM AFGHANISTAN AND IRAQ<sup>1</sup>

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### INTRODUCTION

The United States' recent experiences in Afghanistan and Iraq underscore an obvious but too often ignored reality: winning a war is not the same as winning the peace. Military victory, no matter how brilliant, is rarely sufficient to achieve and sustain our broader political objectives, such as ensuring Afghanistan is no longer a safe haven for international terrorists or creating a free and democratic Iraq that no longer poses a threat international security. Indeed, winning the peace requires more: a well-planned, well-resourced, and well-executed strategy for post-conflict reconstruction.

Unfortunately, such a strategy has been absent in both Afghanistan and Iraq. The Bush Administration's early rejection of "nation building" as a legitimate mission for the U.S. military<sup>2</sup> caused it to ignore many of the relevant—and painful—lessons learned by the Clinton Administration in places like Bosnia, Kosovo, Haiti, and Somalia. Many of the tenets that had become widely shared among veterans of post-conflict reconstruction and enshrined in past Presidential Decision Directives were simply not reflected in the Bush Administration's planning for the post-conflict phases of Afghanistan and Iraq.<sup>3</sup> In addition, an *ad hoc* interagency planning process failed to produce a strategy that integrated all of the relevant instruments of U.S. national power. Finally, the lack of capacity within civilian agencies of the U.S. government to rapidly deploy experts and resources—in areas ranging from police and the rule of law to economic and social well-being—hampered both the planning and the execution of post-conflict operations in both theaters. Despite more than a decade of conducting multiple post-conflict operations around the world, the U.S. government is simply not organized or resourced to do the job right.

As a result, the United States now risks snatching defeat from the jaws of victory in both Afghanistan and Iraq. In Afghanistan, the deterioration of security conditions and the failure to marginalize potential spoilers and jump-start economic reconstruction, if not reversed, could cause the country to slide back into chaos and anarchy, recreating a potential safe haven for international terrorist organizations like Al Qaeda. In Iraq, ongoing attacks on coalition forces and sympathetic Iraqis, failure to restore basic services and get the population back to work, and an ill-defined process for transferring governing authority from the Coalition Provisional Authority (CPA) to a legitimate Iraqi government have created an explosive situation that could deteriorate rapidly. In both cases, it is difficult to overstate the costs that would attend failure in terms of American lives lost, U.S. credibility damaged, and U.S. national interests endangered.

This paper examines recent post-conflict reconstruction efforts in both Afghanistan and Iraq in an effort to understand why U.S. performance in has been less than stellar in these two cases, identify lessons to be learned, and recommend specific changes the U.S. government should make to enhance its capacity for—and chances of success in—future post-conflict reconstruction missions.<sup>4</sup>

## POST-CONFLICT RECONSTRUCTION IN AFGHANISTAN

More than a year and a half after the fall of the Taliban and the expulsion of Al Qaeda, the reconstruction of Afghanistan is still plagued by fundamental challenges that threaten to undermine the progress that has been made to date. Despite the laudable plans laid out in the December 2001 Bonn agreement and the installation of the interim administration of President Karzai in Kabul, post-conflict reconstruction in Afghanistan faces three major challenges, any one of which could undermine its long-term success: the absence of a secure and stable environment outside of Kabul; a weak central government whose authority continues to be challenged by powerful regional factions; and slow and inadequate international funding for the reconstruction effort.<sup>5</sup>

Security is the *sine qua non* of reconstruction: with it, almost anything is possible; without it, next to nothing is possible. Today, Afghanistan outside of Kabul still resembles something akin to the Wild West, with power residing in the hands of a host of semiautonomous and often feuding regional warlords and leaders. Rival factions continue to skirmish, Karzai supporters and foreign aid workers come under frequent attacks, banditry and lawlessness prevail, and illicit opium production and trade are once again on the rise. The UN has designated one third of the country off-limits to its workers without security escorts. In the absence of a safe and secure environment, the initiation of planned development projects has been postponed in many localities, slowing the pace of economic reconstruction. Poor security has also hampered the rebuilding of the Kabul-Kandahar-Herat highway, as well as other major road links, which are critical to opening up commerce throughout the country and the region.

The absence of a stable and secure environment outside the capital is a direct result of two fundamental flaws in U.S. post-conflict strategy. The first mistake was to confine the 4,800-person International Security Assistance Force (ISAF) to Kabul<sup>6</sup> and to restrict the mission of some 9,000 U.S. troops still in Afghanistan to hunting down remnants of Al Qaeda and the Taliban rather than also helping the new central government to establish security throughout the country and begin to disarm, demobilize and reintegrate local militias. Although the United States subsequently deployed a number of Provincial Reconstruction Teams—small, military-civilian teams whose aim is to “win hearts and minds” through local reconstruction projects—these fall far short of what is needed to provide security in the provinces. Until international efforts to train a new Afghan National Army and Afghan police forces yield sizeable indigenous units capable of taking on these security missions, U.S. and international forces are the only ones capable of doing so.<sup>7</sup>

The second strategic mistake was failing to develop an effective post-conflict strategy for dealing with the regional warlords, including some who gave the United States military support during Operation Enduring Freedom. To date, the U.S. approach has been to rely primarily on small teams of Special Forces to work with regional warlords in an effort to persuade them to support the reconstruction process. But this approach has thus far failed to achieve the twin objectives of integrating powerful regional leaders into the new national system, where possible, and marginalizing those intent on being “spoilers.” This has made it difficult, if not impossible, for the Karzai admin-

istration to assert its authority in the countryside and has complicated political processes aimed at developing a new Afghan constitution and preparing the way for national elections.

Given the critical importance of security to the overall reconstruction effort, the United States should urgently take the following steps to improve the security situation in Afghanistan.<sup>8</sup> First, the United States should contribute a sizeable contingent of military forces to the NATO-led ISAF to enable its expansion to other major population centers. The United States should then use this contribution to encourage other countries to increase their troop contributions to an expanded ISAF. Second, the United States should actively promote the expansion of programs to demobilize and reintegrate local militias into the civilian economy and should assign a sizeable number of U.S. troops to assist in this effort. Third, U.S. training of the Afghan National Army should be accelerated by expanding the number of trainers and trainees, with the aim of tripling the size of the force to be trained in the first year and of integrating vetted members of demobilized militias. Washington should also encourage Bonn to similarly accelerate its program to train an Afghan national police force (which will eventually take on border control and customs collection duties as well as law enforcement).

The second critical challenge is bolstering the authority and effectiveness of the central government throughout Afghanistan. Although Afghanistan has little experience of a strong central authority, helping to unify and rebuild the country requires giving the Kabul-based government real power in key areas such as national defense, customs and taxation, and banking and financial infrastructure. Perhaps the best way to do this is to address the security shortfalls described above, particularly integrating or, if necessary, marginalizing local actors who continue to undermine Kabul's authority. The Karzai government must also gain control of the revenues generated by customs at its borders. Since the fall of the Taliban, regional warlords and authorities have siphoned off the bulk of these customs revenues, depriving the central government of one of its most important sources of income.<sup>9</sup> The international community, for its part, could help strengthen the central government by channeling the bulk of reconstruction assistance through rather than around it. This would empower President Karzai to direct foreign assistance to different parts of the country in accordance with the economic development priorities outlined in his national budget, thereby enhancing the stature and influence of the central government outside Kabul.

Finally, reconstruction in Afghanistan has been hampered by inadequate and slow-to-arrive funding. The \$5.2 billion pledged by the international community at the January 2002 donors' conference in Tokyo is only a fraction of the \$15 billion the World Bank estimates that Afghanistan needs in development assistance, above and beyond humanitarian relief, over the next five years. Furthermore, only \$2.1 billion of the \$5.2 billion pledged had actually been dispersed as of May 2003 and much of this went to humanitarian relief, vice reconstruction, programs. In addition, the vast majority of this money (84 percent) has been funneled through foreign donor agencies rather than the Afghan government (due to a combination of donor flag-waving and concerns about the ability of the new government to absorb and manage large sums of assistance), reinforcing perceptions that it is weak and illegitimate and denying it an important means of enhancing its effectiveness and influence.

In order to rectify this situation, international donors should follow through on their promise to support the priorities identified into Afghanistan's 2003 budget, which calls for \$2.25 billion in expenditures (\$550 million for salaries and government operations and \$1.7 billion for development programs), and increase their assistance to cover this amount.<sup>10</sup> The United States, for its

part, should provide at least \$1 billion per year for reconstruction, over and above relief, for the next five years and challenge others to step up their contributions.<sup>11</sup> Re-energizing the international donor community and ensuring that the assistance provided strengthens rather than undermines the authority of the central government are critical to success in Afghanistan. This means channeling as much assistance as possible through accountable Afghan government agencies.

In the wake of the war in Iraq, Afghanistan seems to have fallen off the radar screen in the United States and around the world. Yet the challenges to successful reconstruction and the stakes there remain significant. There is no such thing as benign neglect in this case; if we continue to ignore the need for a reinvigorated international reconstruction effort in Afghanistan, within a few years, we may find ourselves having to re-fight the war against Al Qaeda and Taliban forces that we thought we had already won.

## **POST-CONFLICT RECONSTRUCTION IN IRAQ**

After only months, it is more difficult to assess post-conflict reconstruction in Iraq.<sup>12</sup> Nevertheless, it is fair to say that the effort got off to a rocky start and that the challenges remain substantial. The security situation continues to worsen, especially in the areas commonly referred to as the “Sunni Triangle,” with daily attacks against coalition forces, against Iraqis involved in the reconstruction effort, and against the nation’s critical infrastructure. Public support for the coalition is shaky and could well decline as frustrations mount over the lack of public services, security, jobs, and avenues for participation in the reconstruction effort.

Even under the best of circumstances, reconstruction in Iraq was bound to be difficult given the size of the country, its historic ethnic and religious divisions, and decades of hardship under a brutal and repressive regime. But several external factors have contributed to making reconstruction even more difficult: poor U.S. planning for post-conflict operations that allowed the security situation to deteriorate precipitously early on; inadequate mobilization of resources to rapidly restore basic services, jump-start the economy, and get the population back to work; an incoherent strategy for engaging the Iraqi people as partners in and owners of the reconstruction process; and failure to build a broader international coalition to support post-conflict reconstruction once the war was over. Each of these must be addressed if post-conflict reconstruction in Iraq is to succeed.

From the start, the Bush Administration’s planning for post-conflict Iraq was plagued by both poor organization and faulty assumptions. Rather than establish an NSC-led process to integrate the post-conflict planning efforts of various government agencies, as the President’s own draft NSPD called for, the Administration tapped the Office of the Secretary of Defense to take the lead. The result was inadequate coordination between the Pentagon and critical civilian agencies like the State Department and USAID, belated communication with the NGOs that would ultimately be working alongside the United States in the field, and an under-appreciation for the civilian capabilities that would be required for reconstruction to be successful.

At the same time, the Bush Administration embraced a vision of post-war Iraq that ignored many of the lessons learned from the past 10 years of post-conflict operations. According to the Administration’s playbook, the Hussein regime would be decapitated by removing Saddam from power and purging his loyalists from the most senior levels of government. It was assumed that the bulk of the bureaucracy—ministries, police forces, basic services—would continue to function and

that much of the Iraqi armed forces would defect and be available to assist the coalition. No significant armed resistance was anticipated. Under this scenario, U.S. assistance to Iraq's reconstruction would be limited (a few tens of thousands of troops) and short (a matter of months).

Perhaps the most devastatingly mistaken assumptions were that sizeable portions of Iraq's military would change sides in the conflict and that the Iraqi police would continue to provide public security after the Hussein regime fell, even though U.S. experiences in Somalia, Haiti, and the Balkans (where the police melted into the population) all suggested otherwise. Failure to deploy adequate numbers of follow-on U.S. forces that were prepared to undertake public security missions created a massive security vacuum. This allowed for the looting of everything from government ministries to national museums to known WMD sites as well as the sabotage of key elements of Iraq's infrastructure, such as the electricity grid and oil production facilities. The resulting damage not only made subsequent reconstruction tasks like restoring electricity, restarting oil production and getting government agencies up and running much more difficult, it also created a widespread sense of resentment, despair and anger among the Iraqi people. Whatever "honeymoon" period the United States might have had immediately after the fall of Saddam Hussein ended in those early days of what was perceived to be preventable chaos.

Looking ahead, a number of steps must be taken as quickly as possible to improve the security situation in Iraq. Specifically, the United States should seek to increase the number of coalition military forces on the ground in order to increase the density of forces providing security in the country<sup>13</sup> and free up additional U.S. forces to intensify the campaign against Saddam loyalists and foreign terrorists who continue to launch attacks against those involved in reconstruction. Recruiting forces that specialize in constabulary duties should be given high priority. The United States should also seek to increase as quickly as possible the number of Iraqi police who are back on the job. As coalition Military Police units begin to redeploy from Iraq, particular urgency should be given to recruiting international CIVPOL who can serve as hands-on mentors and trainers for the new Iraqi police force. To lessen the burdens placed on overstretched coalition forces still further, the CPA should also rapidly expand the private Iraqi Facility Protection Service, integrating vetted members of Iraq's demobilized armed forces. More broadly, the United States needs to adopt a more coherent and aggressive strategy for preventing the emergence of potential spoilers from the ranks of the Iraqi armed forces and local militias. Creating alternative means of employment for these individuals should be a top priority.

In addition to faulty assumptions about the security situation, post-conflict planners also underestimated what would be required to restore basic services, jumpstart the economy, and get people back to work—all essential to giving the Iraqi people a renewed sense of normalcy and hope, and to building support for the U.S.-led coalition. This has hampered a number of reconstruction programs and raised the ire of many Iraqis, even those sympathetic to the coalition. These problems must be addressed immediately in order to keep them from exacerbating already festering political and security problems. Specifically, the CPA should establish large-scale public works projects in areas such as electricity, water and sanitation to restore the public infrastructure and provide jobs to a largely idle labor pool; create a massive, nationwide micro-credit program to help spur economic activity at the local level and empower key agents of change, such as women; and get the large number of state-owned enterprises up and running in the short-term, even if many of them are not competitive and many need to be downsized or privatized over the longer term.<sup>14</sup>

Post-conflict efforts in Iraq also appear to lack a clear strategy for engaging Iraqis as partners in and owners of the reconstruction process—something that is critical to success. Initially, the Administration seemed to embrace a Pentagon-derived plan to place prominent Iraqi exiles like Ahmed Chalabi of the Iraqi National Congress in charge of an Iraqi provisional government. When Paul Bremer replaced Jay Garner as the lead U.S. administrator in Iraq, that plan was abandoned in favor of establishing a purely advisory political council of Iraqis. When a number of prominent Iraqi leaders refused to participate in such a body, the CPA finally settled on a Iraqi Governing Council with real but limited authorities, which was formed in July. This succession of rapid-fire changes in U.S. policy created the perception that the United States did not have a clear plan for involving Iraqis as decision makers in the reconstruction of their own country. This perception was only reinforced by well-intentioned efforts by U.S. soldiers to create town councils at the local level that nevertheless appeared to be completely disconnected from the governance work of the CPA. In this context, two things become all the more important: a clear articulation of a road map for Iraq's political development and giving the CPA enough resources and manpower to deploy significant numbers of civilian representatives at local levels throughout the country.

However fair or unfair, the perception that the United States lacked a clear political plan was undoubtedly exacerbated by the limited communication channels between the CPA and the Iraqi population. Additional investment in radio, TV and print media are needed to improve the flow of authoritative information on reconstruction to the Iraqi populace; at the same time, the CPA needs to find new and better ways of gathering information from Iraqis.<sup>15</sup> Better outreach and communication are critical to the “winning Iraqi hearts and minds” and ensuring that the CPA's efforts are responsive to the priority concerns of the Iraqi people.

Finally, the Bush Administration has thus far failed to build a new, broader international coalition to support reconstruction. Consequently, U.S. troops and taxpayers are now shouldering unnecessarily heavy burdens. Given the enormity of the challenges ahead, the anticipated costs of the mission, and rising anti-Americanism in many parts of Iraq, it is imperative that the United States build an expanded reconstruction coalition that includes nations and international organizations that did not participate in or support the war.<sup>16</sup> The United States should welcome both a new UN resolution blessing the reconstruction effort (to provide the necessary political cover for other countries to participate) and greater UN involvement in areas like the political transition process where it has both a proven track record and a comparative advantage.

In sum, the United States now stands at a crossroads of opportunity and risk in Iraq: the opportunity is to help the liberated Iraqi people to build a peaceful, decent, and democratic government and society that will encourage the process of modernization and reform throughout the Middle East;<sup>17</sup> the risk is that the United States will either “cut and run,” allowing post-war Iraq to descend into chaos and instability, or overreach and be heavy-handed in imposing its will, creating a backlash against the United States and advancing the forces of Islamic radicalism.<sup>18</sup> The next six months will be critical to determining success or failure.

## **ENHANCING U.S. CAPACITY FOR POST-CONFLICT RECONSTRUCTION IN THE FUTURE**

Afghanistan and Iraq are not the first cases of post-conflict reconstruction that are vital to U.S. national interests, and they will not be the last. Assisting the reconstruction of failing or war-torn states has been a perennial mission for the United States throughout its history. Nevertheless, the

U.S. government remains poorly organized and under-resourced for post-conflict operations, especially in the civilian agencies. As a result, when the United States intervenes in post-conflict situations it is essentially operating with one hand tied behind its back: it has the world's best military to win the war but only *ad hoc*, under-resourced civilian capacities to win the peace.

There are several concrete actions that should be taken by the Executive Branch and the Congress to enhance U.S. capacity for—and its probability of success in—these complex and difficult operations:<sup>19</sup>

1. *Legitimize post-conflict reconstruction as a mission.* In the American political lexicon, “nation building” has become a dirty word. Yet assisting other nations in rebuilding their societies, economies and governing structures often advances critical U.S. national interests, be it preventing a country from becoming a safe haven for terrorists who target the United States or ensuring that the United States achieves not only its military objectives in war but also its political objectives in peace. The first step to better preparing the U.S. government for these missions is to simply acknowledge in U.S. policy statements that reconstruction can be a legitimate and important mission. Indeed, winning the peace should be seen as an intrinsic part of winning a war.
2. *Establish a clear interagency process for planning and managing post-conflict reconstruction operations to enhance unity of effort.* Given the sheer complexity of post-conflict reconstruction, developing a clear strategic plan of action and an effective interagency process at the outset is critical to success. Yet the Bush Administration has consistently approached these missions in an *ad hoc* manner in which past lessons learned are not taken into account and ways of doing business have to be reinvented from scratch. This *ad hoc* approach should be replaced by a well-defined interagency process defined in a Presidential Directive or legislation (or some combination of the two) on complex contingencies that would: 1) establish a NSC-managed process for developing integrated U.S. plans for these missions, ensuring adequate discussion of strategic choices by the President and key principals, and providing oversight of mission execution; 2) clearly articulate the roles and responsibilities of various agencies in implementation; 3) formalize a process for capturing lessons learned from various operations and institutionalizing best practices; and 4) establish training programs for U.S. officials participating in the planning, oversight or conduct of post-conflict operations.
3. *Increase standing, rapidly deployable civilian capacity within the U.S. government.* Although the U.S. military prides itself on being able to deploy substantial capabilities anywhere in the world in a matter of days or weeks, most U.S. agencies lack the capacity to deploy experts, disperse money, and set up operations abroad on the kind of short timelines that reconstruction missions often require.<sup>20</sup> In practice, this shortfall has a number of negative and sometimes dire consequences: U.S. representatives in theater find themselves without the manpower, expertise or resources needed to create the early successes that are so critical to winning popular support for reconstruction; certain tasks cannot be undertaken as rapidly as needed, causing delays in the reconstruction timetable; and U.S. military forces may be asked to undertake tasks for which they have little training or comparative advantage, and their deployment may be extended due to delays in the completion of key non-military tasks (such as the holding of elections).



Several actions should be taken to enhance U.S. civilian capabilities available on short notice for reconstruction missions. First, the President should work with Congress to establish a cadre of civilian professionals with expertise and training in reconstruction to lead and staff U.S. post-conflict operations in the field—something akin to a civilian “Reconstruction Corps.” This should include the creating of new “Directors of Reconstruction” who would have the authority, responsibility, and resources to direct large, civil-military reconstruction programs on the ground.<sup>21</sup> Agencies like DoD, State and USAID should be directed to negotiate in advance Memoranda of Understanding that would enable them to provide rapid operational staff and support as needed. In addition, the Administration should create a new International Emergency Management Office, modeled on FEMA, that could rapidly mobilize U.S. experts from federal, state and local levels as well as the private and non-profit sectors. The office would build and maintain “on call” lists of reconstruction experts and support their mobilization in order to provide Directors of Reconstruction with immediate access to experts and personnel. In addition to creating these new capabilities, the United States should also seek to reform existing agencies like USAID to become more responsive to the needs and timelines of post-conflict operations. Finally, the President and the Congress need to develop a multi-year investment plan that allocates the resources necessary to build these enhanced post-conflict reconstruction capacities.

4. *Enhance U.S. and international capacities to provide for public security early in post-conflict operations and to train indigenous police and military forces for security missions.* In the beginning of a post-conflict mission, establishing a secure and stable environment in which reconstruction efforts can proceed is perhaps the most critical and time urgent challenge. And in almost every case, indigenous security forces are unable, unwilling or unsuited to take on this set of tasks alone. As a rule, a coalition force must be prepared to provide for public security until these tasks can be handed-off to reconstituted indigenous forces. If we ignore this fact, we risk allowing a dangerous security vacuum to develop, as occurred in Iraq.

This unpleasant but unalterable reality has a number of important implications. First, U.S. military planners should include substantial forces trained to provide for public security—be they U.S. military police, specially trained infantry units, or constabulary units from other countries—in the last echelon of combat forces, so that adequate numbers of forces prepared for the public security mission are in place as soon as major combat ceases.<sup>22</sup> Second, the U.S. military should enhance its ability to generate forces able to conduct public security missions by increasing its capacity to train designated combat forces, both active and reserve, for such missions. Given their training for public security tasks in their home states, some National Guard units may be particularly well suited to this post-conflict mission. At the same time, the United States should enhance its ability to rapidly establish large-scale training programs for indigenous military and police forces in the interests of accelerating our ability to return primary responsibility for public security back to them.

5. *Create more flexible funding authorities for post-conflict reconstruction.* In Afghanistan, Iraq and other cases, delays in the flow of U.S. and international funding have hamstrung some aspects of initial reconstruction efforts. When a President puts Americans in harm’s way, he or she must have the ability to bring many different U.S. capabilities to bear on the situation in a timely manner and ensure that U.S. programs can respond effectively to evolving needs on the ground. Unfortunately, existing funding mechanisms fall far short of these requirements. Accordingly, the President and the Congress should work together to create new funding

mechanisms for post-conflict reconstruction that would serve the following functions: address immediate post-conflict needs that are not authorized in existing emergency accounts (such as surge capacity), supply bridge money between current emergency funds and long-term development funds (both U.S. and international), and provide for necessary activities that are not currently covered in other accounts. Ideally, the Congress would provide a comprehensive, multi-year authorization for post-conflict reconstruction operations in a given country.

6. *Work to enhance programs that enhance international capabilities for post-conflict reconstruction.* Every post-conflict reconstruction mission the United States undertakes is done in partnership with some number of foreign countries and international organizations. The United States has a concrete interest in seeing its allies and partners improve their capabilities for post-conflict reconstruction—to increase both the chances of an operation’s success and the ability of others to share the burdens of providing assistance. Therefore, the United States should work within its alliances and on a bilateral basis to encourage potential partners—especially in Europe -- to improve their military and civilian capabilities for these missions. It should also press multilateral organizations like the United Nations to improve their capacities for post-conflict reconstruction in key areas like civilian police, rule of law, and programs to jump start economic activity.

## CONCLUSION

In conclusion, post-conflict reconstruction has been an important and recurring element of U.S. national security strategy. It is also an intrinsic and unavoidable phase of war. But recent experience in Afghanistan and Iraq suggests that the United States still has a great deal to do to internalize the lessons from the past decade of post-conflict operations and to better organize and prepare itself for success in these missions. The most urgent priority is for the Bush Administration, and the international community more broadly, to reenergize reconstruction efforts in Afghanistan and, at the same time, stay the course in Iraq, while dramatically increasing the participation of both Iraqis and international partners in the effort.

Looking farther down the road, the United States must take a number of concrete steps to better organize and resource its ability to conduct post-conflict reconstruction missions in the future. These steps—establishing effective interagency planning and management; increasing standing, rapidly deployable civilian capacities; enhancing U.S. and international capabilities for public security missions; creating more flexible funding authorities; and enhancing international capabilities for post-conflict reconstruction—are not designed to improve efficiency and effectiveness at the margins. Rather, they are aimed at substantially improving the United States’ ability to achieve its broader political objectives in post-conflict situations and at decreasing the risks and costs—not just in dollars but in American lives lost—incurred in the process. Post-conflict reconstruction is a mission that is too important and too frequent to ignore. It’s time the United States match its unparalleled military with the civilian capabilities needed to do this job right.

## ENDNOTES

- <sup>1</sup> The author is indebted to Milan Vaishnav for his superb research assistance and to Bathsheba Crocker and Elizabeth Latham for their insightful comments on earlier drafts.
- <sup>2</sup> See, for example, then-Presidential candidate Bush's remarks in the October 3 and October 11, 2000 debates with then Vice President Gore, available at <http://www.debates.org/pages/debhis2000.html> and Condoleezza Rice's article, "Promoting the National Interest," in *Foreign Affairs*, Vol. 79, No.1 (January/February 2000).
- <sup>3</sup> See President Clinton's Decision Directives on "Reforming Multilateral Peace Operations" (PDD-25), available at <http://clinton4.nara.gov/WH/EOP/NSC/html/documents/NSCDoc1.html>; "Managing Complex Contingency Operations" (PDD-56), available at <http://clinton4.nara.gov/WH/EOP/NSC/html/documents/NSCDoc2.html>; and "Strengthening Criminal Justice Systems in Support of Peace Operations" (PDD-71), available at <http://www.fas.org/irp/offdocs/pdd/pdd-71.htm>.
- <sup>4</sup> Obviously, U.S. reconstruction efforts take place in a larger international context and in concert with other international actors like the United Nations. The focus on this paper is on lessons to be learned by the United States, as Jane Holl Lute's paper treats the international dimension.
- <sup>5</sup> Other challenges, such as meeting the political timetables laid out in the Bonn agreement, abound, but these three are perhaps the most critical. For more in-depth assessments of reconstruction efforts in Afghanistan to date, see Frank G. Wisner II, Nicholas Platt, and Marshall M. Bouton, *Afghanistan: Are We Losing the Peace?*, Chairmen's Report of an Independent Task Force Cosponsored by the Council on Foreign Relations and the Asia Society, June 2003; Barnett R. Rubin, Humayun Hamidzada, and Abby Stoddard, *Through the Fog of Peace Building: Evaluating the Reconstruction of Afghanistan*, Center on International Cooperation, June 2003; and *The Situation in Afghanistan and its Implications for International Peace and Security*, Report of the UN Secretary-General A/75/762-S/2003/333.
- <sup>6</sup> The ISAF has been quite successful in establishing security in Kabul. In the winter of 2002, there was ample discussion of expanding ISAF to five cities outside Kabul and of establishing a rapid reaction force to respond as necessary elsewhere in the country. But the United States' refusal to support this proposal effectively killed it. Although the Bush Administration reversed itself last September, acquiescing to the expansion of the ISAF's presence beyond Kabul, it has not offered any U.S. troops to make this possible.
- <sup>7</sup> The current U.S. training program is proceeding more slowly than planned and is now projected to produce a 9,000-person force one year from now, with the ultimate goal being an Army of 70,000. A German program to train a national Afghan police force is also underway, but will take several years to yield a force of 75,000 police.
- <sup>8</sup> Some of these recommendations echo those of the CFR Independent Task Force cited above.
- <sup>9</sup> Although the Karzai government recently concluded an agreement with regional leaders regarding the collection and apportionment of customs revenues, it remains to be seen whether local leaders will adhere to its terms.
- <sup>10</sup> Assistance pledged by international donors to date falls short of this budget by an estimated \$276 million.
- <sup>11</sup> The Bush Administration's recent supplemental request for an additional \$800 million in assistance for Afghanistan in the coming year is a step in the right direction and should be sustained for the next several years.
- <sup>12</sup> For more in-depth assessments of post-conflict reconstruction in Iraq to date, see John Hamre, Frederick Barton, Bathsheba Crocker, Johanna Mendelson-Forman, and Robert Orr, *Iraq's Post-Conflict Reconstruction: A Field Review and Recommendations*, CSIS, July 17, 2003; Thomas R. Pickering and James R. Schlesinger, *Chairs' Update To the Report of an Independent Task Force on Post-Conflict Iraq*, Council on Foreign Relations, June 2003; *Baghdad: A Race Against the Clock*, International Crisis Group, June 11, 2003; and Frederick D. Barton, Bathsheba Crocker, and Daniel Werbel-Sanborn, *Post-War Iraq: Are We Ready?*, CSIS, June 3, 2003.
- <sup>13</sup> Currently, there are some 160,000 coalition troops in Iraq, more than 150,000 of which (about 93 percent) are American. The ratio of coalition troops to population in Iraq is much lower than was the case in Kosovo or Bosnia.
- <sup>14</sup> *Iraq's Post-Conflict Reconstruction: A Field Review and Recommendations*, pp. ii, 4-5.

<sup>15</sup> *Ibid.*, pp. ii, 6-7.

<sup>16</sup> *Ibid.*, pp. ii, 7-8.

<sup>17</sup> Seen in this light, Congressional approval of the Bush Administration's supplemental budget request for some \$20 billion for reconstruction in Iraq and the development of more detailed plans for spending the money effectively are absolutely critical.

<sup>18</sup> See "Post-Conflict Reconstruction in Iraq" in *The National Security Advisory Group, An American Security Policy: Challenge, Opportunity, Commitment*, July 2003, pp. 29-33.

<sup>19</sup> Many of these recommendations are drawn from a report by The Commission on Post-Conflict Reconstruction, *Play to Win*, which was sponsored by the Center for Strategic and International Studies and the Association of the U.S. Army and released in January, 2003. A number of these recommendations are now being promoted in new legislation that has been introduced on Capitol Hill. See "Winning the Peace Act of 2003," (S.1235 and H.R. 2616), introduced in both houses of Congress in June 2003.

<sup>20</sup> There are a few notable exceptions to this rule like USAID's Office of Foreign Disaster Assistance that may provide a model for building rapidly deployable civilian capabilities in other agencies.

<sup>21</sup> Many of these recommendations were first presented in *Play to Win*, pp. 10-11. It is worth noting that Paul Bremer has no U.S. counterpart in Afghanistan. What is proposed here is a more institutionalized approach that would provide the lead U.S. representative in a post-conflict operation with the authorities, resources, staff, institutional home and support mechanism in Washington to be successful.

<sup>22</sup> The alternative is to ask forces who have just been engaged in combat to rapidly change their mission, mindset, and rules of engagement, but this may be both difficult and unwise.



## POST-CONFLICT IRAQ AND U.S. GRAND STRATEGY IN THE MIDDLE EAST: THE ROLE OF MULTILATERAL INSTITUTIONS

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If the United States now oversees a unipolar moment in world affairs, the Middle East has come face-to-face with an existential one. For states in the region, several developments have contributed to this deeply unsettling time.

First, Westerners, not Arabs, are calling the shots in Baghdad, one of the region's historically great capitals. The United States, flush with its victory in Afghanistan, roared into Iraq with its global political, military, and economic might on full parade, leaving in its wake a *balagan*. Having swarmed across the country with the kind of speed and agility that permitted no meaningful Iraqi resistance, Washington and its partners now serve as chief architect and engineer of Iraq's future. The Coalition Provisional Authority (CPA) has undertaken the business of reorganizing and retooling Iraq's political, economic, and, in some cases, social and cultural order. But the images of Westerners returning to the Middle East with a "Father Knows Best" attitude has deeply troubled many Arabs—including Western-friendly moderates—across the region. Moreover, progress in rebuilding Iraq has not gone well. Discontent is growing, and the persistent violence that continues to plague coalition efforts has spread to target all international agencies operating Iraq—a sign that deeper trouble may be afflicting the country.

Second, if Tehran has its way, the world's nuclear club will soon have a new member. Iran's nuclear ambitions (renewed in part by Iranian pique at Pakistan's nuclear status) have been fueled by its complicated international ties—which now include a much warmer relationship with New Delhi. However, events in Iran have entered a new stage of complexity, as domestic unquiet poses an unexpected challenge to the self-declared model Islamic state. Its sponsorship of terrorist organizations abroad continues unabated, but Iran now faces increasingly important choices at home regarding its future course. The Gulf States show signs of growing alarm at the prospect of an emboldened (and nuclear capable) Tehran moving to fill the regional vacuum left in the wake of Baghdad's collapse, and internal instability in Iran will only exacerbate those fears. At the same time, heightened U.S. rhetoric raises questions that further military action may come sooner rather than later.

Third, the Israeli–Palestinian dispute appears to have entered its own existential phase with the stakes now appearing to many as genuinely zero-sum. Pushed to emotional limits by hardliners on both sides over the past year, the parties to the conflict have been forced to confront the stark possibility of ultimate demise. Yet, despite what may be heightened stakes, recent developments also underscore three unspoken but core truths. First, that military means cannot provide the ultimate answer to the standoff. Second, that a viable, independent Palestinian state is essential to achieve not so much the end of conflict as the only real beginning to a durable peace in the region. And third, that Israel's role in helping to realize that outcome is nontransferable.

Finally, Arab governments across the region are slowly awakening to the fact that they must undertake meaningful political change. They can no longer avoid the need to address directly the growing political, economic, social, and cultural demands of their citizens. Born of each regime's chronic inability to distribute in even minimally equitable ways the benefits of the enormous oil wealth enjoyed for decades, these demands are finding increasingly sharp political expression in the mosques and across the airwaves. Some disaffected groups are also gaining military confidence through the bold strokes of terrorist attacks, now hitting closer to home. At the moment, the greatest questions may surround Iraq's future and Baghdad's precarious condition, but, in fact, every Arab state now confronts its own circumstances and prospects within a much-changed political, social, and military dynamic that deeply affects the entire region.

Against this backdrop, two near-term and two longer-term goals for the United States seem most important. In the short- to medium-term the United States must help create a fully capable Iraq able to provide security, well-being, and justice for its citizens while integrating peaceably into the region. Second, it must use all of its political, economic, diplomatic, and, if necessary, military creativity to reduce the regional and global threats posed by Iran by ending its support for terrorist groups and deterring its aim to develop nuclear weapons.

Over the longer term, Washington must convincingly work to ensure the ultimate preservation of Israel through an unwavering commitment to a *peaceful*, comprehensive settlement of the Palestinian dispute. And it must also help create the strategic conditions necessary to permit stable transitions across the community of Arab states. Two factors underscore the importance of this goal. First, global terrorist networks trace many vital links to the region; and second, no American administration would rest easy if the majority of the world's proven oil reserves fell prey to chronic instability or acute hostility.

To achieve these goals, the United States must acknowledge that, despite its considerable military power, force cannot do all that needs doing, and all that needs doing can not be done alone. But how should the United States engage key multilateral institutions—notably the United Nations, NATO, and the European Union, among others—to help manage the near-term challenges in the Middle East in the wake of the Iraq war and promote regional stability over the longer term?

## IRAQ

While the war in Iraq has thrown into sharp relief the truly dominant nature of American military power, it has also brought to light the limitations of that power through the simple illustration that U.S. post-conflict efforts have been effectively stymied. Indeed, one cannot speak meaningfully of a post-conflict environment in Iraq because Iraqi life is not yet conclusively post-Saddam. As of this writing, it is still clear that Hussein and some elements of his Tikriti mafia are still actively at work sowing violence and fomenting fear and discord. The war is, in effect, not yet won, and Washington has lost the ability (and relative luxury) to move sequentially from war fighting to peace building. These tasks must now proceed in the most difficult way possible: simultaneously.

There is some irony in the fact that the United States achieved decisive victory in 1991 without the decisive defeat of Iraq (a reality that permitted Saddam to defy international will for a dozen years afterward). In 2003, however, Iraq experienced decisive defeat, but the United States cannot yet claim decisive victory.

Again, this is because force alone simply cannot do all that needs doing. The record of the past decade in post-conflict reconstruction firmly points up the fact that military forces, even the world's best, cannot, without more, meet the demands and complexity of political, economic, and social reconstruction, especially as these demands intensify with each passing month. All of the world's expertise and experience must be brought to bear. And the United States must demonstrate that it understands this truth—indeed, it might begin by marshalling more of its own resources beyond military means, both in scope and scale, to address the needs posed by the post-conflict challenge.

With its commitments in Iraq—in addition to its obligations in Korea, Afghanistan, and the Balkans, among other places—the United States has essentially fixed all but three of its ten active Army divisions for the foreseeable future. Washington must enlist the help of others for the manpower necessary to maintain required force levels for the next several years in Iraq or to relieve its burdens elsewhere. Moreover, with the bill for its operations in Iraq alone projected to top \$100 billion for the first year (an amount that exceeds the current dollar equivalent of the entire Marshall Plan over its nearly four-year run), the United States cannot expect to sustain the financial costs indefinitely. But operations such as this one cannot be assembled ad hoc or in undue haste. To succeed in Iraq, the United States must draw in the institutional assistance of the United Nations, the European Union, and NATO.

The primary responsibility for the remaining war-fighting tasks—that is, the security challenge—rests with the United States and its chief ally, Britain. In addition to their international legal obligations as occupying powers to provide basic security, Washington and London have the force structure, disposition, numbers, and support means already in Iraq to consolidate the gains of the war and ensure that Saddam and his band are found and neutralized. They also have the presence and leverage to ensure that the Kurdish north and Shi'ia south stay in place, and that the essential political integrity of Iraq is not put at risk.

But security also involves safety in the streets so that Iraqis may resume everyday life, and here, greater numbers of police and other security forces will be necessary to ensure that the security vacuum is not filled by regional strongmen (as in Afghanistan) or emergent criminal organizations (as in Kosovo). Both NATO and the European Union offer potential sources for such forces. NATO has already established its command presence in Afghanistan (now likely to expand), and with NATO support, Poland has sent a contingent to help with peacekeeping duties in Iraq. In addition, several countries—notably Italy, Spain, Ukraine, Bulgaria, and others—are formulating plans to provide troops as well. NATO could also help provide a wider context for the careful introduction of Turkish forces into Iraq.

Political divisions within the Alliance and commitments by member states elsewhere—the Balkans, Afghanistan, Congo (where the French are in the lead), and Sierra Leone (under British command)—have hampered the formation of a robust NATO contribution to Iraq. Nevertheless, as evidenced by its role in the Balkans, the Alliance does represent a capable mechanism for sustaining significant troop deployments, and if political differences can be set aside, terms for its active engagement in Iraq can be worked out. Indeed, one can imagine a NATO corps-level, three-star command replacing the current U.S.-led joint task force by mid-2004.

For its part, the European Union has long planned to field a rapid reaction force of some 60,000 soldiers ready for deployment in 90 days, sustainable for one year. This force should have been stood up in early 2003, but it has yet to materialize in fact. A mission in Iraq could provide the catalyst for organizing, training, and equipping the force—either to assume duties there or to relieve



the burden of EU members elsewhere, e.g., the Balkans, Afghanistan, various spots in Africa, etc.—and free up those forces for redeployment. Such a move would require a certain political bravery on the part of the Europeans, yet they simply can no longer deflect the question. Organizing the EU force for constabulary and peace support duties would make sense both for the short- and longer term. In fact, an EU organization focused on providing deployable police to post-conflict situations (or even selectively in pre-conflict conditions) would be a meaningful contribution to meet a growing global need.

Overcoming others' political resistance to helping out in Iraq will require that the United States and its allies repair the diplomatic damage done in the run-up to the war—a major challenge. The United Nations represents the essential forum for a new consensus to be achieved, yet, moving ahead will require give and take on all sides and even, perhaps, a new understanding regarding just what role the international body might play to help ensure a successful transition in Iraq.

The August 19 bombing of UN headquarters in Baghdad that killed nearly two dozen UN staff including Sergio Vieira de Mello, the UN High Commissioner for Human Rights and Special Representative of the Secretary-General in Iraq, was a watershed event for the institution. While UN employees have lost their lives in the service of peace over the years, never before had it been the direct target of such a large-scale and deliberate hostile act. A second fatal attack on UN operations only a month later and growing reports that UN staff elsewhere would be targeted suggest that the global public perception of UN and its role may be changing. Certainly, fundamental questions surround the UN's role in Iraq, but these questions now seem to reach more deeply into the value of the organization and the ways in which it is most responsive to the needs of its collective membership. The UN's member states must address these issues even as they work to craft an effective role for the UN in Iraq's reconstruction and recovery from war.

What is clear, is that the situation in Iraq will not improve without more help from a broad range of outsiders. Many states can provide such help bilaterally, but most governments seem to believe that without a fresh UN mandate, any multilateral effort will not have the legitimacy and durability to succeed (in part, because the existing Security Council resolution (1843) is perceived by most states to be merely a mechanism to service the Occupation of Iraq by Coalition forces). Moreover, a new resolution would introduce much needed expertise, numbers, and legitimacy to the process of locating and securing Iraq's suspected chemical and biological weapons materials. In addition, with new authority the UN would be able to organize and deploy more of its own considerable pool of expertise and experience to help deal with many of the specific tasks necessary to rebuild Iraq.

The international community as a whole has a stake in seeing Iraq succeed. But if the UN is to be most effective in helping to organize the way forward, member states must be clear about what they will ask the organization to do. The post-war requirements are daunting; two-thirds of the population have immediate and recurring needs for fuel and food, and longer-term development plans must be wisely put in place now. At the end of world war II, Dean Acheson noted that it was a very short trip, indeed, from food and fuel to either peace or anarchy, and his words seem equally apt today. Although the oil-for-food program overseen by the United Nations is scheduled to cease operations in November 2003, it fed two-thirds of the Iraqi population for over 10 years. The UN's delivery infrastructure, cultural familiarity, and integrated operations with local Iraqis can be retooled to ensure that food continues to reach the needy, and these assets can help provide other essential support.

For example, reestablishing the processes of legitimate Iraqi governance—from devising the new constitution to organizing political parties and elections and even reworking a basic corpus of national law—will benefit greatly from the experience and expertise of UN and other seasoned and trained persons familiar with these processes. Nearly every aspect of Iraqi political, social, and economic life must be reconstructed from the ground up. Such tasks as reorganizing the public health and education sectors, revitalizing local and national economic activity, restoring and extending vital water, electricity and transportation infrastructure will require billions of dollars and many willing hands. The private sector (in Europe as well as the United States) and the international financial institutions can also provide much needed help. Indeed, the global financial institutions have a key role to play in the establishment and transparent management of the Development Fund for Iraq, financed from Iraqi oil proceeds.

Many observers had expected that Iraq oil revenues would generate the funds to pay for the bulk of the work, but “normal” production levels are not projected for several more years. To meet even these projections, vast sums from the private sector will be required to recapitalize the Iraqi oil industry. Occupational authorities are prohibited under international law from undertaking such long-term commitments. The UN can help organize and sanction the legal work necessary to accelerate the development of property and contract laws under legitimate Iraqi authority. In addition, the World Bank and the International Monetary Fund are essential to provide the kinds of credits and guarantees necessary to back up the Iraqi government. These institutions are also central to efforts to relieve the burden of staggering debt that still saddles the country.

Finally, any Iraqi government worthy of the name must be able to take its place as the authoritative weight-bearing advocate for Iraqi interests in the region and beyond. Such a government could only claim rightful authority if it emerged from domestic processes that were seen as transparent and legitimate by both Iraqi and commonly accepted international standards. More bluntly, to the extent that the Washington is seen as controlling the leadership outcome, the legitimacy of any post-war Iraqi regime will be in question. However, the United Nations has valuable experience in this area and can play an important legitimizing role. The Bonn process that helped reestablish the Loya Jirga and the Afghan Transitional Authority headed by President Hamid Karsai was widely hailed as a success, and the lessons can be put to work in Iraq. For reasons discussed below, the Arab League could also conceivably be helpful in this regard.

Many commentators have called for a new Marshall Plan to help Iraq rebuild. A more valuable approach might be to apply the lessons of the Marshall “process” that stressed true collaboration between “insider” (i.e., the Europeans) and “outsider” (the United States). This process also placed a premium on coordination between the development of sound economic processes and responsive political structures and on striking the right balance between emergency needs and longer-term development requirements. It recognized the value of public-private partnership.

The United States should not go it alone in Iraq. It does not have to. Success will depend on pooling the world’s strengths and relying on the comparative advantages of many governments, international institutions, as well as the private sector and nongovernmental community. While UN-organized efforts have not been without their problems, no better repository of experience, expertise, and legitimacy exists to weave the multiple strands together.

## **IRAN**

Dealing with Tehran will require an altogether different strategy. The inspections of the UN's International Atomic Energy Agency (IAEA) have proven invaluable in documenting Iran's determination to establish an independent nuclear fuel cycle and probable violations of its obligations under the Nonproliferation Treaty. But to fully deflect Iran from its military nuclear agenda, the United States and Europeans must close ranks—politically and economically.

Moving forward together will require some compromise on all sides. For over two decades, the Europeans (and Russia for that matter) have pursued individual strategies toward Iran that collectively amount to a rejection of U.S. policy of isolation and punitive sanction. Indeed, the EU is Iran's main trading partner, and nearly without exception, its member states want business to increase.

The EU has undertaken to negotiate a Trade and Cooperation Agreement with Iran and has linked these discussions to Tehran's record on support for terrorism (Hizballah, in particular), weapons of mass destruction, and progress in the Arab–Israeli dispute. The United States must work with EU governments to ensure the continuation of these linkages, especially in the face of domestic political pressure to subvert these concerns in favor of the economic agenda.

The United States and the EU can also work together in the Security Council (and thus, pull in Russia and China) to increase the political pressure on Tehran to sign the 1993 protocol to the Nonproliferation Treaty that calls for more robust inspections and tighter transfer rules. They can strengthen the engagement of the IAEA to help ensure Iran's verifiable compliance. But these measures will not, of themselves, effectively reverse the Iranian course unless the United States can sustain common cause with its strongest allies and friends to keep the spotlight on Iran and restrict its ability to secure additional technology for its nuclear program.

Finally, while external actors may find it neither possible nor wise to react precipitously to internal developments in Iran, they can recognize that Iran's nuclear ambitions (as well as its support for terrorist groups) are linked to Tehran's perceptions of strategic vulnerability. Therefore, the United States should consider using an increased role for the UN to help carefully encourage and frame Tehran's constructive engagement as the situation in Iraq develops. Many observers will recall that the UN helped broker an end to the Iran–Iraq War of the 1980s. A helpful, transparent (and accountable) role for Iran in the region (perhaps even in limited ways in Iraq) will be essential to the success of the newly forming Iraqi state, and a UN framework reinforced by the watchful eye of the United States and its allies can help guard against Iranian free-lancing.

## **THE ISRAELI–PALESTINIAN DISPUTE**

Although viewed in some capitals as delinquent in pushing the parties toward serious progress (and, indeed, as permissive of major backsliding), the Bush Administration is clearly now decisively at the center of efforts to help restore a more positive equilibrium. Yet because any breakthrough still seems remote, if not vanishingly small, some observers in Israel and beyond have begun to question openly whether the current track—or one that works to eliminate the Palestinian question by forceful means—is best to ensure the ultimate preservation of the state of Israel.

For their part, the vast majority of Palestinians will not accept any status short of full statehood—neither trusteeship nor anything other than full international standing will do. Ironically, it is Israel—rather than any existing Arab country—which probably offers the best political model for the Palestinians. However, both sides now stand at the edge of a precipice and need help in finding the way back.

At a minimum, voices for peace on both sides must be strengthened. The international non-governmental community has many ties to both Israelis and Palestinians and can, as with the Oslo process, provide important moral and political support to help widen local perspectives and create room for greater official compromise. The European Union can invest more substantially and strengthen their existing programs of political, economic, humanitarian, and technical assistance to the Palestinian Authority (approximately 20 million per month at present) to help create more effective governance mechanisms while reinforcing the political imperatives of transparency and accountability. The EU can also clamp down on known terrorist operations in Europe and push for stiffer penalties for states that continue to support terrorist groups.

In addition, the United States can initiate informal discussions in the UN on ways to prepare and deploy a security force (perhaps adapting UN missions already in the region) to be ready for use on short notice to help preserve a general peace. A modern force has precedent: the UN's first peacekeeping operation was deployed to the region in 1948 and remains in operation today. In parallel, and to encourage broader thinking within the Alliance, Washington may want to persuade NATO to take up this strategic out of area mission as a way to help secure its Southern flank.

Time may be of the essence in bringing a compelling combination of political pressure, economic inducement, and security guarantees closer into view to propel the parties to a new status quo. Both Israel and the Palestinians must be able to draw on the full range of political resources, including, especially, those of other international actors (particularly the United States and the other members of the so-called "Quartet:" the European Union, the United Nations, and Russia).

While the United States cannot relinquish its lead in helping to win a permanent settlement to the conflict, these partners can help provide the structural support necessary to move forward. The European Union's role, in particular, may be stronger than is generally realized, but it does not have much to show for its past efforts—largely because Israel (and, at times, the United States) has tried to block the Europeans' engagement.

The United States can work to help make the key international organizations more credible as partners in the overall effort (and it must disabuse Israel of any notion that it holds a veto over their participation). In the United Nations, members of the Quartet can work more aggressively in the General Assembly to deflect at least some of the dozens of annual resolutions that condemn Israeli policies and, perhaps more important, they can help secure a permanent home for Israel in one of the Regional Groupings.

So long as the parties remain deeply suspicious of these other outside actors (the United Nations and the European Union are generally viewed in Israel with especially low esteem), the burden will be Washington's alone to bear. But meaningful engagement of the resources and political leverage of the EU and the UN will help provide the bones and sinew of real progress. Without those resources, no settlement is likely in the foreseeable future.

## **REGIONAL STABILITY**

Finally, to ensure general stability in the face of impending transitions faced by nearly every country across the region, the United States and others must begin to work more constructively to bolster international support for peaceful change and help strengthen regional institutions. Existing Arab regimes are decidedly non-representative, and regional institutions (such as they are) are still quite weak. Nevertheless, the war in Iraq has triggered a deeply searching debate throughout the region regarding the need for Arabs—not outsiders—to take the lead in determining the

shape of the Arab future. Indeed, the Arab League may be mobilizing itself as just such a force for the self-definition of Arab interests. The United States should make serious efforts to engage Arab governments and encourage their participation in multilateral processes to help reinforce the importance of democratic change. Connecting its work to the principles of the UN Charter can help provide the League with a political anchor as its role develops (the UN's Arab Human Development Report represents a valuable resource for this purpose).

To help reach out to Arab populations, especially those far removed from power, the states of Europe, especially those with large numbers of Arab citizens, can work through the European Union to broaden its strategy of economic cooperation and engagement with the region. While Arab malaise has often been blamed on the West, the EU, increasingly home to many Arabs, can play a key role in undermining that view. In addition, using quiet diplomacy and targeted inducements, the United States and the EU can work with regional governments to devise strategies for political transformation to help prevent the emergence of instability and opportunism that could afflict the region for generations. They can also collectively help put certain regimes on notice that their sponsorship of surrogates in such places as Afghanistan and Iraq must cease, and that a continued Western presence in the region (i.e., Iraq) will only end when circumstances realign toward greater stability.

In this way, success in the war in Iraq links to success more broadly throughout the region, and indeed, to success in the global war on terror. Osama bin Laden and others have become strong in those parts of the world where whole populations feel marginalized and left behind in the modern rush of globalization. Repressed by their leaders, scorned by their neighbors, and often dismissed by the international community as irrelevant, or less, these populations host terrorists who present themselves as the only ones with power and concern enough to take up the cause of the oppressed.

The grievances here are real. Millions of people across the region struggle through life every day with little food, fewer opportunities, and no hope. Disease and illiteracy are rampant; despair and ill-will are widespread. With few good prospects under their current leadership, it is not surprising that people respond to the terrorists' call to take matters into their own hands.

To defeat organized terrorism and prevent its reemergence, the international community must work together to help create capable societies in the world's forgotten corners—to reverse the chronic conditions of deprivation and discrimination where terror and tyranny sink their roots. The principles of the UN Charter, the economic and political clout of the United States and European Union, and the political umbrella of the Arab League can combine in Middle East to help create the political space necessary for states in the region to negotiate the difficult political waters that lie ahead.

To reinforce the importance of constructive change, the United States and the states of the European Union can also combine their considerable diplomatic and political power in the United Nations to drive important reforms governing member states in that body. For example, they can work to pass rules prohibiting countries under sanction from assuming leadership roles anywhere in the UN system—to ensure that problematic states, including Arab states such as Libya—are on unambiguous notice that their unacceptable behavior will no longer be tolerated.

Ultimately, however, promoting vital democracy in the region will require the reaffirmation of a strong U.S.–EU relationship. The Atlantic commitment to the principles of freedom, representative governance, and respect for human rights is a chief source of strength for democracy and for democratic institutions worldwide, and the United States and its principal European allies must bridge their differences over the war in Iraq to restore global confidence in the democratic ideal.

## CONCLUDING OBSERVATIONS

For the United States, the success of any joint international undertaking in Iraq or elsewhere in the region will depend on Washington's efforts to convince others that it respects their views and values their strengths and joint collaboration. In particular, the United States must attend to its relationships with other states in Europe and with the United Nations.

First, the United States must work with the states of Europe to repair the transatlantic partnership. Specifically, the United States should reach out to Germany, France, Turkey, and other European nations to reaffirm the importance it places on a shared commitment to the norms, values, and principles that marks the broader community of states within which the American way of life is so deeply rooted. In the light of recent troubles, even small, discrete measures of cooperation can be catalysts for looking forward and not back; e.g., supporting German troops in Afghanistan, undertaking U.S.–Turkish cooperation against KADEK in Northern Iraq, revisiting support for France's logistical needs in Congo.

Second, the United States must help rebuild the United Nations—the organization it, in effect, created. The UN today needs fundamental—political—reexamination. For at the heart of the near-universal disquiet regarding this institution rests a simple truth: the 1945 consensus that gave rise to the UN has broken down.

How did this happen? In 1945, the major states of the day came together to articulate core principles to help manage their relations and forge an institutional framework around those principles. These principles, in the main, emphasized states' sovereign equality and disavowed the unbridled use of force to broker relations. While little was said about the circumstances of the citizens within those states, the essential basis for state-state relations—formed from habit and practice over the previous several hundred years—was formally codified in the UN Charter, which came to be seen in many countries (although certainly not in the United States) as a kind of *lex superior*.

But since that time, UN institutions have been put under enormous strain. The cold war, decolonialization, the weight of new members bringing varied degrees of commitment to Charter principles, the explosion of non-state actors and the growing global impact of their actions, as well as a breathtaking rise in responsibilities in every domain of global security, well-being, and justice, have all combined to wear down, water down, and beat down the original consensus that gave rise to and sustained the original purposes of the UN. Nowhere is this breakdown more evident than in the Security Council where years of Member State neglect, indifference, and, at times, cynicism have resulted in an erratic record of engagement in solving some of the world's most difficult problems.

The time has come to rearticulate a new consensus around which states can rally and which can provide a basis for clarifying and sharpening the core responsibilities of the UN in the midst of a changed and changing world. No state other than the United States can lead this effort.

The United States belongs to a community of states which relate as close partners with shared principles. As the leader of this community, it must honor its word, live up to its obligations, devise a broader and more sensible basis beyond narrow self interest for its international engagements, and find constructive ways to strengthen the many multilateral institutions so useful to its purpose—and indeed, so reflective of the values and aspirations of their chief founding member.

Great military campaigns are known not only by what they destroy, but also by what they create—a new country, world order, or way of life. Success in Iraq, and in the region, will ultimately be measured, not by what the United States and its partners do, but rather by what the honorable peoples of these biblical lands are ultimately able to do on their own behalf. We all do well never to lose sight of that fact.

**ENDNOTES**

- 1 The views expressed herein are the sole responsibility of the author and do not represent the official position of the United Nations or any of its Agencies, Funds, or Programmes.

# **MODERNIZING SOCIETIES AND POLITICAL REFORM**







## ECONOMIC MODERNIZATION IN THE MIDDLE EAST

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### SUMMARY

Following a decade in which many countries in the Middle East undertook a range of economic reforms, several conclusions are emerging regarding the prospects for economic development in the region and the interests and role of the United States and the West.

Reform in the 1990s brought about a measure of macroeconomic stability and arrested the plunge in economic growth that the region was experiencing. But reform neither generated enough economic vitality to absorb the large and rising number of people without jobs, nor led to significant improvements in living standards for those with jobs. During a decade of globalization and tremendous growth in world trade and output, the Middle East lost a key opportunity to modernize and in fact fell further behind the rest of the world. That great political capital was spent in securing only modest reform and that the promised results have not materialized only feeds elite and popular disappointment and surely increases the difficulty of mustering another round of efforts. Global disquiet about globalization and sluggishness in the growth of output and trade worldwide compounds that difficulty.

While experiences varied across the region, generally speaking the technical reason for the impotence of reform follows from its partial, rather than comprehensive nature. Of particular consequence was the failure to embed macroeconomic stabilization sufficiently in a web of reform, including structural measures that would have strengthened the environment for private sector economic activity and integration measures that would have opened up economies and created deeper links to the world economy. Absent a comprehensive web of reform, there was no upsurge in investment, output, and international trade to create jobs, spur productivity, and boost living standards.

Why did this happen? Certainly, the agenda for structural reform in the region is reasonably well known, if long and daunting, and the West has been preaching the virtues of integration, if less energetically than in other regions of the world. Some structural reform was attempted in the 1990s. Unfortunately, huge obstacles blocked deep and comprehensive reform, mainly entrenched political, cultural, and economic interests that protect established ways of doing things. In addition, military and other security conflicts directly damaged some countries and, by raising uncertainties, indirectly damaged many others.

Clearly, it is in the interest of the United States and the West to help the countries in the Middle East do better. Whatever one makes of the much-debated link between lack of economic opportunity and either fundamentalism or terrorism, improved economic prospects in that region will certainly reduce a range of security threats as well as generate some valuable trade and investment prospects.

The good news is that there are technical remedies for the economic shortcomings facing Middle Eastern economies, remedies that hold very great promise in terms of improving long-run economic well-being. Conceptually, the most promising way to frame technical remedies is around a bold and comprehensive opening up to international trade and investment, backed up by a wide array of domestic policy reforms needed to support an open economy.

The bad news is that because radical and comprehensive reform always requires a political strategy, not just technical remedies, reform will be difficult in the Middle East. In fact, it is likely to be much more difficult than in other regions where developing countries have embarked on successful reforms. As elsewhere, reform requires leaders and a political elite able cope with substantial short-run costs and dislocations, while calling for the patience to reap long-run benefits. As elsewhere, reform threatens nationalism, the hold of the state on the economy and its levers of power, and the rents of entrenched interests. But in the Middle East, reform requires the adoption of laws and institutions that are unfamiliar, or in some cases alien; and reform threatens deeply held cultural norms. More so than elsewhere, the Middle East demands ownership of reform ideas and resists “importing” ideas and institutions. Successful reformers elsewhere have either emulated an existing and compelling model, or sought to join or rejoin a successful economic region. There is not yet a clear model of success in the region that many Middle Eastern countries would choose to emulate.

This paper looks at the major macroeconomic issues facing the countries of the Middle East. In the interest of focus, it does not treat individual country issues, nor does it delve into a number of important sectoral issues, such as the future of the energy sector, water rights and the prospects for agriculture, or education and human capital development. After some background, the paper reviews the recent economic history of the Middle East, turns to an exploration of economic integration as a strategy for achieving economic growth and modernization, and ends by presenting several issues that the United States and the West will need to explore further as foreign policy initiatives are refined.

## **BACKGROUND**

The economies of the Middle East are so varied that few generalizations apply either in analyzing past events or prescribing economic reforms. Even defining the Middle East is complicated. The IMF counts 24 countries and territories in what it calls the Middle East and North Africa, while the World Bank counts 21 countries and territories. The IMF includes 21 Arab League members plus Afghanistan, Pakistan and Iran, thus excluding Israel and Turkey.<sup>1</sup> The World Bank relegates Mauritania, Sudan, and Somalia to Africa, Afghanistan and Pakistan to Asia, and includes Israel and Malta. By the IMF reckoning, the Middle East contains more than 500 million people, roughly 7.5 percent of the world population, and has about 40 percent of its population under the age of 15. The region produces about \$800 billion in GDP, roughly 2.6 percent of global GDP.<sup>2</sup> Per capita income varies from only \$350 in Djibouti to almost \$28,000 in Qatar.

Many analyses of the economies of the Middle East, including some coming from the international financial institutions, begin with a very long litany of the region’s economic, political and cultural maladies, conveying a sense of the depth and breadth of its problems. Reading that litany, one could be forgiven for a pessimistic outlook:

- Oil wealth has produced the so-called Dutch disease, distorting economies by elevating the demand for domestic goods and services, depriving export-oriented manufacturing of resources, and thus diminishing trade integration with the rest of the world.
- In those countries rich in natural resources, massive oil wealth has benefited too few, is overly invested abroad or in physical infrastructure, and is under-invested in human capital.
- Demographic trends are generating labor force growth of 3.4 percent per year, which should be a source of strength, but has turned out far in excess of most economies' ability to generate jobs.
- In most countries, state domination has led to swollen public payrolls, inefficient public investment, inadequate laws and institutions, inefficient banks, and underdeveloped capital markets.
- The excessive influence of the state over many realms of economic activity has produced a deprivation of resources and autonomy for private-sector activity, not to mention, in too many countries, a lack of individual and corporate rights, underdeveloped civil society, and prevalent rent-seeking and corruption.
- In all but a couple of countries, government-imposed costs on conducting international trade transactions in the form of high tariffs and non-tariff barriers impede economic integration.
- While hard to quantify, the culture of the region has been resistant to absorbing Western ideas and technologies, has not built first-rate educational systems, and has deprived women of educational and occupational opportunities.
- Worse yet, decades of political, social and military conflict, more destructive in some countries than others, has interrupted economic progress and cast a pall of uncertainty over economic investment and trade.
- All those factors have combined to inhibit the private sector, depress investment and stifle productivity growth to an extent that output growth badly trails that of other developing economies, which has meant only modest gains in incomes and wealth for much of the employed population.

That sorry litany, while colorful, is not terribly helpful in suggesting a roadmap for reform, because with dozens of priorities, there are no priorities. But it does convey the magnitude of the reform challenge. Before trying to lay out a reform strategy with clear priorities and coherence, a look at the economic history of recent decades helps clarify where the economies of the Middle East stand and how they got where they are.

## RECENT ECONOMIC HISTORY

In the late 1960s and throughout the 1970s, economic growth in the Middle East averaged about 4 percent per year across the region, quite similar to East Asia at that time. Public health expenditures rose and important improvements in social conditions were achieved in many countries. Economic growth came principally from two sources, investment in the oil and gas sector and what economists call extensive growth, the drawing of idle labor into the economy.

Oil exporting countries amassed huge savings based on oil revenues, channeled part of that windfall to higher investment, and set aside substantial financial reserves in overseas investments. Investment in the oil-exporting Arab countries rose to exceed 30 percent of GDP, rates high enough to generate the kind of rapid growth achieved in East Asia. Of course, investment strategies differed from country to country, with Saudi Arabia emphasizing the development of domestic non-oil productive capacity, and Kuwait emphasizing the accumulation of overseas financial assets and creating a fund for future generations.

Resource-poor countries (i.e., without significant oil exports) also pursued aggressive investment programs, attempting with modest success to boost savings to pay the bill. Savings were supplemented by foreign aid inflows, which were substantial in many of the poorer countries. In addition, the countries with abundant labor increasingly benefited from workers who went abroad to work, importantly to the oil producing countries, and who sent back remittances. Investment rates in those countries rose from about 15 percent of GDP to over 25 percent of GDP. Growth accelerated and jobs were created, largely in public sector infrastructure projects and bureaucracies. Those accomplishments brought with them a growing vulnerability, however, as many countries financed a substantial part of the bill with overseas borrowing. Over time, those countries suffered a gradual but substantial deterioration in their financial condition.

In the 1980s, first in the oil exporting countries and later more generally, economic growth slumped, and by 1996, the region's per capita GDP was 3 percent lower than a decade earlier. This poor performance contrasted with per capita incomes that rose more than 40 percent in developing countries as a whole and more than 80 percent in East Asia.

What happened? Real oil prices fell in the mid-1980s, reducing the windfall for oil exporters. To a degree, those countries cushioned the fall by drawing on their huge overseas assets, but they also chose to slow their investment programs. The resource-poor countries were hit as declining labor demand among the oil exporters depressed labor remittances and as foreign aid subsided. With access to external financing increasingly limited by growing indebtedness, the resource-poor countries cut investment sharply, and with that growth subsided. By the mid-1990s, the oil exporters were growing slowly and digging into overseas assets, while many of the resource-poor countries, which experienced a more modest growth slowdown, found themselves overly indebted. With sharply lower investment rates, the accumulation of physical capital was no longer sufficient to generate significant growth in per capita incomes.

The challenge in the 1990s, was to stabilize this deteriorating financial situation, find ways to restore investment and growth, and do so without such an ample oil windfall. Boosting investment and growth had two components. The first was to raise domestic savings so that more resources would be available for investment. The second was to raise productivity through technical efficiency gains, so that whatever resources were available would be more valuable.

In the mid 1990s, several countries, most notably Egypt, Jordan, Morocco and Tunisia, launched stabilization and structural reform efforts. Each of those countries experienced a significant measure of success in stabilization—restoring order to fiscal finances, bringing down inflation, and reducing the burden of external imbalances. A wide range of structural reforms were also mapped out and attempted, including deregulation and privatization to diminish the hold of the state over economic activity, financial sector improvements to create a greater mobilization of savings and a more efficient means of channeling resources to investments, and external liberalization to make trade and foreign exchange systems contribute more to the integration of countries into the world economy.

Studies of those reforms point out a number of important conclusions. First, macroeconomic stabilization helped arrest the declining productivity and inefficiency that the region suffered in the previous decade, apparently by ending the deleterious effect of financial disorder on efficiency. Second, structural reforms were at best half-implemented and by the end of the decade were stalling. An international comparison measuring how much of needed structural reforms have been accomplished shows that key reforming Middle Eastern countries are well behind developing countries in other regions (Morocco and Egypt in the middle third; and Jordan and Tunisia in the bottom third). Worse, as the 1990s played out, the pace of structural reform, which had accelerated (in Egypt, Jordan, and Tunisia) to above average for all developing countries, fell back to below average. Third, important goals were not accomplished: the private sector investment needed to replace diminishing public investment did not materialize; and increased productivity (through gains in technological and managerial efficiency) was not attained. These last two are related and mutually reinforcing given that private investment brings know-how that boosts efficiency while rising efficiency attracts private investment. Fourth, the key subset of structural reforms, the creation of more diversified and open economies, was not fruitful. International comparisons show that those reforms are the most needed to stimulate investment and boost productivity.

It is important to put the present situation in perspective, so as not to give the impression that the region is beset by financial collapse or depression. Broadly speaking, the economies of the Middle East are stable and growing, with growth in the resource-poor countries higher than in the oil exporting countries. Employment is growing by more than 2 percent per year. And, most countries are in better shape than in the early 1990s. Certain of the oil producing countries, such as the U.A.E. and Oman, are both finding better ways to put oil wealth to work and using the state apparatus more effectively to redistribute income. Certain of the resource-poor countries, such as Tunisia and Jordan, have re-energized reform efforts and built an improved basis for growth. It remains to be seen whether the uncertainties following from September 11th, the war in Iraq, and the Israeli–Palestinian conflict, which have dampened investor sentiment and tourism, will have lasting effects.

Unfortunately, by any relevant measure, growth prospects remain inadequate. With high population growth rates, per capita income growth is low or declining in all but a few countries. Given the low level of development and income in many countries, there is a need for a long period of rapid growth just to catch-up to living standards in more prosperous developing countries. Measured unemployment rates (outside the Gulf Coordination Council countries, which themselves are experiencing some rising unemployment) now range from 15 to 25 percent. Unemployment rates for people under 25 years of age are about twice as high as national averages, with particularly bad situations in Algeria, Iran, and Tunisia. Looking forward, the region is going to see 4.2 million people per year enter the labor force in the period 2000 to 2010, and needs to find jobs for them as well as those already unemployed. To do so, GDP growth will need to exceed 6 percent annually, more than was achieved during the oil boom.

## THE INTEGRATION STRATEGY

The only strategy to modernize and invigorate the economies of the Middle East that promises to do so on a scale and timetable that would create jobs and prosperity for their rapidly growing young populations is a radical opening to world trade and integration with the world economy.

That proposition is implicitly at the core of the U.S. government's initiatives to promote trade agreements with Middle Eastern countries and is the explicit thesis of a recent World Bank report.<sup>3</sup> What is the case for this strategy?

At present, economic linkages between the Middle East and the rest of the world are very limited and trade is too low. This can be seen in the fact that non-oil exports (excluding re-exports) from the Middle East (using the World Bank's definition) totaled only \$28 billion in 2000. As others have observed, Finland's exports alone were twice as high despite its population of only 5 million; the Czech Republic and Hungary's exports were as high, though each country has 10 million or so people. The World Bank demonstrates that there is a trade gap: non-oil exports from the Middle East are only one-third the level that might be expected given the region's demographics, income level, and resource endowments. By that measure, only Jordan and Morocco have exports that come near potential. Algeria, Egypt, and Iran are big under-performers. By more sophisticated measures, employing so-called geographic gravity models that also take into account other advantages such as ample coastlines for shipping and physical proximity to high-income European markets, almost all countries in the region are export under-performers. Not surprisingly, manufactured imports, both consumer goods that could improve living standards and production inputs with embedded technologies that could boost productivity, were found to be about half of model predictions.

In addition, the countries of the Middle East do not trade enough with each other. Intra-regional exports were only 8 percent of all exports in 1998, a share that had risen only slightly over the previous 25 years. That contrasts unfavorably with intra-regional trade among Asian countries (22 percent), Mercosur countries (25 percent), and even Andean Pact countries (11 percent). The high numbers for those regions reflect rapid and substantial recent increases in their intra-regional trade, coming from many years of progress in their own integration efforts. Middle Eastern countries have embarked on numerous efforts at promoting intra-regional integration and free trade, most recently with the Pan-Arab Free Trade Agreement in 1997 signed by 21 countries. However, these agreements do not appear to be bearing fruit. Two hypotheses to explain low intra-regional integration—that the region is economically small and that countries in the region are too similar in production and export structures to gain from trade with one another—have not been borne out by analysis. The more likely reasons include high tariff and non-tariff barriers (that have not declined as in other regions), lack of simplification of rules of origin restrictions on imports, and exclusion of key sectors from trade agreements.

Lack of integration can also be seen in the fact that foreign direct investment (FDI) into the region is low. FDI was only \$2.2 billion in 2000, with almost all going just to Egypt, Jordan, and Tunisia, and was the equivalent of just a fraction of a percent of GDP. To compare, FDI in Poland (with a GDP of about one-sixth of the Middle Eastern region) has exceeded that amount in every year since reforms there took hold, in some years by a factor of five. In the nineties, numerous emerging market economies were able to attract FDI amounting to 3 to 4 percent of GDP. The World Bank estimates that with a better trade and investment environment, FDI into the Middle East could be 5 to 6 times higher. Closing the FDI deficit cannot compensate for the inadequacy of domestic savings and investment, but it would help and could bring important technological and managerial benefits.

The World Bank study demonstrates that if even half of the trade gap could be closed over the next decade, per capita growth could accelerate from about 1 to about 4 percent per year. That acceleration would come roughly half from higher private investment and half from productivity gains. That would result because opening to international trade would encourage a shift of resources to more productive and probably more specialized activities, in agriculture, manufacturing, and services. Investment capital and labor would flow out of the public sector and from less efficient to more efficient private sector activities.

Trade is also the key to solving the jobs problem. Again, the World Bank estimates that if per capita growth accelerates to about 4 percent, enough jobs would be created to absorb both the unemployed and the expected new entrants into the labor force.

Openness and economic integration offers a route to radical improvements in growth and jobs.<sup>4</sup> In fact, it is hard to imagine any internally oriented strategy not relying on integration providing such a route. That said, it is also important to acknowledge that the integration strategy requires not just trade liberalization, but sweeping changes in public policies and in the way business is done in the Middle East. So, it is for leaders and not just trade ministers to formulate and implement an integration strategy.

That may sound like a weakness in the strategy, but it is actually the key strength. That is because a commitment to integration logically requires many complementary and beneficial internal reforms and changes. A country that chooses trade openness and wants the benefits that go with it must build an environment that fosters private sector activity and permits resource reallocation in response to the forces of international competition. The countries of the Middle East need three major shifts in orientation, from oil to non-oil based production, from state-dominated to private investment, and from protected industries to export-oriented industries. Those three shifts are a useful way to categorize remedies to many of the maladies listed at the beginning of this paper. Viewed that way, economic integration is an organizing principle for structuring and motivating comprehensive reform. Its strength is that a comprehensive integration strategy—involving a web of reforms that follow from a commitment to integration—has the potential to produce the long-sought and much needed payoff to reform. A commitment to integration doesn't eliminate the need to grapple with the many politically tough issues. What it does, however, is to motivate and animate a broad set of reforms.

## POLICY ISSUES

Economists usually can come up with a technical approach to resolve or at least cope with difficult economic circumstances. The integration strategy, with accompanying policy and institutional reforms, would probably bring great long-term benefits to the Middle East. But needless to say, a technical approach will not be successful if it is never tried, and it won't be tried absent a promising political strategy for doing so.

Latin America abandoned decades of growth-stifling import substitution only after hyperinflation and debt crisis brought its economies to a halt and threw political systems into crisis. A political strategy for radical economic reform emerged there from the need to end crisis and from the likelihood that reform would greatly improve the situation. Eastern Europe, once freed from the clutches of the Soviet Union, built a political strategy around the widely held desire to rejoin Europe. As the decrepit, mal-developed communist economies were being reformed, any proposal



that advanced the cause of rejoining Europe was okay, and, more importantly, populist and interest group proposals that didn't advance the cause could be defeated.

What is the Middle East's political strategy for advancing bold, economic reform aimed at achieving economic integration with the rest of the world? That is not only the key question for political leaders and elites in the Middle East, but also for U.S. and Western policymakers wanting to understand the political prospects and problems of Middle Eastern leaders and help them achieve peace and prosperity. Economists may have something to contribute to the formulation of a political strategy for reform, but much of that formulation falls beyond the province of economics. Several interdisciplinary issues will doubtless need to be considered together and woven into a unified approach.

On a simple economic basis, the integration strategy is worth doing because its long-run benefits are substantial and greatly outweigh short-run costs. Ultimately, that must provide the compelling technical basis for a political strategy. Economists have long argued about how to maximize this cost-benefit analysis, as part of the shock therapy vs. gradualism debate. One emerging lesson is that the first phase of reform must be bold and broad enough to create momentum, with realistic exchange rates, lowering of trade barriers, and a widespread deregulation of private investment all up front. But there are unresolved debates about gradualism and sequencing that are relevant in the Middle East. For example, a view gaining ground is to manage the disruptive resource reallocation associated with reform through gradualism in the privatization and downsizing of state enterprises in labor abundant countries, and through time-bound tariff protection of sensitive sectors, especially agriculture. While appealing on their face, these gradualist proposals risk degeneration into inaction, and thus warrant further study and discussion.

The cost-benefit calculus, however relevant, seems likely to be swamped in importance in the Middle Eastern setting by the larger issues of politics and culture. Some leaders and elites make the cost-benefit analysis and back reform (the Polish former communists decided they'd be better off giving up control, at least temporarily, and becoming capitalists). Perhaps more so than in other regions, in numerous Middle Eastern countries the hold on power and wealth of leaders and elites is bound up in the preservation of state control of economic activity, the collection of economic rents from that activity, and control over the flow of financial resources. So far, their leaderships have eschewed deep reform because of the threat to those prerogatives. That aspect of the Middle Eastern stalemate raises the issue of the link between democratization and economic reform.

Democratization practitioners speak of three levels on which to approach their subject.<sup>5</sup> Some advocate pursuing democratization via economic reform and development, to build a constituency for political change over time. In the Middle Eastern setting, a key argument is that time is on their side. Declines in oil revenues, foreign aid and workers' remittances will lead the state to rely on taxes; and in the long run there is no taxation without greater representation. Moreover, demographics ensure that the reserve army of the unemployed will exert a growing and eventually dominant role, in time organizing to get its needs met by government and the elites.

Others argue that absent a legal and institutional foundation for commerce and civil society, economic reform is doomed and discontent will merely take malign forms of expression. They advocate a governance agenda that includes greater freedoms of association and speech, and judicial protection for those freedoms. The governance agenda will facilitate a constructive expression of the interests of economic development and accelerate change.

Still others maintain that success is unlikely without constitutions, elections, and representative democracy. Autocrats and their support base in the Middle East have shown they can suppress economic interests for a very long time. Moreover, autocrats will welcome the governance agenda, while using it to take credit for modest and controllable progress without giving up much in the way of power and influence.

Whether on the basis of human rights, economic pragmatism, or some combination of the two, advocates of this view say contested elections are necessary.

Whether Zakarista or Kaganite, all can probably agree that this is an important set of issues that requires attention.<sup>6</sup> The United States, together with others in the West, needs to coordinate and integrate its economic advice and support with its democratization agenda. Moreover, the democratization agenda itself needs refinement to avoid the inference drawn by so many in the region, that we want elections so long as the Islamists can't win.

Two propositions may serve to provoke reconsideration of the link between economic reform and democratization reform: A governance agenda is necessary but not sufficient. A steady progression of reforms permitting leadership positions to be contested at various levels of the power structure is also necessary to seed pluralism and animate governance reforms.

Culture and religion is also a nettlesome subject. What might seem like the obvious question, "Can capitalism work in the Middle East?" is probably moot. Those who answer this in the affirmative cite the centuries during which trade and commerce flourished across the Middle East. Bernard Lewis cites the hadith attributed to the Prophet that "only God can fix prices" to make the point that Islam itself is not antagonistic to free enterprise. Others cite the record to date of the "importation" of western legal systems and institutional apparatus. Those who answer in the negative point to nationalism, autocracy, and fundamentalism as features of today's Middle Eastern political culture that view modernization as a threat to identity and reject aspects of capitalism and globalization. In the end, one can point to cultural and political ideas and norms that favor and disfavor capitalism, commerce, and trade. So, the modernization message to Middle Easterners will just have to appeal to "the better angels" of their nature.

But what remains at issue is the strategy for doing so. The relevant question is: should the U.S. and the West advocate that Middle Eastern countries "import" our laws and institutions, or develop their own variants? U.S. Trade Representative Zoellick, speaking at the recent World Economic Forum at the Dead Sea, suggested that the U.S. vision for the region "will need to be painted in local colors." But what exactly does this mean?

The relevant institutional setting for capitalism encompasses many things. There are particular organizational entities that are crucial, such as fiscal and monetary authorities, financial regulators, and state agencies for human capital development and social protection. Ensuring those institutions are sound and credible is key to sustaining good policymaking. There are also the rules of the game of a society, including the formal and informal restraints and incentives regarding political and economic behavior. Rules of the game are shaped by a range of factors, including the quality of the legal system (including enforcement of property rights), constraints on executive power, and the quality of governance. Good rules of the game contribute to an environment in which private sector agents have the right incentives and are spared undue uncertainty. Research has shown that strong institutions, defined broadly, contribute to better policymaking and stronger private sectors, but also that reforms and improved policymaking tends over time to strengthen the institutional

base. While this nexus is key in most settings, it will be especially important for any region choosing to deepen its links to the globalizing world economy.

Institutions vary considerably from region to region around the globe. There is surely no single set for all circumstances, cultures, and societies. We in the United States tend to proselytize for what we know best. In the Middle Eastern context, it is worth asking whether there is a trade-off between conformity to Western institutional norms and the likelihood of acceptance and achievement of successful institutional reform. If so, then some mix of imported and locally grown (or hybrid) institutions makes sense.

Local approaches need to be evaluated in the context of globalization, where certain types of institutional conformity are more important than others. To offer a very simple example, it will be harder to expand business and trade if your financial accounting is not up to international standards. There are international variants, but with convergence underway, divergence will increasingly be penalized. By contrast, there are several quite different legal systems including in the industrial world. While there is some cost to non-conformity, what really matters to business is consistency and reliability of enforcement. Much of the problem of institutions in the Middle East is implementation, but where design is still at issue some thought should be given to this trade-off between conformity and acceptance.

Clearly, the most problematic divergence between Middle Eastern and Western approaches has to do with the laws and practices governing gender. Without wading into this very complex subject, from the economic standpoint there is a huge opportunity cost for those countries in the region that are failing to educate and give occupational opportunities to women. That is not to mention the compelling human rights considerations. As West meets Middle East, gender is likely to be the most difficult issue on which to develop a shared approach.

The issue of culture also highlights the special sensitivity to “ownership” of reform in the Middle East. In many other regions, one finds resentment of economic policy prescriptions and pronouncements especially those coming from Washington, whether the U.S. government or international financial institutions. In the Middle East, this resentment is not just about policy ideas, but extends to a broader set of cultural ideas and practices. And, there is a special resentment about things American. Speeches like USTR Zoellick’s—which was admirably lofty, principled, and exhortative—can raise hackles. The United States clearly needs to articulate its views and vision, but U.S. diplomacy could also search for quieter means of inculcation and persuasion. Meetings with leaders and elites, cultural exchanges, and student programs can give Middle Easterners a chance to hear our views, then formulate and articulate their own recipes. Quiet off-site technical discussions proved very useful in Poland and Bosnia before reforms were adopted. At a political level, the commission headed by Gore and Mubarek (like the other Gore commissions) permitted an exchange of ideas among leaders and elites on a very broad range of issues and facilitated trust and understanding without much public exposure. Some new approaches need to be developed for a much more intensive but quiet interaction on technical as well as political issues.

The last issue I wish to raise is a policy conundrum regarding universality vs. selectivity in U.S. engagement. At one level, there is obviously a challenge to convince a broad spectrum of Middle Eastern opinion to opt for a strategy of modernization and integration. But, there is also a conundrum. The logic of integration calls for universal participation of countries. The logic of reform may well call for one or a few leading countries and then a group of followers.

The process of integration is in theory most efficient and effective if all countries march down the road of liberalization and reform together. That is because multilateral and contemporaneous trade liberalization, both intra-regional and with the U.S. and the West, maximizes the gains from trade, helps avoid unnecessary obstacles and inefficiencies that would arise from a lack of harmonization of trade provisions, and brings palpable results more quickly.

On the other hand, there is an issue of what you might call the efficiency of investment in reform. At present, the countries of the Middle East have no clear model of successful integration and reform to emulate. Turkey may be a model to some, but is too secular and too European to be compelling to most. Creating a success others might then emulate would have great value. Poland's reforms inspired the Russian reformers and many others. In the Middle East, the U.S. could engage one or a few countries deeply, providing all of the support (political, economic, technical, and financial) needed to foster reform, and try to generate a model of success.

If such a success were then emulated by others, the overall time, energy, and expense for the United States might well be less than in a strategy engaging all countries at once. In the 1990s, Egypt was to some extent a country that received special attention from the U.S. It surely deserves continued, special attention. It is surely also worthwhile to work with Jordan, Morocco, and Tunisia. Clearly, the present U.S. Administration believes there will be an important demonstration effect from its deep engagement with Iraq. Whatever country or countries are selected for special treatment, it will surely be important to avoid the past error of unconditional love and financial support and instead to practice conditionality and to maintain a proper measure of tough love.

## CONCLUSION

At the height of Islamic power, the Muslim world possessed enormous economic power, with commerce, communications, and transport reaching across Europe, Africa, and Asia. The last several centuries have seen the West jump ahead, and most of the Middle East lags significantly behind. In the twentieth century, a bizarre, lamentable, and ahistoric enchantment with nationalism, socialism, and more recently fundamentalism has left a region with an identity crisis and a host of practical problems. The acceleration of globalization over the past decade has raised the stakes for addressing these problems, embracing capitalism, and modernizing.

Modernization and integration in the Middle East will neither be easily nor quickly achieved. The U.S. and the West undoubtedly will have to commit to a lengthy intellectual, economic, and political engagement with the region in order to see success. Fortunately, from an economic standpoint there is a great potential for achieving Middle Eastern prosperity through integration. Stressing integration as the organizing principle for modernization and development lends coherence and discipline to the wide range of changes needed in the region.

With that approach, however, we will have to commit to go beyond exhortation and technical assistance. For there can be no meaningful integration unless the U.S. and the West offer complete access to our markets for goods and services, including politically sensitive goods and services. Many of the trade arrangements presently in place withhold access to our markets for a wide range of agricultural products, for textiles and clothing, and for labor services. It is vital that Middle Eastern countries, Western countries, and the international financial institutions jointly embrace the integration agenda as the organizing principle for reform in that region. For once that die is cast, their success is inextricably linked to our actions.

## ENDNOTES

- <sup>1</sup> Israel's economy differs from most others in the region, and is not discussed in this paper.
- <sup>2</sup> The GDP of the region is roughly equivalent to that of Texas.
- <sup>3</sup> *Engaging with the World: Trade, Investment and Development in the Middle East*, World Bank, forthcoming (with an overview on the World Bank website).
- <sup>4</sup> This idea is not new. Countries in the region have engaged in a large number of varied trade negotiations. The United States has a free trade agreement with Jordan, is negotiating one with Morocco, and has called for a Middle East Free Trade Agreement. Europe has Euro-Med agreements on tariff reductions with several countries, and intra-regional trade is being promoted via the Pan Arab Free Trade Area (PAFTA) and the GCC customs union. A dozen countries are members of the WTO and several more are negotiating accession. But these agreements, which include a wide variety of provisions regarding tariff and non-tariff barrier reduction, have not yet delivered sufficient openness. For a truly open and rational system of trade to develop, there will be a need for harmonization of provisions at low or zero levels of protection.
- <sup>5</sup> See Tom Carothers, "Is Gradualism Possible? Choosing a Strategy for Promoting Democracy in the Middle East," *Working Paper No. 39*, Carnegie Endowment for International Peace, June 2003
- <sup>6</sup> See Fareed Zakaria, *The Future of Freedom: Illiberal Democracy at Home and Abroad*, W.W. Norton and Co., April 2003 and a Robert Kagan, "The Great Unwashed," in the *New Republic*, July 7, 2003.

## TAKING STOCK: THE BUSH ADMINISTRATION AND THE ROADMAP TO PEACE

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When the Bush Administration assumed office in January of 2001, it shifted direction in a number of foreign policy areas. Nowhere was the shift in direction and priority more pronounced than in the approach to Arab–Israeli diplomacy. It was not only that the President would not be engaged; it was also that there would be no American envoy to the peace process. Indeed, in the first months of the Administration, the very words “peace process” were banned from the public and private lexicon.

The policy was one of disengagement. A number of assumptions seemed to guide the new approach: the Clinton Administration erred in wanting peace more than the parties, with the President having been far too involved; Yasir Arafat was indulged too much; the new Ariel Sharon-led government in Israel would now rule out being able to achieve much; and U.S. interests in the region were threatened far more by Iraq. Dealing with Iraq—as opposed to the Israeli–Palestinian conflict—was more likely to transform the landscape of the area.

Whatever one thinks about the wisdom of America’s intensive, high-level engagement in the 1990s, disengagement from peacemaking efforts was clearly not the answer. In the first years of the Bush Administration, with very limited American diplomacy between Israelis and Palestinians, the intifada was transformed into a war with a vast escalation in the suffering on both sides. For Israelis and Palestinians alike, the price they paid for having no peace process was very high.

To put this in perspective, the number of Israelis killed in the first four months of the intifada (until the end of the Clinton Administration) was 42. By June 2003, over 800 Israelis had been killed. Palestinian fatalities went from 350 to nearly 2,500.<sup>1</sup> The wounded amount to 10 to 20 times the numbers killed. The economies on both sides have also paid a severe price. While the Israeli economy is in crisis—having declined in absolute terms every year for the last three years—the Palestinian economy has been devastated. More than 60 percent of Palestinians are presently living below the poverty level, and 1.8 million in the West Bank and Gaza are now dependent on subsistence from the UN and other international agencies.<sup>2</sup>

But there has been another casualty as well: The psyches of both sides have been deeply wounded. Both Israeli and Palestinian publics have come to doubt whether they have a partner in peace on the other side. The problem is less a loss of confidence and more a loss of faith. And that cannot be restored overnight.

## THE BEGINNINGS OF CHANGE

Under pressure from Arab leaders, especially Crown Prince Abdullah of Saudi Arabia, the Bush Administration decided to re-engage in Middle Eastern diplomacy in August 2001. The President sent a private letter to the Crown Prince, establishing for the first time that U.S. policy would be to support a two-state solution to the Israeli–Palestinian conflict.<sup>3</sup> In addition, the Saudis and others were told that the President would have a brief meeting with Yasir Arafat on the margins of the United Nations General Assembly meetings in New York.

None of this was announced, and September 11 interrupted the advent of a new diplomacy. Given the Administration’s understandable preoccupation with the war in Afghanistan, a new effort on Israeli–Palestinian diplomacy was put on the backburner. Notwithstanding limited efforts to produce a ceasefire later in fall and early winter 2001-2002, the Administration’s reluctance to engage itself seriously remained the guiding principle of its approach. The hesitancy was reinforced by perceptions that Arafat was doing little to stop terror, had frustrated General Anthony Zinni’s effort to negotiate a ceasefire agreement, and had lied to the Administration about trying to smuggle Iranian arms into the territories. Following the IDF’s sweep of West Bank cities and an unproductive trip to the region by Secretary Powell in April 2002, the Administration again came under increased pressure to do something.

The result was President Bush’s speech of June 24, outlining his vision for peacemaking. He publicly called for a two-state solution to the conflict. However, by emphasizing a performance-based approach to peace, he effectively told the Palestinians that if they wanted a state they would have to earn it. They must reform themselves, build credible institutions, end corruption, fight terror and create an alternative leadership untainted by terror. If the Palestinians did all this, Israel needed to accept statehood and “end the occupation that began in 1967.”<sup>4</sup>

While long on exhortation and short on plans, the President’s speech did create a new basis for the international community to address the issue. Palestinian reform became the focal point for activity, with emphasis put on creating transparency and accountability in the Palestinian Authority (PA). But translating this new emphasis into a new reality on the ground was bound to be difficult. There was nothing immediately practical in terms of what had been proposed. Reform as an objective was very important, but it was unlikely to be achievable unless the Israelis would relax their grip on the territories so reformers could move, meet and plan. For its part, the Israeli government might be a supporter of Palestinian reform—particularly if it meant sidelining Arafat—but it was not inclined to relax its grip on the territories if the result of doing so would be new terror attacks in Israel.

The stalemate remained. Finding a mechanism to act on the President’s vision is what gave birth to the concept of a roadmap.

## TACTICAL OBJECTIVE, STRATEGIC CONSEQUENCE

Ironically, it was Arab leaders who initially raised the concept of a roadmap, notwithstanding their concern that the President’s speech demanded too much from Palestinians and too little from Israelis. Desperate for the United States to intervene, they embraced the President’s ultimate vision but called for a plan—a roadmap—to get there.

Here again, the Administration did not rush to develop a roadmap. Arab leaders and Europeans were pleading for one to act on the President's words. Both argued that the U.S. position in the Middle East was being threatened by the Administration's reluctance to defuse the Israeli–Palestinian war and its apparent eagerness to go to war with Saddam Hussein. Faced with the uncertainty of who to deal with on the Palestinian side and with the tactical need to gain support for its Iraq policy—or at least the prospect of acquiescence in it, the Administration agreed to work with the EU, the UN and Russia in forging a roadmap to carry out the President's vision. While the United States would not let these other countries determine its response to Iraq, it would let them shape the conduct of U.S. diplomacy between the Israelis and Palestinians—an unprecedented step in the U.S. approach to Arab–Israeli issues. Few things better indicate that the real objective here had less to do with Middle East peace and much more to do with the Bush Administration's Iraq policy. Arabs, Europeans and others would find it easier to tolerate what the United States was doing in Iraq if the Administration could point to its making a serious effort on Israeli–Palestinian peace—or so the thinking went.

This tactical objective led to a reversal of the traditional approach to Arab–Israeli diplomacy. Rather than working out understandings with the parties, the Administration engaged in a negotiation with the members of the Quartet (the United States, EU, UN and Russia). Consequently, the roadmap reflected agreement with parties that had no responsibility for carrying out even one of the steps for which they were calling. Conversely, the parties that would have to implement these steps were presented the roadmap after the Quartet had already agreed to it. They were each offered the opportunity to make comments but not to engage in a negotiation about its content or how it might actually be implemented. Perhaps the need to avoid negotiating with Yasir Arafat—as well as the desire to have an international consensus that would be difficult to reject—influenced the Administration's approach.

By definition, however, the roadmap could never be brought to life if it were based only on the understandings of outsiders. Indeed, it could only materialize with clear and unambiguous understandings between the “insiders” on what each side would actually do, when they would do it, where they would do it and how they would do it. Not surprisingly, the roadmap, once unveiled, could not actually be launched without an agreed trigger. Though President Bush publicly announced the roadmap in March, before the beginning of the war in Iraq, it took active diplomacy in June, after the Aqaba summit to produce an agreement on initial steps that each side might take.

## THE IMPACT OF THE WAR IN IRAQ

Defeating Saddam was never going to yield peace between Israel and the Palestinians. The conflict between two national movements with competing historic claims to the same territory was not created by Saddam Hussein and was not going to be resolved by his demise. But the war and the fall of Saddam's regime did have an impact on U.S. diplomacy and on the Israelis and Palestinians. For his part, President Bush—as part of the effort to build support for the war—made promises to a number of leaders, including Arab leaders, that he would make a serious effort on Israeli–Palestinian peace after dealing with Saddam Hussein. The more he repeated this privately, the more he became sincerely wedded to doing it, and the roadmap, whatever the initial motives the Administration had for it, suddenly became the President's avowed policy.



As for the Israelis and the Palestinians, neither wanted to say no to President Bush, who glowed in the aftermath of Saddam's defeat. Prime Minister Sharon, knowing that most Israelis believed that the United States had removed a strategic threat to Israel, was not about to reject an initiative by the triumphant President. Similarly, neither Arafat nor Palestinian reformist leaders had any interest in denying a U.S. initiative under these circumstances. On the contrary, Palestinians sought the intervention of the world's only superpower to transform the situation on the ground.

There is a big difference, however, between avoiding saying no, on the one hand, and actually saying yes to the specifics of what the United States might be asking, on the other. Not rejecting the U.S. initiative was consistent with wanting to stop the war. Saying yes might mean moving toward the difficult decisions involved in peacemaking. Such a positive response requires a different mindset—one which must demonstrate a willingness to confront constituencies that resist compromise and think not only in terms of their own political needs but their counterpart's as well. While Saddam's defeat did not necessarily create these impulses on either side, it did suggest that change was possible and that the moment should be seized at least to produce relief for both sides.

In this sense, the President's initiative came at a moment when both Israelis and Palestinians were ready to stop the day-to-day struggle that was imposing such pain on each of them. On this point, they basically agreed. Their "agreement" did not extend to the content of peace negotiations or even to the content of the roadmap. But it did reflect important developments within each society.

## **NEW REALITIES**

Among Palestinians, the attitude toward the violence had begun to change in the period preceding the war in Iraq. Though a majority of Palestinians favored violence from the beginning of the intifada—especially as a way to inflict pain on Israelis who were inflicting pain on them—this sentiment began to change in early 2003. In February, polls indicated that a slim majority now opposed the violence. By June, that slim majority became a more decisive one, with 73 percent of the Palestinians in the territories favoring an end to it.<sup>5</sup> Palestinians were longing for a return to a more normal life—one in which the Israeli siege could be lifted and movement of people and goods could be restored. No end to the violence would mean no lifting of the checkpoints.

Under duress, Yasir Arafat appointed Mahmoud Abbas (Abu Mazen) as the first-ever prime minister of the Palestinian Authority. The Administration skillfully used the Palestinian desire for American intervention to increase the pressure on Arafat to make the appointment, saying it could only unveil the roadmap when there was a credible prime minister. Arafat may have made the appointment only because of international pressure, but it was Palestinian reformers who first raised the idea of a prime minister. Indeed, Palestinian pressure on Arafat for reform pre-dated President Bush's June 24 speech, emerging when no one predicted it. Following the Israeli operation "Defensive Shield" of March through May 2002, in which the IDF entered every Palestinian city in the West Bank except Jericho and destroyed extensive parts of the old cities of Jenin and Nablus as they sought to root out terrorist cells, most observers expected the Palestinians to be driven by their anger at Israel. No doubt there was anger, but the overwhelming sentiment in the territories after Defensive Shield was the desire for reform. Reconstruction was what Palestinians wanted: they did not want to reconstruct the "rot" that had been Yasir Arafat's government.<sup>6</sup>

Palestinians were not prepared to embrace efforts to unseat their icon Yasir Arafat, but they wanted him to share power. The emergence of Abu Mazen as prime minister represented what reformers had sought, even if his cabinet, being the product of difficult negotiations with Arafat, was not exactly what they had in mind. No one on the Palestinian side had more consistently opposed violence than Abu Mazen. At one point, he publicly challenged those, including Arafat, who argued for the intifada, saying that it yielded the opposite of their stated goals: it extended Israeli occupation, tightened the Israeli control of East Jerusalem and strengthened Prime Minister Sharon. To Abu Mazen, the continued violence was producing a disaster for Palestinians and threatening the cause itself.

The new Palestinian Prime Minister was not alone in this assessment. Critical support for stopping the violence came from Tanzim leaders. The Tanzim are the Fatah activists who control much of the grassroots organization, especially in the cities of the West Bank. Though Marwan Barghouti is certainly the most prominent Tanzim leader, the Tanzim tends to be more of a horizontal than a vertical organization. Their leaders produced the first intifada from 1987 to 1990 and have played an important role in the second one. As several of their leaders explained to me in June, they initially believed that this intifada would prove to the Israelis that force would not work on the Palestinians. Instead, it was now clear that force could work against either side. Worse, as the intifada continued, their agenda of a two-state solution, produced through negotiations, was being supplanted by the Hamas agenda of ongoing struggle. Lest there be a break in the situation, they were now concerned that the ability to produce a two-state solution could be lost.

The push for a ceasefire came strongly from the Tanzim and certainly also reflected the mood of the Palestinian public. Under these circumstances, Hamas was not about to oppose a ceasefire, believing that it could use the respite to rebuild, and that sooner or later the Israelis would create a pretext for going back to the struggle.

In Israel, there was also a readiness to transform the situation. Certainly, the Israeli public was ready for it, with two-thirds opposing the resumption of targeted killings by the IDF.<sup>7</sup> However, coupled with the desire to see the violence end was a feeling that the Palestinians, having imposed the recent violence on Israel, must show they were serious about stopping it.

With the emergence of Abu Mazen as prime minister, the Israeli public and Prime Minister Sharon saw an opportunity. With President Bush's initiative, he saw a need, but the ongoing economic crisis in Israel also motivated him. Sharon came to believe that Israel's economy could not recover unless the war with the Palestinians stopped—and for the first time he publicly began to say so. His call to his constituency to understand that Israel must give up the occupation and be ready to “divide the land” was justified in terms of the occupation not being good for Israelis, for Palestinians or for “Israel's economy.”

Exhaustion on both sides certainly helps to explain why there may now be a moment to end the war and resume a peace process. Can a peace process now be successful? Is the roadmap the vehicle for producing success?

## THE PROBLEMS AHEAD

The roadmap is not a detailed plan. Having been forged with outside parties, it lacks the clarity and definition to be anything other than a set of guidelines. Its basic concept makes sense: estab-

lish mutual obligations and phases designed to restore an environment in which the two sides can, in time, once again tackle the core issues of the conflict.<sup>8</sup>

Truth be told, the roadmap tries to create a pathway that restores the core bargain of Oslo: The Israelis get security. The Palestinians get their freedom. Both sides assume responsibilities to fulfill their side of that bargain. This is a fair sounding proposition in theory, but devilishly difficult to translate into reality.

The two sides were not involved in developing the roadmap, so it should come as no surprise that they would each try to redefine it. The Israelis have been public about their concerns and created 14 conditions—primarily related to security and sequence—that the current Administration has promised to “take into account.” The Palestinians have publicly accepted the roadmap without qualification; nonetheless, they are trying to redefine it in its application. For example, the hudna, or truce declared as an agreement among Palestinian factions, is not a part of the roadmap. There is supposed to be an immediate, unconditional ceasefire, with the commencement of arrests and the dismantling of terrorist infrastructure. But Abu Mazen explained that he needed to build his capabilities before taking on the main Palestinian obligations in the first phase of the roadmap. He was betting that, with calm, the Israelis would take steps both within and outside of the roadmap that would allow him to show he was delivering. Abu Mazen hoped that by showing that his way led to measurable improvements in the lives of Palestinians, he would build his authority and his leverage on groups like Hamas.

The irony was not lost on the Israelis: a roadmap that was to pressure the Palestinians to produce first on security issues before Israel had to take difficult steps is one that in practice pressures the Israelis to perform prior to the Palestinians fulfilling their side of the bargain. Indeed, this irony even extended to items not in the roadmap—neither Palestinian prisoners nor the “fence” are addressed in the roadmap, but releasing prisoners and halting construction of the security fence in the West Bank became part of the new list of Palestinian needs. Israel, recognizing its stake in Abu Mazen’s success, released some prisoners, lifted some checkpoints and even planned additional withdrawals. But the Israelis were never likely to withdraw extensively prior to seeing more of a Palestinian effort to constrain terrorist groups and their capabilities in additional areas of the West Bank. Moreover, Sharon was unlikely to carry out the tough steps that the roadmap calls for in the first phase, including freezing all settlement activity and dismantling all unauthorized settler outposts established since March 2001, before seeing Abu Mazen or the Palestinian Authority take the tough decision to dismantle terrorist infrastructures in the West Bank and Gaza.

In any case, Abu Mazen was not able to deliver and resigned, blaming the Israelis, the Americans, and most dramatically, Yasir Arafat for frustrating his ability to perform as prime minister. Abu Ala was named by Arafat as his successor, but at the time of this writing, it remains unclear whether he will choose to remain as prime minister.

Even should a new Palestinian prime minister begin to build his authority, it will not be easy to dismantle the terrorist infrastructure. Old habits die hard, and Palestinians abhor the idea of civil conflict (*fitna*). Moreover, the hudna came to mean for Palestinians and the Arabs that they had fulfilled their obligations under the roadmap. Somehow the idea that Palestinians must act against groups like Hamas and Islamic Jihad never registered.

Naturally, Yasir Arafat adds to a Palestinian prime minister’s challenges in this regard. While claiming that he accepts the roadmap, Arafat continues to oppose the disarming of the groups—

especially the Al-Aqsa Martyrs' Brigades—and criticized Abu Mazen for not getting more from the Israelis for the ceasefire. Recall that the roadmap calls for an immediate, unconditional ceasefire. This was not something to be negotiated but adopted. For Arafat, however, highlighting Abu Mazen's failings was essential to demonstrating his own indispensability. He needed Abu Mazen to fail to prove that he (Arafat) was not the problem. He may be more open to accepting what Abu Ala might do, but his opposition to Abu Ala's nominee for the security portfolio indicates that Arafat will be reluctant to cede real power—at least willingly. In this regard, Arafat's own iconic status will continue to ensure that even if there is a new opportunity to try again on the roadmap, he will remain a formidable obstacle to implementing it.

Does this mean the roadmap can never succeed? No, but it is important to remember that, at this stage, the parties are not even talking about the core issues of the conflict. To succeed, even on the initial challenges of the first phase, very intensive U.S. efforts will be required.

### LESSONS FROM THE PAST

Israeli and Palestinian expectations about the roadmap continue to be different. The United States cannot afford for each to believe that the other will take certain steps when it cannot or will not. If a Palestinian prime minister cannot deliver soon in certain areas, we must work out what he will do, when he will do it and what he needs from the Israelis to do it. For example, even more than releases of prisoners, Abu Ala urgently needs to show that checkpoints are being lifted and, at least in some areas of the West Bank, the transit of people and goods is being restored. What do the Israelis require to withdraw from certain cities and the areas around them? What kind of responsibilities must they see the Palestinian security forces assuming to enable them to do this? If there are acts of terror, what would it take for the Israelis to refrain from carrying out targeted killings? The Administration's role now must be to pose, and help resolve, such questions.

On the basic issue of dealing with the terrorist infrastructure—which will confront any Palestinian prime minister in a moment of truth—the United States needs to take several steps. First, it will need to publicize what is expected of both sides. Abu Ala will need a public posture from the United States on the Palestinian obligations under the roadmap to explain why certain actions are necessary, especially if the Palestinians are to see performance from the Israelis. (Sharon will need this no less than Abu Ala.) Second, the United States should conduct three-way security discussions with the Israelis and the Palestinians and reach an understanding on which steps would be most feasible for dealing with the terrorist infrastructure. While the Palestinians have every reason to emphasize the daunting nature of this challenge, the history of confronting Hamas should not be ignored. In the past, when there were confrontations with the PA, it was Hamas that always retreated, and it was not only because of relative strengths but also because they, too, shied away from civil war. Third, Abu Ala and the next Palestinian minister of security must have the authority to act, knowing that Arafat will not block them at the last minute. One of the events that led to Abu Mazen's resignation was Arafat saying no to his plan to crack down on Hamas and Islamic Jihad after the gruesome bus bombing in Jerusalem on August 19. In addition to authority, the new security minister will need capabilities—especially vehicles, command and control support and communications equipment, which the United States promised but never provided. This should have been a high priority for delivering to the Abu Mazen government. Should Abu Ala emerge and have a credible cabinet, once again we should not just talk about material support but act quickly to provide it.

This raises the larger question of assistance. The Israelis are not the only ones who can take steps to demonstrate that Abu Ala is delivering. Knowing its stake in showing that a Palestinian prime minister is making a difference for Palestinians, the Administration should have focused on generating a rapid infusion of material assistance. It should have used the G-8 for this purpose; it should now organize a donor conference with very specific targeted projects in mind. Should it become possible again to reach understandings between the Israelis and Palestinians on security responsibilities and Israeli withdrawals, there should be highly visible projects to aid in the reconstruction immediately. A Palestinian prime minister must be seen not only affecting Israeli behavior, but also producing tangible assistance from the international community quickly. This, of course, also requires Abu Ala (or Finance Minister Salam Fayyad) to identify critical projects with Palestinian managers ready to take charge of them with their international counterparts.

Politically, the Administration will also have to give meaning to its readiness to monitor the implementation of a roadmap. John Wolf, or any head of a U.S. monitoring team, cannot perform that role adequately unless clear standards of performance are established. The roadmap created the illusion of specificity. It contains 52 paragraphs, with extensive obligations enumerated for each side. Monitoring of its implementation should have been straightforward, but it was not because each side interpreted each obligation differently. The Israelis interpret the Palestinian obligations—making arrests, collecting illegal weaponry and dismantling terrorist capabilities and infrastructure—far more expansively than the Palestinians. In turn, the Palestinians interpret the Israeli responsibilities—improving the humanitarian situation, stopping the confiscation of property, dismantling unauthorized settler outposts and freezing all settlement activity, including natural growth—far more expansively than the Israelis. There never was a definition of what would constitute performance by either side. Whose interpretation were we supposed to monitor? What would have constituted fulfillment of obligations?

One of the most important failings of the Oslo process was its lack of accountability. Absent this, neither side felt it necessary to fulfill its obligations. This is a critical lesson from the past, and President Bush has been right to say that the United States would hold each side accountable. But we did not—and indeed could not—since we never established clear standards of what constituted performance on every obligation.

If the United States had imposed its own criteria without discussing the matter both bilaterally and multilaterally, it would have run the risk of creating standards that could not be met. It did have to negotiate the issue, but not in an open-ended way. As a result, the U.S. would have had to be willing to make a decision that could have left one or both sides unhappy with the outcome.

If this sounds like it might have been a daunting task, it is. Unfortunately, no peace process can be had on the cheap. What the Bush Administration did in the summer was to try to promote a ceasefire and manage it. It did not take the more difficult steps that would have been necessary to produce a peace process—and unfortunately, the ceasefire was overwhelmed by terror attacks and reprisals. Real accountability, along with very clearly agreed mutual steps might have forestalled this, but there was none.

Assuming it becomes possible to re-establish a peace process, the Administration must draw on two other lessons from the past. Israeli and Palestinian leaders must condition their publics for peace, and Arab leaders must assume real responsibilities. Oslo was plagued by the absence of any serious or systematic effort to get both publics ready for compromise. On the Israeli side, under Barak there was at least some conditioning, even if it was largely done through press leaks.

Somehow, at any rate, the far-reaching concessions that Barak contemplated came as no surprise to his public. Palestinians, on the other hand, were never told they would have to compromise on the core issues. On the contrary, Arafat repeatedly emphasized to the Palestinians that they would get everything, never suggesting they might have to compromise.

At this point, Ariel Sharon has begun speaking about painful compromises and the division of the land. He has accepted Palestinian statehood. But this is a state without borders, powers or a capital. No one should expect Sharon to offer his fundamental concessions in advance of a negotiating process, but at some point the Israeli public needs to hear that Israeli withdrawals will form a part of a negotiating process; that Israel must give up control of Palestinians; that no viable independent Palestinian state can be surrounded by Israel; and that a viable Palestinian state must have territorial contiguity, not an illusory contiguity that would come by connecting different parts of the West Bank by tunnels and bridges.

For his part, a Palestinian prime minister needs to build his authority before he can begin to condition Palestinian attitudes towards compromise on existential questions of self-definition and identity. Sooner or later this will be necessary. It will not be easy, given a history in which any compromise on the core issues has been treated like a betrayal. It certainly will not be easy as long as Yasir Arafat retains a leading role: he will accuse Palestinian leaders of selling out if they even hint at accepting less than total capitulation on borders, the status of Jerusalem and refugees. That, of course, is exactly what peace requires: curbing expectations and surrendering mythologies.

This is why Arab leaders must assume responsibilities in the process. Ariel Sharon cannot prepare his public to make hard choices if the Palestinians are avoiding making any of their own. There will never be a Palestinian state unless the Palestinian leadership is willing to confront those who remain determined to use the territories to attack Israelis. So long as the terrorist infrastructure is intact, how can a Palestinian state—even one with provisional borders—be recognized? To confront groups like Hamas, Islamic Jihad and the Al-Aqsa Martyrs' Brigades, Abu Ala and the Palestinian leadership will need Arab public backing. They will need the umbrella of legitimacy that Arab states can provide.

Arab backing is also a prerequisite for neutralizing Arafat and for justifying the idea of making hard compromises. This Arab willingness must consist not simply in pressuring Arafat, but also in it publicly criticizing his efforts to subvert a prime minister's policies. Few steps are more likely to temper Arafat's behavior than the possibility that the Arabs question him publicly on his stewardship of the Palestinian cause. Arafat has always directly identified himself with the cause, and Arab leaders have tacitly accepted that formulation.

Similarly, an Arab willingness to broach the idea of compromise to the Palestinians could make it far more palatable for Palestinians to do so. Supporting the need for internal confrontation when necessary, neutralizing Arafat and being prepared to reaffirm the necessity of compromise on the part of the Palestinians as well as the Israelis would represent a sea-change for the Arab world and give a genuine peace process a chance to succeed. A sea-change, indeed, for Arab leaders have always found it useful to pledge their hearts and souls to the Palestinian cause—provided, of course, that it cost them nothing.

Surely, no single cause in the Arab Middle East is more evocative than the Palestinian one. No one wants to be on the wrong side of this issue. No single Arab leader wants to be accused by Arafat of asking the Palestinians to surrender their national rights, and this is the real reason no one criticized Arafat for turning down the Clinton ideas in December 2000, even as President Mubarak, Crown

Prince Abdullah of Saudi Arabia, King Abdullah of Jordan, President Ben Ali of Tunisia and King Mohammad of Morocco all conveyed to President Clinton the sentiment that the ideas were historic.

Arab leaders must assume their proper role, or there will be no success in the near term, when Abu Ala must confront Hamas and company, or in the long term, on the core issues, without Arab leaders assuming their part. Their own insecurity and sense of vulnerability may again intrude on their assuming responsibilities. The key will be how they evaluate the impact of a continuing war between Israelis and Palestinians on their politics and their rules. Will it foment anger towards them on their streets? Or will it remain an issue that generates anger and hostility that can be more easily deflected onto the United States?

One thing is certain: No peace process will succeed without the Arabs. If they decide that their stability depends on ending the conflict, they may finally do their part. In such a circumstance, the United States will have to do its part, which includes making sure that no one is let off the hook.

*The author would like to thank research assistants Evan Langenhahn and Ben Fishman for their assistance on this article.*

## ENDNOTES

- 1 In early 2001, The Toronto Star reported that 42 Israelis, as opposed to some 350 Palestinians, had been killed in the first four months of the Al-Aqsa intifada (“Global Effort is Necessary to Stop Pain in Mideast,” February 11, 2001). According to the Israeli Defense Forces (IDF), 841 Israelis have been killed in the period beginning on September 29, 2000, the start of the intifada, to August 2003.
- 2 On July 17, 2003, The Financial Times reported that 50 percent of the Palestinian population is currently unemployed, while 60 percent lives below the poverty line (Christopher Patten, “A Road Map Paid for in Euros,” The Financial Times, July 17, 2003). In his speech on May 26, 2003, Prime Minister Sharon mentioned the dependence of over half the Palestinian population on foreign aid as a key determinant for ending the occupation. Speaking before the Knesset, the Israeli premier asked, “Today, 1.8 million Palestinians live thanks to support from international organizations. Do you want to take responsibility for them yourselves?” (Chris McGreal, “Peace hopes lie heavy on new forces,” The Guardian, June 3, 2003).
- 3 While the Clinton parameters presented to the two sides in December 2000 would have provided for an independent Palestinian state, the parameters represented ideas to resolve the differences between the two sides, were never stated as formal policy, and were withdrawn at the end of the Administration.
- 4 Published on April 30, 2003, the roadmap called for a comprehensive solution to the Arab–Israeli conflict based on two states, Israel and Palestine. Linked to this resolution, the roadmap specifies, “The settlement will resolve the Israel-Palestinian conflict, and end the occupation that began in 1967, based on the foundations of the Madrid Conference, the principle of land for peace, UNSCRs 242, 338 and 1397, agreements previously reached by the parties, and the initiative of Saudi Crown Prince Abdullah—endorsed by the Beirut Arab League Summit—calling for acceptance of Israel as a neighbor living in peace and security, in the context of a comprehensive settlement.” During his speech on June 24, 2002, President Bush outlined a similar principle, defining the parameters of a two-state solution to mean “that the Israeli occupation that began in 1967 will be ended through a settlement negotiated between the parties, based on UN Resolutions 242 and 338, with Israeli withdrawal to secure and recognize borders.”
- 5 A survey conducted by the Palestinian Center for Policy and Survey Research June 19–22, 2003 found that 73 percent of Palestinians favored a hudna, a one-year voluntary cessation of violence against Israelis. Moreover, 80 percent of respondents favored a joint Israeli–Palestinian ceasefire of unlimited duration.
- 6 A poll conducted by the Palestinian Center for Policy and Survey Research from May 15–18, 2000 found that 91 percent of Palestinians supported “fundamental reforms” in the Palestinian Authority. Equally noteworthy, respondents favored a number of specific actions by a wide majority—including 85 percent supporting unification of security services, 95 percent supporting the dismissal of ministers accused of mismanagement or corruption, 83 percent supporting holding elections and 92 percent supporting the adoption of a basic law or constitution.

## Modernizing Societies and Political Reform

- 7 Following the failed IDF attack against Hamas leader Abdelaziz Al-Rantissi, a poll published in the Israeli daily Yediot Ahronot found that 67 percent of Israelis opposed the recommencement of targeted killings. Within that group, 58 percent backed a temporary suspension of strikes against militant leaders in order to afford Abbas an opportunity to curb the activities of extremist groups. Only 9 percent of Israelis objected to the policy of targeted killings irrespective of circumstances (“Poll: Israelis Oppose Military Strikes”, Associated Press, June 13, 2003).
- 8 The first phase is designed to produce Palestinian reform and Israeli security, with the Palestinians cracking down on the infrastructure of terror in their areas and the Israelis withdrawing their forces to where they were in September 2000. The second phase involves the creation of a Palestinian state with provisional borders, creating at least juridical equality between Israelis and Palestinians as they negotiate on the existential questions of borders, Jerusalem and refugees. The third phase is supposed to resolve those basic question.





**AMERICA'S IMAGE  
IN THE MIDDLE EAST**

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## DOES PUBLIC DIPLOMACY MATTER?

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That America has an image problem in the Middle East hardly needs documentation. In the last few years, a growing recognition of this problem has led to calls for better public diplomacy in the region. This approach is understandable, but it does not fully comprehend the situation. America's image problem in the Middle East is not at root the product of bad communications, ineffective advertisements, the paucity of Arabic speaking diplomats, or lack of exposure on Arab television networks. All these issues are important, and getting them right would certainly help improve America's public face. But the shift in perceptions about America is deep and remarkably uniform around the world. From Indonesia to Europe, there has been a sharp rise in what one could crudely characterize as anti-Americanism over the last decade and in particular over the last two to three years. This suggests a broader set of causes than the ones listed above. After all, we may not know how to speak to the Arab people, but we surely know how to speak to the British people. And yet the latter have also become increasingly suspicious of American power. Since this paper looks at Middle East in particular, however, let me suggest that America's public image in the region is rooted in four large issues: the international structure of power; the politics of the Middle East; American foreign policy in general; and the Bush Administration's approach in particular. America has an image problem in the Middle East, in other words, because of certain realities.

1. *International Power:* The unipolar structure of global politics is felt most acutely in the Middle East where, since the end of the Cold War, there is really only one relevant outside power. On the Korean peninsula, China, Japan, and Russia all have interests and power. In Africa, France, Britain, and the U.S. each have their own areas of interest. In the Balkans, Europe will always be the key player for the long haul, even though it needed America's help for military action there. But in the Middle East, there is only one country that matters. Washington is widely seen both within and without the region as the dominating imperial power.

In addition, the mobilization of American power after September 11, 2001 has made plain the unipolar structure of global power, particularly military power. In the wake of 9/11, Americans now think of themselves as more vulnerable than they ever have been; thus they are ready to endorse assertive actions to protect the nation. The rest of the world, on the other hand, watching America's response to 9/11, particularly in Afghanistan and Iraq, sees a country that is frighteningly powerful and unconstrained. These twin perceptions—of American weakness at home and American strength abroad—go some way in explaining the growing gap between America and the world. That the war on terror is seen as directed against Muslims and Arabs—specific terrorists of course, but all of who happen to be Muslims and (mostly) Arabs—has aroused particularly strong resentment against Washington from these quarters.

2. *Domestic Politics:* The Middle East has been the great straggler in the march of political and economic liberty across the world. Unlike East Asia, Latin America, or even Africa, there has

been little movement toward genuine democracy or economic liberalization over the last two decades. As a result, frustration has grown, and political opposition in these countries, driven underground, has become extreme—taking on a religious, anti-modern, anti-Western, and anti-American character. Many of the ruling regimes have found that anti-Americanism (along with anti-Zionism) is an easy escape valve through which to permit their people to voice some of their frustrations. Anti-Americanism is not manufactured by the government, but it is permitted. An Egyptian today cannot protest against his president, but he can rant freely against America's.

3. *American Foreign Policy*: By and large most people in the region believe that America cares little about their rights, their liberties, and their destiny. Washington is believed to support corrupt and repressive regimes in order to keep oil flows stable. For decades, Middle Easterners point out, Washington supported Wahhabi militants when it needed them to fight the Soviet Union in Afghanistan and Central Asia. Now it opposes them. Thus the sincerity of its current preference for a more moderate and liberal Islam is questioned. Finally, Washington is believed by virtually everyone in the region to be biased in its handling of the Israeli–Palestinian issue. While by no means an accurate or complete understanding of American policy, there is enough reality to these perceptions to give them force. It is a fact that over the last two decades, unlike in Latin America, East Asia, and even in Africa, the United States has not pushed seriously for reform in the Middle East.
4. *The Bush Approach*: Finally, the policies and style of the Bush Administration have had an effect. After all, the poll numbers have sunk dramatically over the last two to three years. The Pew Global Attitudes survey of April 2003 noted that “the bottom has fallen out of support for America in the Arab and Muslim world.” The BBC’s global survey, done a month later, had findings that were quite similar. Broad structural factors alone cannot explain such a sudden shift. The world was unipolar in 2000; America was supporting Arab monarchies then as now; the region’s dysfunctions were, if anything, worse than today. Yet attitudes toward America were far less hostile. Even in the non-Arab Muslim world, which has not traditionally been anti-American, there is a large shift downward. The vast majority of Indonesians considered themselves pro-American in polls around 2000. Now an equally large majority identifies itself as anti-American. Why?

### A NEW THEORY OF LEADERSHIP

It only makes sense that the policies of the Bush Administration should have provoked a reaction, for it explicitly set a new course for American foreign policy, particularly after 9/11. It sought to overturn not simply the methods of the Clinton Administration but even those of its Republican (and paternal) predecessor. The second Bush Administration believes America is overly constrained by treaties and allies, and has made it a point to act unilaterally rather than use international institutions and alliances. It has made major policy pronouncements—on the doctrine of preemption for example—without consulting allies. It has trumpeted the virtues of threats rather than persuasion. “You get more with a kind word and a gun than with a kind word alone,” Defense Secretary Rumsfeld often says, quoting the Chicago mobster Al Capone. This was all part of what I would call “the Machiavelli theory of leadership”—whose cardinal rule is that “it is better to be feared than loved.” Forceful actions produce, in the President’s words, “a slipstream” into which

others will fall. In this view, public opinion abroad, always jittery at the thought of new and assertive policies, would eventually come around. "One day, the world will thank us for taking care of these threats," Administration officials have said privately.

This strategy has its benefits. It has allowed for forceful actions, some of which have been wise—such as vigorous military action in Afghanistan and Iraq. It has demonstrated to the world and the region that America will protect itself assertively, even if it means sending its soldiers in harms way. It has forced terrorism onto the agenda of countries around the world. But there has been a cost; it has not improved America's image abroad. And the manner in which things have been done has also exacted a price. In virtually every poll, people assign a fair portion of their dislike of America to the Bush Administration. This was not what many in the Administration believed would be the result of their policies. On the war in Iraq in particular, in the wake of near-universal global public opposition to the war, Bush officials explained that once the war was won, the poll numbers abroad would switch. After all, they did the last time around, after the Gulf War of 1991—even in France. But victory has produced no comparable shift in public feelings about the war either in Europe or in the Middle East. Tony Blair, who a year ago was the most popular British Prime Minister in recent memory, now faces the lowest approval ratings of his tenure—almost entirely because of his support for the war. And most foreign leaders who supported the United States—from Spain to Australia—face continued public opposition to their positions.

### **DOES IT MATTER?**

The Princeton historian, Bernard Lewis has presented a division of the Middle East that is often repeated privately by some within the government. There are, in his view, three kinds of Arab regimes. The first are those like Egypt and Saudi Arabia, where the regimes are allied with Washington and as a consequence, the population is anti-American. The second set, places like Iraq and Iran, had anti-American regimes and therefore, pro-American populations. And the third are those countries where both the regime and the people are pro-American; Israel and Turkey, the only two democracies in the Middle East.

There is much in this view that is true. But much of it is a caricature. It should be apparent by now that with the exception of Israel none of the descriptions in Lewis' categorization seem quite right. Syrians and Libyans, who are also ruled by anti-American regimes, do not seem particularly pro-American. Turks are classified as pro-American but the polls do not bear this out. Indeed in Turkey it has always been the case that while Turkish elites have been consistently pro-American, the populace has attitudes towards America that are not that different from their neighbors. In Iraq, hatred of Saddam Hussein has not equaled a love of America. In Iran one simply cannot tell; there have been few reliable polls. Clearly a majority of Iranians dislike their government and want access to Western culture, goods, and lifestyles. But whether that means that they like American policies, we simply don't know. In Egypt, with a pro-American regime, polls do not suggest that Egyptians are at core anti-American, certainly not any more so than other countries in the Middle East.

There are consequences to misreading the nature and sources of anti-Americanism. The Administration believed that it would easily get Turkey's support for the Iraq war, despite consistent evidence for years that an overwhelming percent of the Turkish people opposed a war—94 percent the week before hostilities began. It assumed that Iraqis would be staunchly pro-American imme-

diately after the Iraq war. It is still assumed by some in the Administration that very aggressive moves to destabilize Iran have few costs because its people will prove to be vigorously pro-American.

Another misreading of public opinion was the decision to ignore the Israeli–Palestinian issue for two years—because it was seen as a phony issue. Once the decision to invade Iraq had been made, officials explained that “the road to Jerusalem lies through Baghdad.” But this motto has not been borne out. The United States has gained no tangible benefits on the Israeli–Palestinian issue from having invaded Iraq. What concessions it has gotten have come because the President of the United States turned his attention to the problem at last. In fact, it has suffered costs because it has fixed in the mind of the Arab public the notion that the United States is unconcerned about solving the Israeli–Palestinian issue. Now, despite the President’s exertions, despite endorsing a Palestinian state, America is not credited with trying to broker a just solution. Some of this is the usual Arab suspicion of America and should be discounted. But some of it is a response to what appears to be a disengaged and halfhearted attempt at peacemaking. Had Washington tackled the Israeli–Palestinian issue from the start, it is quite likely that some of the sharp rise in anti-Americanism over the past three years would have been prevented. Indeed it might have softened the region’s opposition to the Iraq war. In other words, the road to Baghdad might have run through Jerusalem.

## **BUT DOES IT REALLY MATTER?**

Foreign policy is not a popularity contest. America’s image abroad is not an end in itself. The purpose of America’s foreign policy is to secure its interests and promote its values. The Administration is right to believe that in doing so, it will sometimes unsettle and unnerve people abroad—particularly in the short-term before the success of the policy is apparent. International displeasure is not something America should seek but neither should it always be seen as a self-inflicted wound. The exercise of power—particularly power on a scale never seen before in history—is bound to excite some feelings of resentment, exclusion, and dislike.

But to stop at this point is to mistake the challenge for American leadership. American power, even American superpower, is not a new phenomenon. The United States has been the most powerful country in the world for the last century. It has dominated the international system since 1945. For decades Washington has operated in a world where it overshadows all others. The question it faces today is the one it has always faced—how to handle hegemony? In the past, America’s most successful, enduring policies have always been those in which American interests and ideals have been aligned with those of other nations. Its most successful administrations have been those that balanced forceful actions with multilateral cooperation and energetic diplomacy. And a practical matter, America’s image as a benign hegemon has been worth having. It has made countries not fear its enormous power. It has made people see America foreign policy not narrowly self-interested. It has given America something that in the long run as crucial as power—legitimacy.

Of the many advantages to an improved image in the world, let me stress one that is of great importance in the Middle East today—the need to handle nationalism in an increasingly democratic world. The single greatest threat to American foreign policy in the world today is not a balancing coalition of great powers, not imperial overstretch (at least not yet). It is nationalist sentiment that around the world could begin to define itself in opposition to the United States. In recent elections in Germany, Brazil, Pakistan, Indonesia, and Kuwait, America became a campaign issue.

In every country, being anti-American was a vote-getter. The danger is that in a unipolar world without great ideological divides, opposition to the 800 pound gorilla sitting atop the globe becomes the new ideology of opposition. Osama Bin Laden's Islamic revival might sputter out but his more insidious strategy—blame America for your local woes—could well succeed. Anti-Americanism could become the default ideology of protest and discontent around the world.

It is not only the fundamentalists who are becoming more anti-American. Many in the Bush Administration used to speak of Turkey with great admiration because it was seen as the one place in the Middle East where secular values, Islam, and democracy all met. But that does not mean that the Turks could not have a nationalist reaction to American power. This is hardly unprecedented. Kemal Attaturk, the man who modernized Turkey, did so after fighting the allied powers after World War I. In other words, he westernized at home while fighting the West abroad. Prime Minister Mahathir of Malaysia uses a similar tactic. In many ways, the most successful modernizing Muslim ruler in the world, he believes that to maintain his nationalist and Islamic credentials he must speak in defiant terms about the world's superpower and the West in general. In his case, it is mostly rhetoric. In others, less secure in their power base, the temptation to do more than just speak out will be great. In Iraq, for example, a genuinely popular leader is likely to appeal to Iraqi nationalism—which if badly handled by Washington might well mean over time a defiant policy toward the United States. These tendencies exist; the Bush Administration did not create them. But one task of American foreign policy is surely not to exacerbate this situation. Whether in Vietnam or Haiti or arrayed Cuba, the United States—nor indeed any great power—has not been successful when pitted against nationalism.

We live in a democratizing world, even in the Middle East. Technology, culture, political realities are all pushing toward the greater empowerment of people. Regimes can no longer manipulate their people with ease. In such a world, America should not hope that it can strong-arm governments, ally with reliable dictators, and run roughshod over public sentiments. It is not a viable strategy for the long term. Better to ask how to make American foreign policy something people abroad can support. Otherwise Washington will keep facing the dilemma it did in Turkey; should it try to get the generals to force policy down a reluctant population's throat?

If America's image remains tarnished, then Middle Eastern reformers will find it difficult to support what are seen as American-supported policies. If economic and political modernization is tainted by its association with America, then the stagnation of the region will persist. If moderate Islam is seen as bogus because it is pro-American, then the religious extremism of the region will grow. America must not itself become one of the obstacles to progress in the region. Obviously the greatest losers in all this would be the people of the region themselves, but it will also mean the derailment of the only sustained and permanent solution to Islamic terrorism—which is the progress and modernization of the Middle East. In this sense, America's better image is in America's best interest.

## WHAT IS TO BE DONE?

Thomas P. "Tip" O'Neill famously observed that "all politics is local." So is the politics of rage. The deep and seeming unchangeable hatred of the United States is rooted in a sense of powerlessness, failure, frustration, and despair. If the people of the Middle East can become masters of their own fate, if they feel they are prospering in the age of globalization, if they can embrace and not



shun modernity, they will not be as prone to search for distant demons. To recognize this, one only has to look at Muslim countries that are prospering economically and have some political openness—Malaysia, Indonesia, India (which has 100 million Muslims), and Bangladesh. They talk about America, of course, but mostly they talk about their own politics. This does not mean that the Middle East will ever love America or its policies. But reform and progress there will mean that the venom, the fantasies, the conspiracy theories, could well die down—particularly if coupled with sensible American policies that do not needlessly alienate people.

It is in the vital interest of the United States to promote reform in the Middle East. It has the same moral, political, and strategic urgency that the fate of democracy in Western Europe did in the 1940s and 1950s. It is the best long-term solution to terrorism—because it strikes at the radical political extremism that feeds it. It will also help America's image. In poll after poll, the most striking finding is that while people loathe American policies, they love American values. It is time to close the gap. If people see that American policies are, to a substantial extent, in the pursuit of American values, it will have an effect. The problem of anti-Americanism will not go away—because American power will not go away—but we can do much better than we are doing now.

In one sense, the model of the cold war is an apt one, because that conflict was properly fought as simultaneously on military, political, and ideological/cultural fronts. First there was the military defense of the West, provided through nuclear deterrence. Second, there were the political alliances that kept the free world interlocked, most prominently in Western Europe. And finally, there were a series of policies designed to discredit communism, shore up democracy, demonstrate its vigor and vitality, and provide help to those around the world who were on the right side in this struggle. While there have been moves made in such a direction, America needs to conceive of something on the magnitude of the cold war effort, and with a comparable timeframe and commitment of resources. Radical, political Islam—which is at the core of the anti-Americanism of the Middle East—did not develop overnight. It will not be overwhelmed in a year or two.

Specifically the United States must move on the following broad fronts.

1. *Spur political reform.* There must be a continuous and concerted push for reform in the Arab world. Much of this must be done government to government, at the highest level. It will prove easier to push for economic reform than the others, but efforts should be made in all areas—especially legal reforms, women's rights, and freedom of the press, all crucial to political development but also more likely to be implemented in the short term. Washington can use sticks and carrots, favoring those countries like Jordan, Bahrain, Qatar, and Kuwait, which are moving along this road. It must, however, make clear to those that are reforming, like Egypt and Saudi Arabia, that there is real pressure to keep moving. The President should speak out in favor of reform and reformers. It is true that when he has done so recently, as in the case of Saad Eddin Ibrahim in Egypt, the regime was able to turn it to its advantage, by claiming it was simply resisting bullying from Washington. Washington should be undeterred. The problem is that America speaks out rarely and idiosyncratically on these matters and thus has little credibility on them. The solution is to do it more and more consistently. It would also be important to help indirectly those Arabs making this case themselves. The authors of the UN's Arab Development Report should be encouraged (by the UN with Washington in the background) to issue an annual State of Arab Development Report that could track progress and problems.
2. *Fund moderate Islam.* Many in the Muslim world believe that, to the extent it has cared, the United States has helped Wahhabi Islam—by supporting Saudi Arabia, by encouraging the

Islamization of the Afghan resistance. It is important to dispel this notion and move firmly in the opposite direction. This is not an internal affair for the Muslim world. The fate of the struggle within Islam is of great consequence to American security. During the cold war Washington bankrolled think tanks, magazines, intellectual associations, and political parties, all in support of democracy, even social democracy, against communism. A similar effort should be made to support reformers and liberal Islam. Much of this might have to be done indirectly, even secretly, but that again was how it was done during the cold war.

3. *Defang nationalism.* A concerted effort should be made to align America with, rather than against, local nationalism. Part of this is simply showing respect and attention for the people of a country and its customs. This might seem trivial but consider one example. Bill Clinton imposed the most drastic sanctions on India that any president ever has (because of its nuclear tests). Yet, by subsequently visiting the country, mingling with its people, wearing local dress, relishing local culture, little ill-will has persisted from his policy decisions. Were officials of the United States to consistently signal such interest and affection for Arab culture, it would make a big difference. Cultures that are weak and marginalized in the world look to the West for approval. If they don't find it they get bitter. It was such thinking that lay behind the conscious strategy during the cold war to show respect and interest in Russian culture.
4. *Create a richer relationship between the U.S. and the Arab world.* The United States should develop a whole range of programs designed to bring the two societies, America and Arab, in closer contact. This has two effects. First, it shows the Arab world that the United States respects its culture and wants to learn about it. Second, it shows the Arab world a different side of America. Most Arabs—indeed most people around the world—see American power in two forms, military and pop-culture. America for them is cruise missiles and Baywatch. It is important that people recognize the depth and breadth of American culture. I recall as a teenager listening to the war of words constantly waged between then-pro Soviet India and America—this was the time of Nixon and Kissinger's "tilt" toward Pakistan. And yet, Indians flocked to the U.S. Informational Agency, which had a huge program to showcase American culture. Even if hard power has to point in one direction, soft power can point in the other. New programs, specifically designed for the Arab and Muslim world, on the lines of the Fulbright, Peace Corps, and such should be initiated.
5. *Emphasize America's political power.* As a corollary to the above, Washington should emphasize its political and diplomatic strength and commitment to the region just as much as its military. Throughout the world today, American power is seen too exclusively as military power. CINCs are regarded as the most important American proconsuls, dwarfing ambassadors and assistant secretaries of state. This is partly a consequence of resources—the Pentagon is rich, Foggy Bottom is poor. But impressions can be changed just by making clear that politicians and diplomats are the ones who actually drive policy in the region. The switch in authority from Tommy Franks to Paul Bremer is a good example of how an able diplomat with real authority can put a different face on American power.
6. *Come across as strong but not as a bully.* Consultation, persuasion, and discussion—all those dreary diplomatic terms—are actually vital to presenting America as a benign superpower and not a bully. If people believe that they have been heard, they will accept a policy that was otherwise unacceptable.

7. *Explain American foreign policy.* I have watched videos, prepared by the State Department, explaining that Muslims in America are a happy lot. That's fine and even useful. But few people around the world doubt that people in America are happy, prosperous, and free—whatever their rhetoric. What needs explaining is American foreign policy. A systematic effort should be made, through videos, books, Internet sites, to point out America's role in helping Muslim populations (in Bosnia, Kosovo, Kuwait, etc.) or in solving the Palestine issue. When presenting such matters, we must recognize that the Arab public is increasingly sophisticated. A one-sided presentation will only appear to them as version of their own state propaganda. Better to provide a balanced account that airs criticisms of American policies as well as making the case for them.
8. *Make progress on the Israeli–Palestinian front.* There is a good case to be made that Palestine is simply an escape valve for Arab regimes, that they manipulate it, that they have been cynical in using it and discarding it as they wished. All true, but they have created an issue that will not go away. Wherever one goes, from Europe to the Arab world to South East Asia, the Palestinian cause has become the great populist issue. Fueled by television images, Internet sites, and traveling mullahs, it is now sustained not by regimes but by ordinary people. As Tony Blair has pointed out repeatedly, Palestine is the single biggest recruitment cause for anti-Western radicals, Islamic fundamentalists, and the like. Tackling the issue will drain some part of the venom that fills the Arab body politic.
9. *Succeed in Iraq.* The most important path to reform in the Arab world lies in the success of the occupation of Iraq. If Iraq emerges as a modern, thriving Arab state, rid of the phobias of the region, it could have a powerful stimulus. More than any lectures Americans gave, East Asian progress took place by imitating the Japanese model. Iraq should become the great bipartisan foreign policy project of the next two decades, worth large scale and sustained investments, time, and efforts. It would be a mistake to either write it off, leave prematurely, or go light on the investments as we are currently doing in Afghanistan.

The essential message of this paper is that public diplomacy cannot be isolated from diplomacy, which is to say from policy. What will change America's image most in the Arab world—and elsewhere—are shifts in Washington's approach and attitudes, coupled with some innovative and energetic communication strategies. And what will change things most is success on the ground in the Arab world, in reforming states but particularly in Palestine and Iraq. Public diplomacy can be debated, spun, argued against. But facts are stubborn things. A Palestinian state and an Iraqi success story will speak for themselves.

# **CONCLUDING OBSERVATIONS**

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## ASPEN STRATEGY GROUP WORKSHOP, AUGUST 2–7, 2003

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It is a testament to the fluidity, unpredictability, and the inherent danger of the Middle East that the entire security agenda has changed substantially since the meeting of the Aspen Strategy Group held in Colorado during the first week of August 2003. There were several momentous developments immediately following the meeting, any one of which alone would be considered significant. However, taken together, they represent regional challenges and upheaval that both increase the stakes for the United States in the Middle East and make it all the more difficult to implement a successful American grand strategy for the troubled region. Indeed, in the five months since the ASG meetings, the strategic position of the United States in the region is coming under increasing strain and there are growing regional, international—and now domestic concerns—about the course ahead, particularly in Iraq.

Two horrific bombings, one in front of the United Nations Headquarters in Baghdad and the other at the Imam Ali shrine in Najaf, killed the U.N. representative Sergio Vieira de Mello and the Shiite cleric Ayatollah Mohammad Bakir Hakim respectively, sending shockwaves throughout Iraq and around the world. Numerous other bombings claiming the lives of Baghdad diplomats and Iraqi residents have since rumbled throughout Iraq like aftershocks of an earthquake. No one has been secure from attacks, including even the good offices of the International Committee of the Red Cross, whose building was shattered by a deadly car bomb in central Baghdad. Elsewhere in the region, the fragile ceasefire between Israelis and Palestinians broke down with suicide bombings coming again to Israel's crowded city streets. Israel retaliated in turn by killing Hamas leader Mahmoud Zahar with a precision-guided air strike. Palestinian Prime Minister Mahmoud Abbas resigned in protest to what he termed Israeli intransigence and the inability of the Palestinian organization and Yasir Arafat to give him the mandate and authority needed to advance the peace process. Arafat now presides over what is left of the Palestinian Authority and Israel is threatening to send him into exile and refuses to deal with him in an official capacity.

The post-conflict reconstruction phase of Operation Iraqi Freedom has found the United States at least initially ill-prepared for the pitfalls and perils of nation building, despite a massive increase in U.S. resources directed at the problem of standing up a stable and democratic Iraq. There are also persistent worries that the urgencies of the Iraq mission is drawing attention and resources away from on-going efforts in Afghanistan. The number of U.S. service casualties in Iraq since the aftermath of major combat operations has easily surpassed that of the early period of conventional conflict. There are also signs that the previously uncoordinated and unsophisticated attacks against American military personnel have been troublingly overtaken by a much more organized and coordinated terrorism aimed not only at American service personnel but also against international civil servants and Iraqi participants in the nation building effort. The near daily trickle of casualties—along with the worryingly high rate of suicide among U.S. personnel stationed in Iraq—continues to be an ominous reminder of the continuing risks in country. Threats of international terrorist cells operating and recruiting within Iraq are on the rise, with Al Qaeda issuing

a clarion call for the Islamic militant faithful everywhere to converge on Iraq and—in a recent communication, in the words of Osama Bin Laden—to “pounce on the Americans like a tiger.”

The political landscape of terror is changing rapidly inside Iraq. Saddam’s sleeper cells and special forces groups were thought to be responsible for the lion’s share of the initial attacks particularly in and around Baghdad. Yet, as the attacks have multiplied and become more sophisticated, there are ramping concerns of a more coordinated set of malevolent actors targeting U.S. and associated interests. U.S. commanders in the field, however, do not yet have a good picture of the totality of the forces and groups arrayed against them. There are also worries about the prospects for an increase in inter-faith violence between the various Islamic groups and organizations that could make governing Iraq all the more difficult.

Some of this anxiety was eased with the ultimate capture of Saddam Hussein, hiding in an underground shelter and looking for all the world like a homeless man rather than a brutal dictator. This dramatic development buoyed U.S. efforts and has given hope to the notion that the insurgency against the U.S. occupation would wane. However, American casualties continue to mount with no appreciable improvement in the overall security picture in Iraq, particularly in the area called the Sunni triangle.

Until recently, the United States has doggedly refused to cede any real operational authority or responsibility for the Iraqi occupation to the United Nations. As a consequence, there has been little prospect of substantial financial contributions or in kind support to the Iraqi reconstruction effort from other countries. There remains the possibility of more support from a smattering of Eastern European and Asian friends and allies, but overall the assistance pledged or contemplated will do little to lift the overwhelming financial and security burden on the U.S.—either now or in the near-term future.

The Bush Administration has begun to negotiate details of a possible UN mandate (or mandates, plural) with key European members about what would be necessary to open the door for more substantial international support. While the early attempts at language have not yet gone far enough in the minds of most Europeans towards a greater burden-sharing in decision-making responsibilities for the Iraqi enterprise, there is at least the potential for a compromise on the horizon. As one senior European leader put it, “We well appreciate that the United States is now on the floor and in need of help, and some European members want to leave them there a little longer to reflect before lending a hand.” However, this kind of talk has simply reinforced the sentiments of hardliners inside the Bush Administration to continue to go it alone. Even if the way is cleared for a more flexible language on issues of particular concern to key European states, because of the unstable security environment, it is very much uncertain how much support in the all important security sector will actually be forthcoming. The donor conference held in Madrid for Iraq reconstruction netted some several billion dollars, but much of it coming in the form of loans rather than direct grants, indicating again that the U.S. will be responsible for the vast majority of financial support for the fledgling post-Saddam Iraq.

In the meantime, the Bush Administration submitted an \$87 billion bill to Congress for post-conflict reconstruction and some security costs in Iraq that has spurred both Democratic and some Republican angst. Some legislators favored making at least part of the financial contribution to Iraq in the form of a loan, and there is growing alarm on both sides of the political aisle at the accumulating costs for what looks to many like a thankless burden. However, there continues to be broad political support in Washington for staying the course in Iraq. The single most significant issue of debate over Iraq is surrounding the whole matter of whether to work with the United

Nations and key European states on a greater burden sharing arrangement for post-conflict reconstruction era Iraq.

Instead of taking steps to internationalize efforts inside Iraq, the U.S. has focused on working rapidly to turn power back over to a provisional Iraqi government. The trick so far has been in getting agreement among contending groups from inside the country and returning from exile about the nature of how a representative government can come into being and its ultimate responsibilities and term. These vexing political matters have further complicated the American occupation, raising fears in some quarters that the U.S. may not be committed for the long run given the increasing – and some might argue unanticipated – burdens associated with the Iraqi venture.

Even with the current preoccupation on developments inside and strategies for Iraq, there is increasing public and congressional scrutiny over the quality and process by which intelligence was assembled, processed and disseminated in the lead up to the war in Iraq. Some suspect that the intelligence assessment process was fundamentally warped and “sexed up” by overzealous political oversight and operatives in the White House, Department of Defense, and elsewhere. Others contend that the essential findings of the intelligence community in terms of Iraqi capabilities and holdings of weapons of mass destruction will ultimately be borne out once the ongoing investigations inside Iraq are finally concluded in the coming months. Still others, notably the majority members on the Senate Intelligence Committee, assert that the intelligence community failed the President and his team by providing sometimes flimsy and unsubstantiated information about the nature of Iraqi intentions and capabilities. Whatever the case, the reality is that the intelligence community is suffering from a crisis of confidence when it comes to its essential integrity and capabilities that threatens the very fabric of our national security endeavor in this new age of international terror.

The urgencies of occupation in Iraq have also at least diminished the original American ambitions for region-wide political transformation. Although the Bush Administration continues to advance the notion of a major long-term effort to remake the region—National Security Advisor Condoleezza Rice authored a persuasive Washington Post opinion piece about the need for a “generational” American commitment to change in the Middle East (very similar indeed to sentiments discussed and debated in Aspen) followed shortly by a Presidential address that sounded many of the same chords—there has been little sustained evidence of a broader U.S. agenda in the region that extends beyond Iraq. Indeed, it is as if the overall American effort has collapsed on Iraq, perhaps with a recognition that a failure in Iraq would make other regional efforts virtually meaningless given the magnitude of the potential loss in American credibility and regional standing that would come with an American defeat.

In the charged Washington arena, there are now almost daily subplots of the drama playing out in Iraq and elsewhere in the Middle East. The leak of Secretary of Defense Rumsfeld’s so-called “long, hard slog” memo to the press set off a firestorm of protest in Washington that the Bush Administration was painting a rosy public picture of the situation on the ground while privately harboring serious concerns. Deputy Secretary of Defense Wolfowitz visited Baghdad to highlight the improving security situation in the capital only to have a half dozen rockets slam into the hotel where he was staying. Democrats vying to regain their footing on foreign and security policy have attacked the Administration on its stated rationale for war and for the conduct of the post-conflict phase in Iraq and the war in Iraq figures prominently in the Democratic party debates for the upcoming primary season heading towards the Presidential election. Washington, far from coming together in a bipartisan spirit, generally has degenerated into a deep and bitter partisan divide, with Middle East issues animating the sometimes very personal politics and debates swirling in the cap-



ital.

The IAEA found trace elements of enriched uranium in a suspect Iranian atomic energy facility, setting off a chain of international diplomacy culminating in a high stakes diplomatic bid from the European Union to head off potentially calamitous Iranian steps towards a potential nuclear capability. Iran, at least for now, appears to be prepared to engage with the Europeans in a cautious diplomacy about its nuclear ambitions while the U.S. watches carefully from the sidelines. As the other Middle East link to the axis of evil, Iran's next steps associated with its suspected nuclear ambitions will be decisive in terms of Washington's actions in the region, with many arguing that the U.S. can not tolerate an Iranian state with a nuclear weapons capability.

There has also been a debate about the nature of the media's coverage of current circumstances inside Iraq. The Administration and others argue that there is too much focus on negative developments and violent incidents without near enough coverage on the very real advancements in security, political self-government, local commerce, education, civic responsibility, and construction that Iraq has witnessed in the short time since Saddam Hussein was forcibly removed from power. Others, particularly among Democrats and congressional critics, suggest that the media coverage will improve once conditions do, and the ominous developments and deaths that are occurring almost daily inside country are important for the American people to understand. In short, there are two very different perceptions of reality inside Iraq playing out before our eyes.

These two competing versions of reality that are currently playing out in the larger Middle East are also starkly at odds. One view has it that change has now come to the Middle East with remarkable clarity and velocity. The infamous "Arab street," far from rampaging, is actually the quietest it has been in decades. In the face of overt American threats, Syria has sharply reduced its support for terrorism as it reconsiders the future. In Iran, despite the subterranean nuclear efforts, the youths are now captured by the possibility of change, and the bitter, old autocratic Islamic elites look nervously at the new American military garrisons positioned to their east and west. Some argue that despite the glaring short-term setbacks, there is a genuine, if imperfect, working through of necessary problems associated with the Palestinian dilemma. The need for a strong American military presence in Saudi Arabia is acknowledged to be antiquated, and the U.S. has moved quickly to reduce its military profile there. The Arab intelligentsia are speaking more openly about the necessity for broad and sustained changes in Middle Eastern societies, and discourse in civil society about reform efforts is richer than it has been in over four decades. Though a side show to the larger drama of Iraq, the United States has the opportunity to correct one of history's most enduring indictments by fostering a semiautonomous and self-governing Kurdistan.

There is another vision that is gaining currency and converts. Some critics see echoes of Vietnam in the current troubles in Iraq. There is growing apprehension about the alleged nuclear, chemical, and biological capabilities of the Bathist regime and suspicion about the nature of the evidence and intelligence used publicly to launch a preventive war against Iraq. After a war driven by inaccurate intelligence, the relentless spinning of the exile Iraqi community, and a healthy dose of hubris, the United States embarks on a colonial path for which it is ill-prepared. The American public begins to resent this thankless role, and as an increasingly effective guerrilla war against an unloved occupier begins to gather steam, there are growing signs of unhappiness at home and suspicion abroad. Costs of empire in terms of troops and treasure turn out to be much higher than originally believed, and the United States finds it difficult to focus on other crucial national challenges—such as homeland security—given the myopic preoccupation with an enormous and growing quagmire in Iraq.

It is essentially too soon to know which reality is right, and advocates of both world views were on prominent display during our meetings. Nonetheless, on the larger question of American purpose, participants in the Aspen Strategy Group retreat believed fervently and fundamentally that the United States must make every effort to avoid the second reality and, if possible, to fulfill the first.

The gathering in Aspen had many positive attributes, not least of which was a clear consensus on the need of the United States to focus squarely on the challenges ahead in the Middle East. (Perhaps the greatest attribute of the session was actually the tone of meetings, with respect and serious reflection accorded every intervention.) There were some substantial disagreements, but interestingly, most of them did not fall along party lines. Indeed, there was honest disagreement and dialogue that defied easy political alignments. There was profound agreement that for the United States, the stakes in Iraq could not possibly be higher, while there was disagreement about whether it is in fact possible to develop a strategy for the larger region which has an intergenerational quality akin to the bipartisan, decades long anti-communist consensus that drove the formulation and implementation of U.S. foreign policy for nearly half a century (i.e., that can be implemented and adhered to for over 20 years). There was, however, a broad appreciation that what happens in Iraq—particularly if it is judged by the region, the larger international community, not to mention the U.S. public to be less than anticipated or promised—will influence America in its foreign policy for a generation, no less than Vietnam did 30 years ago.

That said, there a few key findings that emerged from our gathering around which there was generally broad agreement. Given the complexity of the issues involved, easy generalizations are impossible, and there are undoubtedly participants who might take exception with all or part of the sense of deliberations as conveyed below. Nevertheless, here below are some of the areas of both concern and consensus at Aspen from the perspective of the Directing Staff.

## KEY FINDINGS

### *Issue I – The Road Ahead in Iraq*

The clearest area of consensus of the Aspen Strategy Group was the imperative of succeeding, or at least not failing, in Iraq. Despite considerable debate about what would constitute “success” in Iraq and the strategies required to achieve it, the Group expressed a powerful view that leaving the country in tatters, even without Saddam Hussein, would be seen both in the region and the world as a cynical and perhaps fundamentally illegitimate exercise of American power. It was taken as a given that the U.S. had demonstrated again a military supremacy that was far and away unmatched, but had yet to deploy a nation building prowess up to the task at hand. There was a general understanding that after setting the bar in terms of democratization and economic development so high, that the United States must now make every possible effort to make Iraq a success both to validate American pre-war aims and to create a potential beacon in a troubled region.

Since the ASG meeting, there has been a growing division about what is needed in Iraq, with some arguing for a greater international coalition and presence under a new UN mandate, while others suggesting simply a broader coalition of Iraqis involved more urgently in policing and self-governance. In fact, there are virtues with both approaches, so that neither should be followed (or rejected) exclusively. Instead, given the magnitude of the challenges ahead and the threats in the surrounding environment, it was the majority view of the group (with some powerful and articulate dissenters) that the United States must make every effort to find a workable international con-

text that brings friends and allies into the mix on the ground in Iraq, allowing them to fully share the burdens and the benefits of what is hoped to be a temporary colonial outpost of the United States. In addition, greater efforts must also be taken to more rapidly enlist a broader range of Iraqis in all aspects of governance and security through enhanced training support from the international community, while recognizing that many of these tasks will take years, if not decades to master.

### ***Issue II – Israeli–Palestinian Stalemate***

Recent developments suggest that the so-called “road map for peace” may not be much more than a gutted and washed-out dirt path, and the framework is certainly no longer providing the daily guidance necessary to the key players in the conflict. The United States needs to recommit its political prestige to helping provide a context for future deliberations between Israel and its Palestinian neighbors, in spite of the risks and the very real potential for failure. The roadmap contains commonsensical steps on security and territory, but it does not provide enough details for how to implement and operationalize the vision. At the same time, although the results of sustained violence have been devastating for Israelis and Palestinians alike, the protagonists on either side have yet to demonstrate a willingness to forsake political options that profoundly reduce the prospects for peace; the Israelis continue to build their separation wall and Palestinian fringe groups continue to plan and undertake their deadly suicide bombings.

Ultimately, while it is true that the United States cannot want peace more than the parties themselves, there is also an undeniable appreciation that a continuing violent stalemate undermines long-term American interests in the region. There is no apparent “ripeness” among the current participants to consider compromise and dialogue as the only viable road ahead. In the absence of common ground, it is only the United States that can help provide the landfill on which to stand. Critics of the American approach to the Middle East point to the enormous resources, both political and financial, directed towards Iraq and question the seeming American aloofness to the current downward spiral between Israel and the Palestinians. For the sake of larger American purposes in the Middle East, it was generally thought that the United States must do more to promote its plan for peace. President Bush made a powerful and courageous foray into the intractable world of the Arab–Israeli dispute in the spring with his trip to the region and very personal style of diplomacy, but many ASG participants bemoaned the subsequent lack of follow-through on a plan to proverbially level, grade, pave, put up road signs, and fence railings to at least help make the road map passable for the protagonists. Jim Hoagland, an ASG member and the noted Washington Post columnist recently wrote that the price of inaction for the U.S. on the Israeli–Palestinian issue “will be measured not only in human costs paid by the Palestinians. It will gravely complicate U.S. efforts to pacify Iraq, contain Iran, encourage democracy in the Arab world and reestablish unchallenged leadership in transatlantic relations.” Whether the U.S. fully acknowledges it or not, the perception of the level of the American effort to bridge the violent divide between Israelis and Palestinians is of exceeding importance to the region, the world community, and at home.

### ***Issue III – The Intelligence Community***

Among the Aspen Strategy Group members and participants, few issues raised more anxieties than the apparent loss of national confidence in the veracity and political independence of the intelligence community. Both Democrats and Republicans were alarmed by the seeming failure of the Central Intelligence Agency and other associated intelligence organizations (the intelligence community or IC for short) to provide reliable evidence of Iraqi intentions and capabilities. There

was also considerable concern over the seeming politicization of intelligence in the run up to the Iraq war. As one participant noted, U.S. intelligence during much of this period “looks like objective analysis; we’ll give you the objective, you give us the analysis.”

In a new strategic era where preemption and preventive war are necessary tools of national power, good intelligence is an essential element for both decision-making and public legitimacy. The various congressional reviews and examinations of the intelligence community performance thus far have already illuminated serious problems in both the collection and interpretation of information, with a bearing on the situation in pre-war (and now post-war) Iraq—from disputed allegations on African uranium to the status of indigenous Iraqi efforts to reconstitute a nuclear weapons program. However, there are undeniable political undercurrents in the existing congressional efforts, and several ASG participants advanced the notion of a nationally mandated and bipartisan Blue Ribbon commission to help make recommendations about how to reconfigure the intelligence community and its relationship to both Congress and the executive branch. The intention would be to help validate the mission of IC in this new strategic era and to help restore the independence and credibility of the community—and to ensure that it has the necessary resources—as it tackles ever more vexing problems, from Iran’s shadowy nuclear program to the status of North Korea’s current stockpiles of weapons of mass destruction. Failure to address the crisis in confidence in both the intelligence community and how other elements of the executive branch interact with the IC was seen as not an option.

#### ***Issue IV – The Larger Plight of the Middle East***

For all the talk of “draining the swamps” of the Middle East, there is remarkably little appreciation for the scale and magnitude of the challenge the region poses at a human level. The dearth of democracy and legitimate political means of expression are easily and readily apparent, but it is the economic plight and the magnitude of the social hopelessness that is of equal or larger concern. The ASG spent considerable time discussing the potentially latent economic prospects, both in the oil producing nations and those with little obvious commercial possibilities. There was also a sense in the Group that the U.S. campaign in the Middle East thus far rests too heavily on the military dimension of American power and that we have yet to articulate or put our significant resources behind a targeted campaign to help promote greater economic prosperity, structural reforms, and political liberalization in a larger effort to positively enhance life in the Middle East today.

There were no illusions about the ultimate prospects and likely setbacks along the way of such a sustained effort. Yet this was balanced by an appreciation that the absence of such a fundamental commitment will have potentially devastating consequences for the welfare of Middle East populations, for the long-term prospects for the U.S. war on terrorism, and for American standing in the region. An increase in highly conditional foreign assistance, more targeted investment from private sources, the international financial institutions and the multilateral development banks, and a more aggressive approach to promoting multidisciplinary education (to diversify away from a huge and nearly exclusive focus on religious studies at every educational level) are all essential elements of such an integrated strategy. In truth, there was considerable anxiety among the Group about the ultimate political viability of an integrated and sustained regional plan that looks to the Marshall Plan for inspiration and historical comparison.

#### ***Issue V – The Magnitude of the Stakes***

Ultimately, the key animating feature of our sessions was the magnitude of the stakes for the United States in the Middle East. The region represents the most likely locale for an intersection of

virulent technologies, terrorist groups, and enabling states and organizations. There was near universal acknowledgment from the Group as a whole that this emergent risk poses the greatest threat to American homeland security and sustained U.S. power than from any other source. This sense of urgency associated with the prospect of privatization of weapons of mass destruction—some called it a virtual inevitability—needs to be the central convening objective in an American national security strategy that transcends the Middle East. This single issue also provides further imperative for the U.S. to tackle every other item on the agenda mentioned above, despite the fact that the preceding recitation of challenges represents probably the most daunting national security, political, educational, economic and foreign policy issues in the world today.

While there was great skepticism of the national ability in current circumstances to design and implement a sustainable strategy for a troubled region, there was also a balancing belief that perhaps the U.S. has no other choice but to try. Indeed, the magnitude of the stakes could not be higher for the United States in the day, weeks, months, years—and decades—ahead.





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