POLITICAL ISLAM: POLICY CHALLENGES FOR
THE NEW ADMINISTRATION AND THE NEW CONGRESS

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Rapporteur’s Summary

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Karim Sadjadpour led a discussion on the foreign policy challenges to the United States posed by the Islamic Republic of Iran. In terms of the overall crisis we face in the Middle East and South Asia, Iran is both part of the problem and part of the solution. It is the Supreme Leader Ali Khamenei, not the president, who controls the country. Khamenei is in charge of the key institutions, and its leaders are beholden to him. He is a man obsessed with the United States, and believes the United States wants to go back to a patron-client relationship, such as we had under the Shah. Khamenei and the mullahs have a cynical view of their role in the region. They believe that they are most likely to prosper and benefit from their relations with foreign countries when they are alienated from the United States. Thus, appealing to this alienation rather than championing upward mobility is their goal. Concerning nuclear weapons, they are pursuing what might be called the “Japan model.” They want all the technology but, as yet, have not decided whether they actually want the bomb. They are using the technique of the bazaar for bargaining purposes. They know that the nuclear issue is very important to the United States, and therefore the more important it becomes to us, the more important it becomes to Iran. As far as the broader relationship is concerned, mutual mistrust is the key issue. Confidence needs to be built on both sides to see where there are issues of common interests, such as Afghanistan. It is important to the United States to maintain an international approach to dealing with Iran, incorporating the European Union, Russia and China. We should avoid letting the spoilers set the agenda, such as Hezbollah, Hamas and the Iranian Revolutionary Guard Corps.

In the discussion, it was asked why Iranian leaders have such self confidence. One reason is that they believe that if there were a referendum in the Middle East, the vote would be for their system of government. The problem with this attitude is that this might be true in some countries, but it is certainly not true in the case of Iran. Khamenei understands that opening up to the United States and permitting the freedoms we have would be a kiss of death. Compounding the problem is the attitude of the Arab Gulf leaders, who are preoccupied with Iran. They don’t want Iran to get the bomb; they don’t want Iran to get bombed; and they don’t want a U.S.-Iranian rapprochement, because that would threaten them. On the other hand, they are eager to see the Arab-Israeli conflict resolved, because if this happens Iran will lose much of its clout, particularly in Lebanon, in the Palestinian community, and on the Arab street.

The question of Iran’s attitudes to Israel, and its nuclear program were discussed. It was
pointed out that Israel is really concerned and, the question is, is it unrealistically paranoid, and how useful are the sanctions against the regime? It is true that Israel has good reason to worry about Iran’s statements and behavior but its leaders are not messianic, they are not suicidal. Sanctions have proven to be a diversion. They have in fact exaggerated the gap between the private sector and corrupt groups that benefit from the sanctions. If they were strengthened, on the other hand, this might make a difference. Some felt that while it may be important to engage Iran in a dialogue, we have to prepare for the fact that they are probably not going to reach an agreement with us, and that the solution has to be containment and deterrence. The problem is, the Iranians have not yet reached a consensus on whether they want engagement. But for them, rejecting the U.S. offer is not cost-free. It would increase the likelihood that the U.S. could gain support from Russia and possibly China.

More specific questions were asked about what sort of agreement might be possible on the nuclear front. What, for instance, would be acceptable to the Gulf States as distinct from Israel? The feeling was that the Gulf would be prepared to accept a small uranium enrichment capability in Iran, provided it was placed under international safeguards. The Israelis, however, are much more skeptical about this approach since safeguards can always be removed. It was pointed out that this debate comes at a time when there is a crisis of authority in the Islamic world. Dozens of spokesmen now claim to speak in the name of Islam, but in reality they can’t. The Supreme Leader in Iran cannot rule by decree, he has to work with the forces that are under him, and if there is major discontent and disagreement, he has to be the balancer. In other words, he is not a fully-fledged dictator.

In terms of the history of the U.S. negotiating with Iran, there are some lessons to be learned. By and large, when the United States is strong and has an overall leverage in the region, such as in early 2003 after Saddam Hussein had been toppled, the Iranians were willing to negotiate, but the U.S. rejected such overtures. By 2007, with the U.S. bogged down in Iraq, the roles were reversed. Now there is something of parity between the bargaining power of the United States and the Iranians.

As far as the Obama initiative is concerned, the debate is over. We will engage, but the question is how to engage. Should we start on those issues on which there is common ground, such as narcotics in Afghanistan, or deal with the most difficult issue which is the nuclear question and the one that will involve the most difficult decisions? The answer is to try engagement but be prepared to be disappointed. There is no short-term solution to this problem; engagement is the worst option, except all the others. The ideology of the regime since the time of the Ayatollah Khomeini may be based on anti-U.S., anti-Israel, and Islamic piety, but the reality is that the Mullahs have been obsessed with the Velvet Revolution and fear this more than U.S. military action. One thing is clear—we must not be overly eager in our desire for engagement. We must be prepared to show Iran respect, but never apologize. Over the years, the United States has done a great deal for Iran, and the Iranians have never apologized for the hostage crisis.

In the concluding discussion on policy implications, it was stressed that we need to be realistic, and while we can’t rule out military action, dialogue is clearly important, along with international support, stronger sanctions, and much more effective American energy policy. It was suggested that while we must cooperate where we can, we must resist where we have to. The preemptive military option is not a good one. We may have to live with the nuclear threat. This is not new, we’ve done it before. We need to understand that what may eventually work for the Iranians may be a non-Western, non-U.S. model of success. Others felt that we did need to focus on the nuclear and non-proliferation issues. We’ve got to get greater pressure from the international community. But others felt sanctions can’t work. Iran has such a long border with Afghanistan and Pakistan that we
need their help there, and this is a priority for the administration at this time. Part of the problem is that our leaders, both Republican and Democratic, have gone on record as saying “A nuclear Iran is unacceptable.” We need to know what this means. Does “unacceptable” imply that we will have to use force at some point or that we will have to deter Iran? Some felt that the nuclear issue is going to be a long process. We have to be strong on diplomacy, but diplomacy takes patience and persistence, not characteristics that are usually associated with our international engagements. But this time the stakes may be too high to rush into any new conflict, given our current commitments in Iraq, Afghanistan, and Pakistan.

Paul Hughes began the discussion on U.S. policy in Iraq and suggested that it will be influenced by events in the region, as well as the specifics of the Status of Forces Agreement reached with the government in Baghdad on the terms of the U.S. drawdown. By August 2010 the U.S. will cease combat operations, but two combat brigades will probably be left behind. No matter what happens, the U.S. will remain engaged in Iraq for many years to come, but in an indirect fashion. One reason will be to have a hedge against Iran.

In looking at the threat environment throughout the region, two issues need to be stressed: First, that nuclear terrorism, stemming either from developments in Iran or Pakistan, is by far the most serious threat; and second, in terms of promoting U.S. interests in the non-combat arena, the State Department needs to be reorganized and commit more personnel to reconstruction and development projects.

In the discussion it was noted that all Status of Forces Agreements have an escape clause, and that this could apply to Iraq, given that there is still great instability in some regions, most notably in the city of Mosul. It’s all very well to talk about the U.S. “getting out of the cities,” but this is what we did in 2005, and it didn’t work. Concerning the efforts of the Shi’a government of Iraq to bring the Sunnis into the mainstream, this will pose a problem, unless they are prepared to fully integrate them and provide them with the resources that the United States has done over the past year or so. One lesson from the American experience is that when we began to train the Iraqis at the lower level and worked with them on a lower level, this ‘from the bottom up’ approach was more effective, since it put pressure on the national government. One big problem is that some way must be found to bring back Iraqis who fled during the war, and that this could take international efforts to help rebuild the country. Refugees were not encouraged to come to the United States, and it’s hard for them to get into Europe. And yet, they’re not going to come back if it is dangerous. Since some of the best educated Iraqis left the country, their absence has diminished Iraq’s human resource basis.

There was concern that the U.S will end up having permanent bases in the region. The problem is that not until 2018 will Iraq have the capability to take care of its internal and external threats. Building up Iraqi forces takes time, and it has to be paralleled with nation building. The American people do not want to carry this burden alone, and there remain questions about the role of external powers. Other powers have an interest in stability of the region and the security of the Gulf—China and India both need oil.

On the issue of State Department reform, Secretary Clinton has the right values and Congress has appropriated money for many new positions, but much more needs to be done. There needs to be better coordination between U.S. agencies, since there’s been too much “stove piping.” Part of the problem is that in comparison to the Department of Defense, the Department of State lacks many resources, both in terms of skills and money. One of the fatal mistakes in the original occupation of Iraq was the decision to exclude the State Department from the post-war management and to hand it over to the Department of Defense, which was not equipped to do the job.

Part of the discussion focused on the need
for good governance as the key to reducing terrorism and securing oil supplies, and encouraging economic growth. These efforts take time, and some noted that the American public has a short time fuse on Iraq. Some feel the U.S. role in Iraq is over and that public support for the military operations in Afghanistan is only happening because Obama’s urging has gotten the Congress to support it. When looking at the broader picture, it was suggested that no one in the region wants to see Iraq break up, not even Iran, but the neighbors don’t have a common view on how it should be run. It is important for the U.S. to bring the neighbors together to establish better regional security arrangements. In this regard there is need for a permanent forum for discussing regional security. Some had a more historic perspective and argued that the situation in Iraq is not nearly as bad as it was in Korea or Vietnam at various stages and that there will be a continued American presence which will be long and difficult. But absent any spike in violence it is something that the United States has done before and can do again.

On the question of how one calibrates the size of the future Iraqi armed forces, here one has to take into account not only the impact on Iraq but on the neighborhood. At present, Iraq has fourteen divisions, a small navy, and six C-130 transport aircraft. Before Iraq embarks on more bold procurement schemes, such as buying fighter jets, there needs to be a regional security framework, to avoid a new arms race. Ultimately, this comes back to the issue of security arrangements which have to include the Iranians. This is going to be difficult, but it must be tried. The United States obviously needs the close cooperation of Iraq’s neighbors, but this will require taking into account their interests and priorities.

In the policy discussion, it was accepted that we can’t change what happened in Iraq. Obviously mistakes were made in the management of the occupation, but we can’t walk away from our commitments. Our objective must be that Iraq can peacefully deal with its own conflicts, but to achieve this goal we need more international involvement, and we need to be more aggressive in seeking it. Some felt we should not write off Iraq; things went wrong in the war, but this happens in every war. The previous administration stuck to its guns and is not reviled in other regions, particularly Africa. Others, however, expressed concern that our presence in Iraq will probably continue, because the Iraqis will find it difficult to get their act together, and the question will be, will the American people tolerate an open-ended presence of large numbers of forces in the field? Furthermore this has to be seen against the background of our economic troubles and other demands on our resources. An open-ended American presence, even at a low level, enables others to misbehave and not pull up their bootstraps and go to work. The United States believes it is ‘Mr. Goodwrench’, but this has real problems as a policy. Some argued that we need to do more in the non-military arena, for instance tripling the budget for foreign operations and rebuilding the agency for international development. But the reality is we will be in the region for a long time, and only history will tell how good or bad the American involvement has been. Sometimes the absence of involvement can be more dangerous than involvement itself. Isolationism has a bad history and had a terrible impact on the United States in the inter-war years. The fundamental issue is that we do military operations really well, but there are limits to how much military force can achieve in nation building and achieving stability in countries like Iraq. The asymmetry between the Pentagon’s and State Department’s role in Iraq was way out-of-kilter, and this must be redressed if we are to avoid making the same mistakes in Afghanistan.

The discussion initiated by Teresita Schaffer focused on Pakistan. The dilemma we face is that Pakistan used to be seen as part of the solution to the dangers we face in Afghanistan; now Pakistan itself has become the problem. It has to be a priority to make Pakistan once more part of the solution. Pakistan faces a crisis of authority; it has weak institutions, aside from
the army, that are under attack from within. There are many internally displaced people and simmerings of secession in Baluchistan and south Punjab. There is also a leadership crisis that goes beyond individuals. Civil-military relations are better but it’s still the case that if things get bad, the military may once more assume power, as it has done over most of Pakistan’s history.

Concerning Afghanistan, some see that Pakistan has two options: to work for a stable Kabul or to work with the Taliban. India remains the prime threat in the eyes of many Pakistanis. The terrorist attacks on Mumbai last year ended peace talks that were underway. With regard to relations with the United States, the Pakistanis need us, but they don’t want to be too close. They blame America for many of their problems. Finally, there is a huge human development deficit, with health and education in particular deprived of both fiscal and human resources for over 40 years. It is in the U.S. interest to keep economic assistance flowing and provide military support to fight the insurgency. We also need to help beef up Pakistan’s police force—an activity the Agency for International Development is not allowed to do. The United States is good at disaster relief, and this is positive. So far the nuclear arsenal in Pakistan is in good shape, but this has to be watched very carefully. Finally, we should not rule out the possibility that Pakistan could fail as a state, with far-reaching consequences for the subcontinent and the United States.

The discussion focused on several themes. There was some discussion of the legacy of former president General Musharraf. He started out as a strong leader, but unfortunately no one would bring him bad news, and due to his close relations with the Bush administration, he was given a pass by the United States. Musharraf himself did little to rein in the power of the Inter-Services Intelligence agency (ISI) who clearly knew what was going on with respect to A.Q. Khan and his nuclear shenanigans.

On the specific issues of terrorism, there were questions about the goals and objectives of the Taliban and the effectiveness of the Predator missile strikes against the Taliban and al-Qaeda. The Taliban is a loose movement and its primary goal is to bring down the government. Thus the nightmare is not so much a Taliban dictatorship, but a breakup of Pakistan, so that it comes to resemble Swiss cheese. The real definition of failure in Pakistan would be a link-up between the army and the extremists. Concerning the Predators, they are deeply unpopular amongst the Pakistani people because they cause collateral damage, but the government of Pakistan is involved in the planning for the strikes. Fortunately, the anti-Americanism which is still prevalent in Pakistan is now being supplemented by strong feelings against the Taliban because of their violent and repressive behavior in Swat and their acts of terror against Pakistan’s leaders and institutions.

On a related problem concerning the insurgency, there was discussion about the security of Pakistan’s nuclear weapons. It is building up its nuclear forces, and the question is can the United States have better oversight? There is concern about the control of Pakistan’s nuclear weapons, but since these weapons are considered the crown jewels of the country, the army does protect them. However, we have very murky knowledge about what really goes on in respect to the program, and this should be a high priority for intelligence gathering.

There was some discussion on the relationship between Pakistan and Iran, where there is a love-hate relationship, with the Iranians regarding the Pakistanis as “hicks,” and the Pakistanis regarding the Iranians as “wimps.” The Shi’a in Pakistan have been on the receiving end of much violence, and there have been passionate disagreements between the two countries over Afghanistan, but both countries share concern about the Taliban taking control, and there are other common problems: drugs, narcoterrorism, refugees, and the fear of Sunni extremism. A related question has been Pakistan’s relationship with Afghanistan. It was pointed out that Afghanistan was opposed to the creation of Pakistan by the British in 1947,
primarily because Pakistan was being created on the basis of religion rather than ethnicity. Afghanistan has always wanted access to the sea and was keen on establishing a “Pashtunistan,” and this is related to the fear that the Pashtun, the Taliban and the Baluch may make common course against Pakistan, which reinforces the fear of an implosion of Pakistan.

Finally there was much focus on the critical relationship with India and the impact of the Mumbai attacks. The Indians do have red lines concerning Pakistan’s behavior, but they don’t want the country to implode. Another major terrorist attack could trigger an Indian retaliation, but there are very few good military options, should they decide to attack. Fortunately, the recent Indian general elections have strengthened the government and whereas there was unlikely to be any compromise with Pakistan before the elections, the stronger government could now go the extra mile to formulate better relations. Most Indians realize that the Mumbai attacks were carried out by spoilers, although there is still a belief that the ISI was implicitly involved.

In the policy discussions most agreed that good governance must be the key to saving Pakistan. One can’t eliminate corruption, but setting guidelines for reordering U.S. priorities in terms of aid is important. The United States should focus on nurturing the next generation of Pakistanis. There are many educated, pro-democracy supporters, particularly in the legal community and the press who want to see a more effective government. The problem is that military actions in Pakistan and Afghanistan are likely to become more violent. The real test will be whether the Pakistanis decide to fight for their own country. Against this background, the problem of terrorism and nuclear weapons was reinforced. The United States has to watch very carefully what happens on the nuclear front while nurturing the current government and adopting a more focused civilian aid program. The good news is that the Pakistani public seems to be turning against the Taliban, although this could change if there are further incidents of American military involvement and civilian deaths.

Michele Dunne led the discussion on the Arab world and democracy. Current U.S. policy towards the Arab states and their democratic aspirations was shaped by the Bush administration’s “freedom agenda.” Although this had many shortcomings, we should not throw out the baby with the bathwater. The cost of walking away from the democracy agenda would be considerable. The example of Hamas winning an election is a salutary pointer of what can go wrong. For many years after the creation of the state of Israel, the Palestinians had very bad, undemocratic leadership; now their secular leaders are on life support. For six years, between 1994 and 2000, the United States supported the Palestinian leader Yassir Arafat who was corrupt and ineffective. At that point, the U.S. had great leverage over the Palestinians, but we did not provide the Palestinians with democratic institutions when we could have, and the result—Hamas wins an election. Yet the United States cannot be neutral. If we do not stand up for human rights and democracy, we are seen to be supportive of authoritarian regimes.

We cannot be responsible for democracy, but we have to be supportive of it. We have to adjust our goals and see democracy and human rights as long-term goals in the region. And we have to approach the Arab world country by country. In the case of Saudi Arabia, the focus might be on women’s rights, in Egypt on political succession, and in a country like Libya, the creation of nongovernmental organizations. Concerning the Islamists, we have to distinguish those Islamists that are armed—Lebanon, Palestinian and Iraq—and those that are not. We should also remember that Islamist political parties can lose elections, as we have seen in Kuwait, Morocco and Jordan, where reformers beat them.

Concerning U.S. assistance, it was asked whether withholding assistance for reforms really works. In the case of Egypt, holding up
military sales is counterproductive, since the Egyptians will respond, “don’t tell us how to do business.” We should not, however, flee from a robust dialogue with countries like Egypt on democracy programs. In the case of Egypt, judicial reform has worked well. The National Endowment for Democracy has done sterling work in training people to be monitors in elections. So there are many ways the United States can contribute to democratic growth without bluster and a heavy hand. It was pointed out that democracy and human rights are complicated issues, and the record of the United States alone shows that it can be a long and tedious process. It’s never an issue that can be discussed in black and white terms.

An examination of why democracy has failed in the Arab world shows that it is very different from country to country. Some Arab states have relatively democratic institutions, notably Egypt, Jordan, Kuwait and Morocco, in contrast to the tribal states such as Saudi Arabia and the Gulf countries which are purely autocratic. Then there are Cold War states such as Syria and Libya that still have hierarchical institutions based on the military. Finally, there are a group of failed states, such as Sudan, Somalia and Yemen where there is no progress. For democracy to take root, you need a state and a government. The United States has a strong civil society, but it did not emerge over night. One way to help civil society is economic development. There is slow progress being made; for instance in Egypt the media, local politics and parliamentary intervention on budget allocations have become important indications of more freedom in recent years.

The question was raised whether the U.S. should focus on individual human rights cases such as Saad Eddin Ibrahim in Egypt. The problem here is that when you make an individual a cause celebre, that individual then comes under attack since the governments want to make an example of him. Overall, the dilemma of how to balance realpolitik and idealism in a region such as the Middle East is a very old one that first became very obvious at the turn of the 20th century, with Teddy Roosevelt, the idealist, and Woodrow Wilson, the exponent of realpolitik. Some felt that it was more important to stress human rights than democracy, and in this regard it is important to have an independent judiciary. Some felt that freedom of the press is one of the brightest spots in the Arab world; the impact of Al-Jazeera and Al-Arabiya has been enormous. It has stimulated competition and made it much more difficult for government-controlled media to dominate the news cycle. While Al-Jazeera is often seen in the West as an anti-American propaganda machine, in fact it gained most attention in the Arab world by discussing domestic issues which before had been taboo.

We can learn from the experience of Eastern Europe and the end of communism. One reason it was easier to establish democratic institutions in the countries of the Warsaw Pact was that they had more cultural affinity, or as it was put, “habit of the heart” towards the freedoms we seek. The United States itself provides a good example of a country where democracy has been seen as a journey, not a destination. America is not perfect, but it is perfectible. It is a “work in progress and always will be.” There have been huge changes over the years in American civil rights, and now human rights became part of the success of the Helsinki process. We need to stress that these are not Western ideas, but are universal values.

In the policy discussion, it was seen as important that the United States stop over-promising what it can do and be clear about what our goals are. Our policy has sometimes created confusion about what we are about—are we about access to oil or human rights? There are specific issues, such as women’s rights, which the United States can and should weigh in on in a strong way. In this regard, there was speculation about what President Obama should say in his upcoming speech in Cairo. Most believe that the focus should not be on preaching to the Arab world, but rather showing by example how the United States has achieved breakthroughs in its own human rights over a period of years by strengthening institutions in support of them.
Given Iran’s sizable influence on issues of critical importance to the United States—namely Iraq, Afghanistan, the Arab-Israeli conflict, terrorism, nuclear proliferation, and energy security—the longstanding Washington policy debate about whether or not to “engage” has been rendered obsolete. Continuing to shun Iran will not ameliorate any of the above challenges, and confronting Iran militarily will exacerbate all of them. The option we are left with is talking to Tehran.

Advocating dialogue is easy, but the devil is in the details. With whom in Iran should we talk? What should we talk about? How should we go about talking? When should we talk?

That Iran continues to be a primary national security concern is evidence of the failure of our steadfast attempts to alter Tehran’s behavior by isolating it politically and economically. Thirty years after the 1979 revolution, Iran remains the State Department’s “most active” state sponsor of terrorism, fervently opposes Israel’s existence, defiantly moves forward with its nuclear ambitions, and continues to repress its own population. More than any previous U.S. president, George W. Bush redoubled efforts to counter Iranian regional influence and weaken its government. Yet Iran’s international reach is greater today than ever, and Tehran’s hardliners are firmly in control.

In charting a new strategy, the Obama administration must first probe a seemingly simple but fundamental question: Why does Iran behave the way it does? Is Iranian foreign policy rooted in an immutable ideological opposition to the United States, or is it a reaction to punitive U.S. policies? Could a diplomatic U.S. approach beget a more conciliatory Iranian response? The only way to test these hypotheses is direct dialogue.

Engagement with the Iranian regime need not, and should not, come at the expense of the Iranian people. According to activists like Nobel Peace Laureate Shirin Ebadi, the United States can more effectively strengthen Iranian civil society and human rights with policies that allay Tehran’s threat perception and facilitate, rather than impede, the country’s reintegration into the global economy. To be sure, there are no quick fixes or panaceas. The Islamic Republic is not on the verge of collapse, and an abrupt political upheaval could well produce an even worse result. The only groups in Iran that are both organized and armed are the Islamic Revolutionary Guard Corps (IRGC) and the Bassij militia.

Our first steps vis-à-vis Iran are critical, for they will set the tenor for the next four years. While the nuclear dispute dominates the headlines, recent history has shown an approach that focuses primarily on punitive measures is the best guarantor of hostile Iranian policies aimed at counterbalancing the United States. What’s needed is a comprehensive approach that aims
to build confidence, moderate Iranian policies, and subtly create more fertile ground for political reform in Tehran, all at the same time.

I. Iranian Political and Nuclear Realities

Understanding Ayatollah Khamenei

American policymakers have often struggled to understand where and how power is wielded in Tehran, and for good reason. After the fall of the Shah in 1979, the father of the revolution, Ayatollah Khomeini, aimed to set up the nascent Islamic Republic’s power structure in a way that would make it impervious to foreign influence. This meant creating multiple power centers whose competition would provide checks and balances to prevent one branch or individual from becoming too powerful and potentially susceptible to outside influence. The result has been frequent political paralysis, an inability to make big decisions, and a tendency to muddle along with entrenched policies.

It is within this context that Khomeini’s successor, Supreme Leader Ayatollah Ali Khamenei, governs as the most powerful individual in a highly factionalized, autocratic regime. Khamenei may not make national decisions unilaterally, but neither can any major decisions be taken without his consent. He rules the country by consensus rather than decree, with his own survival and that of the theocratic system as his top priorities.

Despite the outsize attention paid to Iranian president Mahmoud Ahmadinejad, Khamenei’s constitutional authority dwarfs that of the president. He controls the main levers of state, namely the judiciary, the military, and the media. His power base has expanded considerably over the last several years as the country’s most important institutions—the elite Revolutionary Guards, Guardian Council, presidency, and parliament—are all currently led by individuals who were either directly appointed by Khamenei or remain unfailingly obsequious to him.

A careful reading of three decades worth of Khamenei’s writings and speeches present arguably the most accurate reflection of Iranian domestic and foreign policy aims and actions. They reveal a resolute Leader with a remarkably consistent and coherent—though highly cynical and conspiratorial—world view. Four themes dominate his political discourse—justice, independence, self-sufficiency, and Islamic piety—and he interweaves them seamlessly: Islam embodies justice, independence requires self-sufficiency, and foreign powers are hostile to an independent, Islamic Iran. From Khamenei’s perspective, Iran’s enmity toward the United States and Israel as well as the rationale for its nuclear ambitions can be explained within this framework.

Despite his hostile rhetoric, Khamenei’s 20-year track record depicts a risk-averse figure who has courted neither confrontation nor accommodation with the West. His distrust of the United States is profound, believing strongly that U.S. opposition to Iran is not motivated by Tehran’s nuclear ambitions, opposition toward Israel, or support for Hezbollah—but because Iran’s strategic location and energy resources are too valuable to the United States to be controlled by an independent-minded Islamic government. Washington’s ultimate goal, Khamenei believes, is to restore the “patron-client” relationship with Tehran that existed under the Shah.

In this context, whether U.S. officials announce that they wish to isolate Iran or have a dialogue with it, Khamenei presumes nefarious intentions. He holds strongly that Tehran must not compromise in the face of U.S. pressure or intimidation, for it would project weakness and encourage even greater pressure:

“If the officials of a country get daunted by the bullying of the arrogant powers and, as a result, begin to retreat from their own principles and make concessions to those powers, these concessions will never come to an end! First, they will pressure you into recognizing such and such an illegitimate regime, then they will force you not to call your constitution Islamic! They will never stop obtaining concessions from you through pressure and intimida-
tion, and you will be forced to retreat from your values and principles step by step! Indeed, the end to U.S. pressure and intimidation will only come when Iranian officials announce they are ready to compromise Islam and their popular government of the Islamic Republic, and the United States may bring to power in this country whoever it wants!"

Given that Khamenei perceives Washington to be hostile to the Islamic Republic’s very existence, challenging U.S. interests has become an important foreign policy priority for the Iranian government. This has motivated Tehran to seek out curious alliances with faraway countries, such as Venezuela and Belarus, and to offer support to groups with whom it has little in common apart from enmity toward the United States, such as the Sunni fundamentalist Taliban in Afghanistan (against whom Iran nearly went to war a decade ago).

Based on his reading of Washington’s Cold War policies, Khamenei’s primary concern with respect to the United States is not a military attack, but rather a political and cultural onslaught intended to create cleavages among the country’s political elites. This onslaught would spread “Western vice” and cultural influence to undermine the roots of Iran’s traditional society, create popular disillusionment with the Islamic system, and foment ethnic and sectarian unrest.

Notwithstanding Khamenei’s mistrust of the United States, the role of both ideology and political expediency are important to his anti-American worldview. A conciliatory approach toward the United States and a nonbelligerent approach toward Israel would be parting ways with two of the three ideological symbols of the Islamic Republic (the other being the mandatory hejab for women). For Khamenei, if the Islamic revolution was all about momentous change, the years since have been about maintaining the revolutionary status quo.

Nor is Khamenei’s rationale purely ideological; his writings and speeches suggest he agrees with myriad Iran scholars and analysts who argue that if Iran were to open up to the United States, it would spur major cultural, political, and economic reform. Given that Khamenei’s selection as Supreme Leader was based on his fealty to revolutionary ideals and the vision of Ayatollah Khomeini—whose political views crystallized in the 1970s during the time of the Shah—the chances of him being willing, or able, to reinvent himself at age 69 do not appear strong.

Nuclear politics

A strong consensus exists within the nonproliferation community that Tehran aspires for a nuclear weapons capability. What is less clear is the precise impetus for Iran’s nuclear ambitions. Does Iran want a nuclear weapons capability to dominate the Middle East and threaten Israel? Or is Iran a misunderstood, vulnerable nation driven by a need to protect itself from unstable neighbors and a hostile U.S. government? Or could Tehran simply be moving forward with its nuclear program to gain leverage with the United States?

The Iranian state limits the scope of the public nuclear debate in order to project an appearance of national unity. Talk of suspending uranium enrichment, or pursuing the development of nuclear weapons, is taboo. Instead, the debate permitted pits “moderates” who advocate confidence-building with the West in order to pursue a full fuel cycle against “hardliners” who favor continuing forward without delay or compromise in order to present Iran’s nuclear capability as a fait accompli. Any debates which probe the efficacy of suspending uranium enrichment or building a nuclear bomb happen behind closed doors, among a small coterie of officials.

By all accounts Khamenei is the most influential figure in determining nuclear policy, and for the Leader the nuclear issue has come to symbolize the core themes of the revolution: the struggle for independence from unjust foreign powers, the necessity of self-sufficiency, and Islam’s high esteem for the sciences. He
The nuclear issue and popular opinion

As previously mentioned, Iran enjoys no open, honest debate about the nuclear issue. State-controlled media outlets—still the number one source of information for most Iranians—have been warned not to veer outside the framework of government-mandated talking points. The country’s ruling elites have made a tremendous effort to appeal to Iranians’ keen sense of nationalism, pointing out Western double standards, extolling the virtues of nuclear energy, and praising the country’s scientists. Despite all of this, however, popular opinion regarding the nuclear issue is more nuanced than what the Iranian government would like the world to believe.

Certainly many Iranians, even those unsympathetic to the regime, support their country’s nuclear ambitions for a variety of reasons: National pride; the belief that Iran needs to prepare for life after oil; the resentment of Western double standards which permit India, Pakistan, and Israel to have nuclear programs; and the perception that because Iran lives in a dangerous neighborhood, it needs not only a nuclear energy program but also a nuclear weapon.

What’s questionable is how deep, informed, and widespread Iranian popular support for the nuclear program is. As the former Economist correspondent in Tehran best put it:

“It would be quite remarkable if a populace increasingly disengaged from politics were suddenly energized by something as arcane as nuclear fuel and its byproducts...For most Iranians, the price of food and the government’s failure to lower it are more important [than the nuclear program].”

Some among Iran’s political elite have conceded that nuclear pride has been manufactured by the government. In the words of Mohammed Atrianfar, a close advisor to former President Hashemi Rafsanjani:

“People have been hearing these things about having the right to have or to possess this [nuclear] capability. And, natu-
rally, if you ask an Iranian whether [they] want this right or not, they would say they do want it. But if you ask, though, ‘What is nuclear energy?’ they might not be able to tell you what it is.”

After suffering 500,000 casualties in the horrendous war with Saddam Hussein’s Iraq, few Iranians romanticize the idea of conflict or militarization. In a strikingly candid opinion piece in the *Financial Times*, former Iranian deputy foreign minister Abbas Maleki dismissed the notion that the nuclear program is driven by popular demand:

“Reports suggest that Tehran’s official joy over the nuclear breakthrough is shared by a large segment of Iranian society. Such reports should not be taken as evidence that the Iranian people share their government’s views, and should not be used as a pretext for using force against Iran’s population…The general public does not consider the nuclear issue to be of vital importance. Nuclear technology will do little for the average Iranian; it cannot create more jobs for a country that needs one million jobs annually, it cannot change the chronic low efficiency, productivity, and effectiveness of the economy and management, and it will do nothing to improve Iran’s commercial ties with the rest of the world.”

Public opinion is clearly an important component of Tehran’s nuclear strategy, and the government is capable of mobilizing large crowds in order to project an appearance of national unity. Up until now, popular opposition to the government’s nuclear posture has been negligible. This will likely remain the case as long as Iranians continue to perceive corruption and mismanagement—not an isolation-inducing foreign policy—to be the primary cause of domestic economic malaise. If and when domestic economic conditions deteriorate to such a degree that has a drastic impact on people’s daily lives, however, Ayatollah Khamenei may well decide to change course. When push comes to shove the paramount concern of the country’s theocratic elite is the regime’s survival, not its ideology.

II. U.S. Policy Options

While the nuclear issue will continue to dominate the headlines, it is important to understand that it is a symptom of the deep mistrust between Washington and Tehran, not the underlying cause of tension. Given that neither side trusts the other’s intentions, there are no technical solutions to this nuclear dispute, only political ones. If a resolution is to be found, it will require a broader diplomatic accommodation between Washington and Tehran, whereby the United States reaches a *modus vivendi* with Iran, and Tehran ceases its hostile approach toward Israel.

Before any substantive discussions or negotiations take place, an initial meeting—held in private—simply reacquainting the U.S. government with the Iranian government is in order. Washington should make it clear to Tehran that the United States is genuinely interested in establishing a new tone and context for the relationship. To increase the likelihood of success in engaging with Iran, the Obama administration should adhere to seven prescriptions in framing a process of engagement. I briefly examine each, below:

**I. Build confidence on issues of common interest**

Once serious discussions commence, building confidence with Iran will be easier if efforts initially concentrate on areas of shared interest, such as Afghanistan and Iraq, rather than those of little or no common interest, such as the Israeli-Palestinian conflict and the nuclear issue. Constructive discussions in Kabul and Baghdad could have a positive spillover on the nuclear dispute. If Iran’s nuclear ambitions do indeed reflect a sense of insecurity vis-à-vis the United States, building cooperation and goodwill in Iraq and Afghanistan could help to allay Tehran’s threat perception and compel its leaders to reassess their nuclear approach.
2. Focus on Khamenei, not Ahmadinejad

Successful engagement with Iran will require a direct channel of communication with the Supreme Leader’s office, such as former foreign minister Ali Akbar Velayati, one of Khamenei’s chief foreign policy advisers. Khamenei must be convinced that Washington is prepared to recognize the legitimacy of the Islamic Republic and must be disabused of his conviction that U.S. policy aims to bring about regime change, not negotiate behavior change. He will never agree to any arrangement in which Iran is expected to publicly retreat or admit defeat; nor can he be forced to compromise through pressure alone. Besides the issue of saving face, he believes deeply that compromise in the face of pressure is counterproductive, because it projects weakness and only encourages greater pressure.

After three decades of being immersed in a “death to America” culture, it may not be possible for Khamenei to reorient himself. But if there’s one thing that is tried and true, it’s that an engagement approach toward Iran that aims to ignore, bypass or undermine Khamenei is guaranteed to fail.

3. Begin cautiously

The U.S. should refrain from making any gestures to Tehran that could redeem Mahmoud Ahmadinejad’s leadership style and increase his popularity ahead of the country’s June 2009 presidential elections. Since assuming office in August 2005, Ahmadinejad has used his influence to amplify objectionable Iranian foreign practices while curtailing domestic political and social freedoms and flagrantly disregarding human rights; his continued presence could serve as an insurmountable obstacle to confidence building with the United States.

Though they are not totally free or fair, Iranian elections are notoriously unpredictable. Just as Ahmadinejad’s 2005 election shocked seasoned observers, given his considerable mismanagement of the economy, his defeat in 2009 is certainly a possibility. As such, it is better for Washington to begin cautiously until Iran’s domestic situation becomes clearer.

Such an approach should not, and need not, be interpreted by Tehran as a U.S. effort to “game” Iran’s presidential elections. To be clear, Washington should refrain from commenting on the Iranian campaign, and should certainly refrain from expressing a preference for any particular candidate.

4. Speak softly

While threatening violence against Iran has become a way for U.S. politicians to appear tough on national security, such rhetoric has empowered Tehran’s hard-liners and enhanced Iran’s stature on the streets of Cairo, Ramallah and Jakarta as the Muslim world’s only brave, anti-imperialist nation that speaks truth to power. Additionally, when oil prices jump with each threat against Iran, Iran’s nuclear program and its financial patronage of Hezbollah and Hamas become more affordable.

While the Iranian government is certainly complicit in engaging in bellicose rhetoric, the United States should not take its behavioral cues from an insecure, repressive and undemocratic regime. Instead of reciprocating threats and name calling, the Obama administration should project the dignity and poise of a superpower. A hostile rhetorical line allows Iran’s leadership to paint the United States as an aggressor—both internationally and domestically.

5. Don’t let the spoilers set the tenor

Small but powerful cliques—both within Iran and among Iran’s Arab allies—have entrenched economic and political interests in preventing U.S.-Iranian reconciliation. Within Iran these actors—including powerful septuagenarian clergymen and nouveau riche Revolutionary Guardsmen—recognize that improved ties with Washington would induce political and economic reforms and competition and undermine the quasi-monopolies they enjoy in isolation. Among Iran’s Arab allies such as Hezbollah and Hamas, the prospect of U.S.-Iranian accom-
modation could mean an end to their primary source of funding.

For this reason, when and if a serious dialogue commences, the spoilers will likely attempt to torpedo it. Their tactics will vary. They may commit gratuitous human rights abuses (such as the imprisonment of my friend Roxana Saberi, an Iranian-American journalist), issue belligerent rhetoric, or target U.S. soldiers and interests in Iraq or Afghanistan. Though staying the course in tough diplomacy with Iran will require heavy expenditures of both personal leadership and political capital, if Washington pulls back from confidence building with Tehran in retaliation for an egregious act committed by the spoilers, they will have achieved their goal.

6. Maintain an international approach

Tehran is highly adept at identifying and exploiting rifts in the international community, and diplomatic efforts to check Iran’s nuclear ambitions will unravel if key countries approach Iran with competing redlines. A common approach by the European Union and the United States is absolutely imperative.

Uniting China and Russia behind the U.S. position will prove more difficult given divergent national interests, though Moscow certainly has an interest in avoiding a nuclear-armed Iran within missile range. A more robust U.S. effort at direct dialogue with Tehran will send the signal to Brussels, Moscow and Beijing that Washington is serious about reaching a diplomatic resolution to this dispute, which should strengthen the health of the coalition.

7. Be discreet

When it comes to U.S.—Iranian interaction, the record shows that “secret” or “private” discussions out of public earshot have a greater success rate. Building confidence in the public realm will be difficult, as politicians on both sides will likely feel the need to use harsh rhetoric to maintain appearances. Moreover, the likelihood that spoilers can torpedo the process either through words or actions is more limited if they do not know what is going on.

Recognizing that its regional influence derives in large measure from its defiance of the United States, Iran would likely prefer not to publicly advertise its discussions with the United States unless or until real progress has been made. Discreet discussions are also a more effective forum for Washington to raise concerns over Iranian human rights abuses, as public criticism has done little to improve Iran’s record over the last three decades.

III. What’s realistic?

Given three decades of compounded mistrust and ill will, the results of any process of U.S.-Iran engagement will not be quick; and antagonism will not melt away after one, two, or perhaps many meetings. While the initial pace will likely be painfully slow—as each side assesses whether the other truly has good intentions—no realistic alternative would serve U.S. national security imperatives on issues ranging from Iraq, Afghanistan, nuclear proliferation, energy security and terrorism.

Mindful of the potentially enormous implications that a changed relationship with Washington would have for the Islamic Republic’s future, however, there are a variety of reasons why even a sincere, sustained U.S. attempt at dialogue may not initially bear fruit:

• Historically, the Islamic Republic has tended to make difficult decisions only under duress. Iran’s overconfident hard-liners may not currently feel compelled to make any compromises;

• Paralyzed by the competing ambitions of various factions and institutions, the Islamic Republic may prove incapable of reaching an internal consensus, falling back on long-entrenched policies;

• If it remains unconvinced of U.S. intentions, the Iranian regime may shun increased ties with Washington, believing the overture to be a Trojan horse for a counter-revolution;
• Fearful of the unpredictable domestic change which an opening with the United States might catalyze, Iran’s leadership may well perceive reconciliation with Washington as an existential threat.

None of these, however, are arguments against engagement. On the contrary, an outright rejection of a U.S. overture would prove costly for Iran’s leadership. Behind the scenes, a sizable portion of the country’s political and military elite recognizes that the “death to America” culture of 1979 is obsolete today. Together with Iran’s disillusioned population, they know the country will never be able to fulfill its enormous potential as long as its relationship with the United States remains adversarial.

During the Bush administration, many Iranians came to believe it was the United States, not Iran, which opposed an improvement in relations. When and if it becomes evident that a small clique of hard-liners in Tehran is the chief impediment, internal political and popular opposition could build and potentially large, unpredictable cleavages could be created within the Iranian political system. In essence, the Obama administration may well face the unique challenge of simultaneously creating unity in the United States and divisions in Iran.
Since the capture of the American embassy in Tehran in 1979, the United States has experienced a long and torturous yet necessary presence in the Gulf region. Although Americans tend to use 1979 as the benchmark year for our current regional engagement, Gulf states use many other events to define American involvement in the region—the 1953 CIA-managed coup in Iran, America’s long-standing support of Israel, the Iraq-Iran war of 1980-88, the shoot-down of the Iran Air passenger jet in 1988, the liberation of Kuwait in 1990-91, the partially successful dual containment strategy against Iraq and Iran, U.S. support to the Afghanistan resistance during the Soviet war, and most recently, the defeat of Iran’s historic enemy, Iraq. Together, these events and the resulting perspectives shape today’s strategic environment and U.S. abilities to influence events in the region. The future U.S. presence in the Gulf cannot be viewed only in terms of Iraq; as history shows, Iran must also be factored into this analysis.

Why is it important to understand our departure from Iraq in terms of its impact on Iran and the Gulf region? Simply stated, if the withdrawal lacks policy foresight and the requisite support, the U.S. may well create the conditions for strategic failure at a very crucial time. Iran, the most populous state in the region, finds itself in a dilemma. The U.S. overthrew its sworn enemy, Iraq, but in doing so essentially completed the strategic encirclement of Iran. Tehran’s response has been to increase support to several insurgent groups in the region and increase its efforts to master the nuclear fuel cycle, a necessary component to the development of nuclear weapons. The future of the U.S. presence in the Gulf will remain inextricably connected to both the future development of a stable Iraq and the continuing effort to deal with an irksome Iran. Our continued support of Iraq is a key tool in our regional strategy that seeks to engage Iran, end its support of terrorist groups, and halt its efforts to build a nuclear weapon.

America’s strategic approach to the region’s many challenges has sought to separate one from another, rarely attempting to understand or capitalize on the intricate relationships of the region. In this vein, the U.S. has sought to separate the challenges of Israeli-Palestinian peace from the challenges of Iran, a stable Iraq, free access to oil, or the tense Muslim religious schism. Any effort to understand the future of the U.S. presence in the Gulf must begin with a reframing of our general view of the region so as to see the linkages between its many actors and their issues. In today’s strategic environment, I define the “modern Gulf region” to include Israel, Jordan, Afghanistan and Pakistan, a way that expands the traditional view that only those states bordering Gulf waters constitute the “Gulf region.” Our ongoing campaigns in Iraq and Afghanistan, which rely on our naval forces and logistics bases in the Gulf,
have essentially surrounded Iran. We must now recognize this expanded region presents more challenges to our interests and affords us few easy answers.

**The Future Role of the United States**

With the arrival of the Obama administration, the United States began to reassess its strategic goals in the region after a confusing era of "democracy expansion" that had served as the basis of the Bush administration’s regional strategy, a revolutionary strategy that stretched U.S. capabilities, confused regional friends, emboldened enemies, and mired America in a perceived cultural conflict. Given the degree of uncertainty in the region today, the U.S. now seeks a more modest goal to establish and maintain regional stability.

Regional stability can mean many things but, in the context of U.S. interests, I offer the following as the essential characteristics of regional stability:

1. The containment of Iran as long as it pursues its policy of exporting revolution, evading transparency of its nuclear programs, and supporting terrorist groups;

2. Authentic movement toward establishing the two-state framework between Israel and the Palestinian Authority;

3. Continuation of the Afghanistan campaign to eliminate al Qaeda and the Taliban as threats to the government of Afghanistan;

4. Continued freedom of navigation through the Straits of Hormuz and the Gulf;

5. Continued engagement with and support for the government of Pakistan;

6. Improvement of regional confidence and security, to include the elimination of nuclear weapons from the region.

While there are other regional interests that the U.S. could pursue, this list forms the bedrock upon which all others must rest and, therefore, will drive the military requirements for the United States in the Gulf after 2011, the year when Operation Iraqi Freedom will finally end. Additionally, we must take into account the interests of all regional states as these will impact our identification of military requirements and options. Some of our interests may well align with those of some Gulf states while other interests will diverge and create tension. Knowing those potential tension points will aid us in our strategic planning.

**The Region’s Uncertain Future**

As U.S. military operations begin to conclude and U.S. forces depart Iraq, the U.S. should posture itself so it can pursue goals in a region that will remain volatile, complex and ambiguous. Within this expanded region, the U.S. must focus on its interests and resist the temptation of any action that would undermine our long-term goals. This would require America to develop a realistic set of expectations, appropriately structure its forces, and implement supporting diplomatic actions. Moreover, our strategic plans must provide for both resiliency and flexibility because we will surely be surprised by unanticipated events in the region.

Sound strategy requires having the flexibility and range of options that would permit us to deal with surprise. Because the region is rife with uncertainty from both state and non-state actors, we will face unanticipated actions and their consequences. Having the ability to change our perception of our strategic environment would allow us to develop fully strategic options that possess the flexibility to act in response to such surprises. The U.S. would be more prudent to over-prepare for surprise than under-prepare and risk a catastrophic event. We can recover from small surprises in a relatively short time if the recovery only requires, for example, a policy change, the movement of assets or some other similar scale effort. To recover from a “big surprise” is more difficult if our response requires an expansion of our force structure, the reestablishment of broken diplomatic ties or the discovery of a new technological breakthrough. Time may not be on our side.
Many issues in this region are linked to one another, and our inability or unwillingness to accept such linkages may provide the “big surprise” that could undo our strategy. If the U.S. pursues a strategy of regional stability in the Gulf, we can hedge against the “big surprise” by crafting bilateral security agreements that afford U.S. forces both the sustainability and flexibility necessary to perform their missions. Unlike the period of 1953-1979 when the U.S. sought to build and sustain one strong regional ally, the shah’s Iran, we would be wiser to engage all regional states and seek select and appropriately structured agreements that would help us protect our strategic interests.

Security interests of regional states are as diverse as the states themselves. Some of their interests may converge with ours, in which case we would have common grounds for agreement and mutual activities. Some will not and may stand in opposition to our interests. Such incompatible interests may require some form of engagement between the U.S. and a particular state. If the engagement requires some form of military activity, in-place bilateral agreements with other states would enhance our ability to act. However, we must recognize that regional linkages exist on many levels and the U.S. may have to adjust both its diplomatic and military plans to achieve its goals.

The interests of other actors, like Russia, China, India, and Europe, cannot be ignored by our planners. Despite its business dealings with Iran, Russia views Iran as an emerging security threat. China’s interests include access to Gulf oil, readiness against a “big surprise” from Taiwan, and opposition to an India-Japan axis. Both Russia and China fear a U.S. hegemony that would place them at a distinct strategic disadvantage. India requires access to the Gulf oil and fears the existence of a Chinese “blue water” navy that surrounds the subcontinent. Finally, Europe needs the region’s oil and also wants to maintain stability in the region to ensure necessary access.

As the U.S. military withdraws from Iraq over the next two years, we must remember that the war against extremist terror will not have ended. Our fight today is not the traditional one of state on state; rather, it requires a “whole-of-government” effort by actors representing the United States, ranging from military, special operations and police to those civilian actors skilled in the rule of law, governance, civil society, and economics. As the U.S. repositions its military, those forces positioned in the Gulf region must remain capable of combined and joint full-spectrum operations, capable of responding to demands ranging from the training of foreign militaries to stability operations to intense combat. Additionally, the U.S. should build up the capacities of its non-military entities so they can act in concert with or independently of U.S. military forces.

If Iraq successfully continues to develop its nascent democracy after this year’s national elections, remaining American combat brigades will withdraw while a more traditional military assistance mission forms to work with Iraq’s military to develop a national defense capability. Two U.S. combat brigades may remain to provide a rapid reaction force/security capability for the mission and two airbases are likely to continue operations in support of the training mission. These brigades would likely provide fire support, aerial tactical transport, intelligence support and tactical medical support to Iraq’s military. However, the bulk of the 40,000 troops will focus on the mission’s training and equipping tasks. Iraq’s Ministry of Defense plans for its forces to be fully responsible for its counter-insurgency mission by 2011 and be capable of providing for its own defense against any external attack by 2018.

Challenges for Iraq and the United States

Iraq’s ability to fully rejoin the international community will depend on how well it handles its many development challenges. As the level of U.S. military activity decreases, the U.S. should not walk away from assisting Iraq to meet these new challenges. To do so risks making the mistake of 1994 when the U.S. walked away from Afghanistan. Iraq’s future will surely...
become unstable if there is not significant progress in its rule of law, governance, civil society and economic sectors.

Iraq’s economic sector is driven by its oil economy that in turn impacts its ability to deliver essential services to its citizens and generate revenue for other requirements, such as rebuilding its infrastructure and armed forces. Currently, it is exporting roughly 1.7 million barrels/day, more than it did prior to 2003. However, the drop in oil prices has reduced its revenue with resulting negative impact on both reconstruction projects and security issues. Because of falling oil revenues Iraq has not assimilated the sizable number of Arab Sunni militiamen into its security forces but has reduced their monthly stipends. Iraq’s oil-based economy threatens its security because militiamen are now threatening to rejoin the ranks of insurgent groups.

Iraq’s parliament holds the responsibility of crafting and enacting the laws necessary to reform Iraq’s legal system but so far the Council has shown little progress in these matters. The various components of its Rule of Law (ROL) system, e.g., the police, court administrators, judges, prosecutors and defense attorneys, and the jails, are in various stages of recovery with the police proving the most complicated and destabilizing element.

Iraq’s electoral process has shown some improvements since its first elections in December 2005. Voters appear to be rejecting the “politics of identity” and favoring the “politics of issues” although a strong tendency remains within the Arab Sunni and other minority communities to demand unrealistic political representation on the basis of group identity. The upcoming national elections in December 2009 hold promise for voters to continue their issues-based focus if the recent provincial elections are an accurate indicator.

The United States can play a positive role in terms of assisting the Iraqi government on two different levels. First, we must recognize that Iraq remains in a very early fragile stage of development, both as a modern state and functioning civil society. Second, we must remember that Iraq—and the region, for that matter—function at a pace considerably slower than ours, thus setting the need for strategic patience on our part. Indeed, one former State Department official with extensive experience in Iraq has remarked, “Political cultures change much more slowly than regimes do,” a clear reference to the need for patience and a subtle reminder of Iraq’s past history of coups.

As an indicator of an emerging long-term relationship, the United States and Iraq entered into the Strategic Framework Agreement in November 2008 that established the consultative process on political/diplomatic, security, cultural, economic/energy, health/environment, information technology/communications, and law enforcement/judicial issues. While political and security issues dominate the early phases of the relationship, efforts to build effective governance and ROL will depend on progress with the other issues.

The U.S. can best assist Iraq’s internal governance development by providing support to Iraq during its national elections and when it tackles the many issues related to disputed territories. The upcoming national election constitutes the highest priority of political and security cooperation for both Baghdad and Washington, and forms the basis for the presence of U.S. political advisors and combat forces, which serve as a hedge against the inherent uncertainty of the process.

The prospect for a successful emergence of Iraq’s civil society depends on the successful outcome of many issues. The ability of Iraqis to reconcile their political differences remains the most important goal but Iraq’s legacy of disputed territories remains the most crucial and potentially violent issue. Kirkuk, home to at least 13% of Iraq’s proven oil reserves, remains the center of the disputed territories. A peaceful resolution of the Kirkuk issue will require several years of patient international assistance to build the necessary compromises between competing factions. Closely related to the issue of Kirkuk is the need to develop an effec-
tive working relationship between Baghdad and Irbil, the capital of the Kurdish region of Iraq. With regard to this latter issue, the U.S. should avoid stationing American troops in the Kurdish region as this would only serve to antagonize Baghdad.

America’s military involvement in Iraq has been far more costly than had been originally envisioned. The time has long passed for the military to lead the efforts to assist Iraq’s recovery; the U.S. now needs a greater civilian effort. But sadly, America lacks the necessary experts and resources in the State Department and other federal agencies to provide this aid. A near-term fix remains elusive but the U.S. should act now to reform State and other agencies so their personnel are prepared for future engagements. Consideration should be given to crafting reform legislation for the State Department similar to the 1986 Goldwater-Nichols Act that reformed the Defense Department’s organization, responsibilities, and training. A failure to properly prepare American diplomats and reconstruction experts will adversely impact the new American strategy for Afghanistan and Pakistan.

Broadly speaking, the gains won in Iraq through military efforts can only be sustained by continuous nonmilitary investments within Iraq proper. Vitally important to this sustainment effort are the continued reform of Iraq’s police forces and the continued growth of its rule of law (ROL) sector. In a state with a long history of dictators, the fragility of the ROL sector is of special concern. A lapse in its development will panic Iraqis and stress their new democracy to the breaking point. A military coup would signal the failure of Iraq as an emerging democracy. If Iraq fails as a democracy, America’s regional strategy will also fail.

In the international arena, the United States can provide more assistance than it can with respect to Iraq’s internal issues. Iraq remains uncertain of its relationship with Europe and other economic powers, and vice versa. By encouraging other economic powers to engage Iraq through economic investments, the U.S. can help integrate Iraq back into the international economy.

**Policy Implications**

The U.S. has to decide several policy issues in order to pursue and safeguard our national interests, such as:

1. Do we possess the political will to continue our military engagement in the region in time of war and in time of violent peace?
2. Do we have the necessary organizational structures and doctrine in place to ensure the U.S. can deploy skilled and motivated personnel, both military and civilian, capable of “winning the peace”?
3. Is our diplomatic corps properly trained to represent the interests of the United States in violent and dangerous situations?

America’s posture in the Gulf after 2011 will remain closely linked to both Iraq and Iran. Our strategy must focus on the establishment of a stable region but with the understanding that our strategic goals will remain complex, resource intensive, and require all forms of U.S. national power to achieve them.
Pakistan today faces something close to a perfect storm, with both domestic and international crises that could fundamentally change the character of the state. Domestically, it faces a crisis of state authority, the product of years of eroding institutions and more recently of the government’s decision to cede substantial areas of government authority to Islamic insurgents. It also faces a leadership gap that affects both major political parties and in some respects the military. On the international front, its problems are deeply entangled with those of its neighbor, Afghanistan, where Pakistan’s historical connections with the Taliban continue to complicate the task of stabilizing the Afghan state. India-Pakistan relations, which had been relatively stable, took a downward turn after the terrorist attacks in Mumbai in November 2008. Neither country is spoiling for war, but restoring effective communications has proved elusive. And the United States has become something of a tar baby, with politicians, army officers and many people blaming the U.S. for all Pakistan’s ills even as both civilians and military try to maintain some level of funding and political support.

This paper will examine each of the threats in turn, and will then address the tools the United States and other international friends of Pakistan might be able to bring to the table. Gloomy predictions about Pakistan have been familiar fare for years. What makes today’s lament different is the fact that the erosion of state authority seems to be accelerating. We can take some comfort from the surprising flowering of Pakistan’s civil society during the political crises of the past two years. But the biggest challenge of all for the United States is that the most fundamental aspects of Pakistan’s present trouble lie in factors over which the United States has little influence. The U.S. has tools it can bring to bear, but they don’t lend themselves to the normal way of dealing with crises in poor foreign countries.

Internal Crisis of the State

Pakistan has never had strong political institutions. It is a much fragmented society and state, with four linguistically and ethnically diverse provinces, a 15 percent Shia minority, major areas of feudal landholdings, and largely ungoverned areas near the Afghan border. The province of Punjab has traditionally dominated politics and the army; the other three provinces all have a history of separatism.

All of these divisions are of long standing. What is new, and what makes for a “crisis of the state,” is the presence of an insurgency that has carried out record numbers of suicide bombings against the army, the police, other symbols of the state, politicians, and in some cases minorities (especially Shia religious institutions). Records for political violence were set in 2007 and again in 2008.

In February 2009, the government and the
army decided to end their effort to subdue a group of Taliban-style vigilantes that had taken over the scenic Swat Valley, and agreed to a “deal” under which Sharia law would be extended to the area. This is an unusual little region with a history of separate local administration of justice. But the deal nonetheless represented a substantial cession of government power to insurgents who had been slitting the throats of policemen in public. The insurgents are acting in the name of Islam—but a harsh and vengeful version of Islam that is quite different from what most Pakistanis would consider to be the spirit of their faith.

Other parts of Pakistan could be ripe for the same thing to happen unless both the military and the civilian wings of government start pushing back hard. After the announcement of the Swat agreement in February 2008, the Taliban moved into neighboring Buner, asserting control and then seemingly leaving the next day. Many Pakistani observers believe that other parts of the country are vulnerable to the same kind of loss of state authority. Frequently mentioned are the city of Mardan, and several parts of southern Punjab. What appears to be alternating assertions and removals of Taliban control are somewhat misleading. In Swat and apparently in Buner, the Taliban have operated by intimidating local residents who oppose them, assassinating both traditional authority figures and police. The fact that these areas are close to the capital, Islamabad, has been played up in the Western press—but this is not a column of tanks advancing on Islamabad. It is more like an increasing number of holes in state authority, like Swiss cheese, with the normal supporters of the government and the country’s leaders increasingly afraid to assert themselves. In this environment, criticizing anyone who professes to speak for Islam is politically, and sometimes physically, life-threatening.

Neither Pakistan’s civilian leaders nor its military have been effective in addressing this problem. At the provincial and local level, the failure of the authorities to reestablish a modicum of decent law, order, and governance after an earlier military operation in Swat added to the intimidation factor.

At the national level, the elections in February 2008 brought hope that, now that the voters had actually rejected a political leader only recently removed from army uniform, a legitimate government would be able to galvanize the forces that make the state function. The initial multiparty coalition lasted barely a month. The Pakistan People’s Party government—both the prime minister and, following the exit of General Musharraf, the new president, Asif Zardari—has been preoccupied with political manipulation almost to the exclusion of governing. The army’s huge political role has preempted the role for which political institutions were intended.

At present, the army apparently does not want to take over running the country. It played a constructive role in facilitating the restoration of the Chief Justice and thereby resolving the political crisis that broke out in March 2009. Army brass have made public gestures emphasizing their desire to implement the decisions of the civilian leaders. At the same time, they have pulled strings to influence the outcome of political crises, and they did not accept the government’s publicly-announced decision to put the Inter-Services Intelligence under the authority of the Home Ministry instead of the army. The government, in other words, is able to work with the army, but not to enforce its will when the army’s top leadership strongly disagrees.

Nor is the government politically secure. The PPP has a plurality, but not a majority, of the seats in government. The Prime Minister is a relatively weak figure, in the shadow of President Zardari, Benazir Bhutto’s widower and thus the heir to the political party that was Ms. Bhutto’s father’s creation. The PPP’s major political opponent, the Pakistan Muslim League of former Prime Minister Nawaz Sharif (PML-N), controls Punjab province. Sharif’s brother Shahbaz was restored to his position as Chief Minister of Punjab (roughly equivalent to our Governors) following the showdown
over the Chief Justice. That crisis significantly
enhanced the standing of the Sharif brothers
and to a lesser extent of the Prime Minister.
Zardari’s somewhat erratic sense of how to
maneuver through Pakistan’s political mine-
field will make the system vulnerable to crises in
the future, and at some point the army is likely
to flex its muscles again.

Pakistan’s Islamic political parties did not
do well in the February 2008 elections. They
lost control of the Northwest Frontier Province
and saw their representation in the national
parliament considerably reduced. One of them
remains a coalition partner of the PPP govern-
ment, giving it disproportionate importance in
political maneuvering. Moreover, most of the
Islamic parties support parts of the insurgents’
agenda, notably the introduction of Sharia law,
and they make it harder for the secular parties
to stand up vigorously against the insurgents by
painting these issues as “Islamic.”

The international tangle
Pakistan is also beset by three sets of inter-
locking international problems. The first cen-
ters on Afghanistan, its neighbor to the West,
with which it has close ethnic ties and tradi-
tionally difficult relations. At this point, both
Pakistan and Afghanistan are destabilizing one
another. The border areas of Pakistan are
a sanctuary for insurgents from Afghanistan;
the Afghan insurgents give aid, comfort and
a megaphone to their Pakistani counterparts.
Pakistani officials assert with some force that
they are no longer working with the Taliban,
but it is hard to believe that their intelligence
services have severed their ties. Unfortunately,
even persistent rumors to that effect effectively
undercut our preferred strategy in Afghanistan,
which is to build up a decent government and
help Afghanistan build its future around that
core.

The second international problem is India.
For Pakistanis, and especially for the Pakistan
army, this is the central problem, the existen-
tial threat. The army has trained for conven-
tional warfare on the plains of Punjab, not for
counterinsurgency, one of the factors in its
poor track record against today’s insurgents.
India-Pakistan relations had been in reasonably
good shape from late 2003 until the attacks
on Mumbai in November 2008. That incident,
which monopolized the air waves for three days
and left about 170 people dead, was carried out
by people who came from Pakistan, and there
is good evidence that it had the support at least
of former Pakistani intelligence operatives. The
Pakistan government hotly denies having been
involved. But this incident shows how easy it is
for a spoiler to knock India-Pakistan relations
off course, and how deep the suspicion is on
both sides. India and Pakistan are intermit-
tently exchanging information and accusations
on the Mumbai attacks.

The peace dialogue that India and Pakistan
maintained from 2004 to 2008 made remark-
able progress in discreet, back-channel talks,
toward narrowing the gap on the painful issue
of Kashmir. But they didn’t eliminate the gap.
In any case, neither government at this point
is strong enough to bring the issue before the
public or agree to a breakthrough solution.
So for the immediate future, policymakers will
have to assume that the India-Pakistan dispute
will remain in roughly its present form.

The Pakistan army believes that India is single-
mindedly working on Pakistan’s destruction—
through its consulates in Afghanistan, through
subversion, and even through India’s relation-
ship with the United States. In fact, there is still
a reasonably strong consensus among Indian
policymakers that a stable Pakistan is better
for India than a collapsing one. Incidents like
Mumbai threaten that consensus, but for now,
still holds. What this means is that barring
some new terrorist spectacular, India may be
able to contribute at least a welcome silence to
the effort at stabilizing Pakistan.

The final international problem is the one
that concerns us most: relations with the United
States. Pakistan and the United States have had a
roller coaster ride for nearly sixty years. The two
countries were closely allied in the 1950s, had a
falling out at the time of the 1965 India-Pakistan war, collaborated intensely in the 1980s against the Soviet army in Afghanistan, “divorced” again in 1990 on account of Pakistan’s nuclear problem, and relaunched a close relationship right after 9/11. As happened during previous periods of close engagement, the Americans and the Pakistanis have overlapping but not identical agendas. For the United States, eliminating the threat from Al Qaeda and securing the Pakistan-Afghan border is key; for Pakistan, eliminating Indian influence from Afghanistan and avoiding a domestic explosion are the critical factors. Pakistan’s effort to keep its options open in Afghanistan is a threat to what the United States wants to accomplish. Pakistanis, for their part, are convinced that U.S. involvement in the region has aggravated their domestic problems, and Pakistan’s political leaders are desperately trying to avoid looking like U.S. stooges. Most Pakistanis look back at the history of U.S.-Pakistan relations and conclude that the United States has always dumped Pakistan when it was no longer useful. Many wonder when the next “divorce” will come.

Nuclear risks

The major risk from Pakistan’s nuclear arsenal is miscalculation of the risk in some future crisis with India. India has a no-first-use policy; Pakistan, being the weaker power, does not, and sees its nuclear weapons as the way to neutralize India’s larger conventional force. Both countries are unrealistically confident that they can precisely calibrate one another’s red lines. That said, both are likely to be cautious if a crisis gets close to the threshold of war. India, after Mumbai, consciously decided not to take military action, largely because it had no good military options. Pakistan has acted recklessly, for example in sending troops across the line separating Indian and Pakistani-controlled Kashmir at Kargil in 1999; but their efforts to “push the envelope” have been limited to subconventional actions. Both take the nuclear risks more seriously than they are willing to say to Americans.

The security of Pakistan’s nuclear arsenal is as good, or as bad, as the Pakistan army’s control of its own facilities. At this time, that is probably quite good. However, if the government continues to allow its authority to be eaten away, and if the army continues to look ineffectual in dealing with internal security, it might become more vulnerable to a direct challenge. This should be a very high priority for intelligence collection.

What can we do?

The administration has tacitly taken the view that in the “Af-Pak” theater, Pakistan is the more critical, the more difficult, and the more strategically important of the two problems. This is correct.

• Keep economic assistance flowing. Economic assistance (Kerry-Lugar bill, formerly Biden-Lugar) is a good way of showing that we want a relationship with the people of Pakistan, not just with one leader. It probably needs to be combined with some new ways of structuring aid. Similarly, the Congress should pass the Reconstruction Opportunity Zones (ROZs) bill. It’s a good investment in the future, even though there is little production taking place now that would benefit from it.

• Get serious about the domestic threats, and help the Pakistani leaders get serious about them too. Here, what’s needed are NOT public statements, which get the Pakistanis’ back up, but “eyeball diplomacy,” with senior administration leaders conveying their urgency and seriousness in every one-on-one encounter they have with the Pakistani leadership. The message: your government will be eaten away if you don’t reestablish its authority. Congressional visitors can be an especially powerful source of this kind of message.

• Work with the opposition. Nawaz Sharif needs to get this message too, and to be part of the solution. He is personally bet-
ter disposed to Islamic politics than the PPP; he needs to understand that his own leadership is at risk and that appeasing the Taliban is a no-win strategy for him. His brother Shahbaz, the Chief Minister of Punjab, could be a key asset. He’s a tough micromanager, and might be able to turn things around in Punjab.

**Focus on areas at risk.** In the short term it may not be possible to reestablish government authority in Swat. But the people who want to take over Swat have showed their hand in Buner, next door in the Northwest Frontier Province, and may be threatening the nearby city of Mardan. And southern Punjab may also be ripe for trouble, especially since it has large areas with Shia feudal landlords and Sunni peasantry. These are the areas where the Pakistan government, and especially the provincial governments, need to parachute in extra government resources, judicial help, their top flight police officers, and development aid especially for health and education. Here again, Shahbaz Sharif may be a key ally.

**Urgent need for policing.** The weakness of the police is one of the key gaps in Pakistan. We need to help. This may require legislative authorization (AID is precluded from funding police work).

**Health, to change hearts and minds.** The United States has focused on education in its aid program, and that’s sorely needed. But if we’re looking for a way to change perceptions of the U.S. in the short term, health may be even more powerful, especially if we can link up with a couple of the better local nongovernmental organizations. The landlords may be ambivalent about education, but no one is ambivalent about health.

**Counter propaganda.** The insurgents in Swat got their start by beaming FM radio through the valley. They can’t be allowed to dominate the air waves. There are Pakistani media institutions that could provide the necessary counterweight. An executive of Geo, one of Pakistan’s private TV stations, recently told a small group in Washington that he wanted to put a reporter to work getting the stories of people who had been maimed, widowed or orphaned in some of Pakistan’s suicide bombings. He was convinced, based on both gut feeling and polling data, that there was a lot of latent support for an orderly government out there that could be mobilized in this way. He argued that he needed at least a little help from the government, through such things as confirming the identity of the victims. We ought to be pushing for this.

Many of these steps are most effective when taken outside of public view. Where we need a public spotlight, however, is on the importance of Pakistan; on the civil society organizations that are trying to come into their own; and on the stakes for the United States. Congressional interest in the PML leadership (for example, when Codels visit Pakistan) could also help reinforce some of the messages we need to deliver to them. And of course the key starting points are legislative: the Kerry-Lugar bill, ROZs, and if necessary any amended authorization for aid activities focused on policing.
Ayman Nour, the leader of a small liberal opposition party in Egypt who was recently released from prison, said during an interview in April 2009 that he no longer hoped for U.S. support for democracy in his country: “All we hope for [from the Obama administration] is that it will not have a negative effect. We say to the Americans and to the West: ‘Please, we don’t want support for democracy, but we don’t want support for oppression either.’ Oppression creates extremism. Americans don’t understand that equation and they always pay the price for it, but we pay the price twice over.” Nour’s somewhat contradictory remarks reflect a degree of fatigue, certainly understandable in a man of fragile health who spent the last three years in prison. But he is far from the only one struggling with whether and how the United States should support the expansion of democracy in the Middle East after the demise of the Bush administration’s freedom agenda.

The election of Barack Obama as President of the United States brought a wave of good feeling about the United States and American democracy to the Middle East. The rise to power in the United States of a young man with African American roots, Muslim family ties, and modest economic means frankly amazed many Arabs. Arabs would like to see changes not only from Bush era policies but from traditional pre-2001 U.S. policies in the Middle East as well, although many are skeptical about this. But there is still a curiosity about Obama and a willingness to hear what he has to say, at least at this early stage of his presidency.

As Arabs listen to Obama, they will be interested initially in divining how he will handle the Arab-Israeli conflict and the Iranian strategic threat. Beyond that, however, they will also wonder whether he will attempt to connect not only to Arab governments but to the peoples of the Middle East by showing support for their demands for employment, education, human rights, and political freedom.

Legacy of the Bush Freedom Agenda

President George W. Bush provoked a great deal of interest initially with his 2003 admission that: “Sixty years of Western nations excusing and accommodating the lack of freedom in the Middle East did nothing to make us safe” and announcing a “forward strategy of freedom in the Middle East.” For a while (especially from 2003-2005), civil society and opposition forces in many Arab countries appeared to be emboldened, and some Arab governments responded with a series of political, economic, and social reforms. But the invasion of Iraq, subsequent sectarian violence, and human rights abuses associated with U.S. counterterrorism efforts caused widespread Arab cynicism about U.S. intentions in the region, which Arab authoritarian governments encouraged. Moreover, from 2006 onward the Bush administration scaled back its pro-democracy efforts in light of increasingly difficult conditions in the region,
including the election of Hamas in Palestine and spiraling sectarian violence in Iraq.

In order to formulate a policy that makes sense in the current context, it is important to separate the wheat from the chaff in looking at the Bush freedom agenda. Bush’s *ex post facto* justification of the Iraq invasion as central to democracy promotion, as well as the inconsistent ways in which the freedom agenda was pursued, dogged the policy and diminished its results. But however controversial the legacy of the Bush freedom agenda, there are several myths about it that should be dispelled:

- the Bush freedom agenda turned Arabs against democracy;
- it accomplished nothing;
- it prevented cooperation with Arab allies on strategic issues;
- it focused excessively on elections rather than on building democratic institutions.

First, polling data from the Arab Barometer Project show that support for democracy is as high or higher in Arab countries as it is in other parts of the world, even among those who are strongly critical of U.S. policies. The Barometer’s 2006 poll in Jordan, Palestine, Algeria, Morocco, and Kuwait showed that three-quarters of respondents agreed with the statement: “Democracy may have its problems, but it is better than any other form of government.” Second, although the Bush administration pursued the freedom agenda only briefly and inconsistently, there were some positive results. Partly as a result of U.S. efforts, for example, media and public discourse in the Arab world are now markedly freer than they were before 2002. Civil society organizations, while still restricted, have increased greatly in number and enjoy a higher status in society in many countries than they once did. Islamist and secular opposition activists have begun a productive dialogue in several countries.

The Bush freedom agenda, while annoying to many Arab allies, never seriously endangered cooperation with them on strategic issues. In Egypt, for example, President Mubarak provided quiet logistical support for the 2003 invasion of Iraq and cooperated with the United States on the 2005 unilateral Israeli withdrawal from Gaza, at the very time during which there was significant tension between Washington and Cairo on democracy issues. Two factors motivated continued cooperation by Arab allies. First, the Bush administration promoted gradual democratization, not regime change, in friendly countries and so Arab allies knew they were not immediately threatened. Second, Arab allies cooperate with the United States—or do not—based on their own strategic interests, not as a favor to Washington.

The elections issue has haunted discussions of democracy promotion since the Hamas upset in the 2006 Palestinian legislative elections. The Bush administration made the decision, perhaps unwisely, to support President Mahmoud Abbas’s desire to hold long-postponed legislative elections in January 2006 and to accept both Abbas’s plea that Hamas must be enfranchised and his assurance that Fatah would win a majority. The victory by a terrorist organization (unexpected even by Hamas) threw the region—and U.S. policy on Israeli/Palestinian issues—into turmoil. It also created the impression that democracy promotion under Bush was all about pushing for free elections without building the institutions of democracy.

An examination of democracy promotion programs by USAID and the Department of State’s Middle East Partnership Initiative during the Bush years, however, tells another story. There were extensive programs in education, judicial reform, journalist training, economic reform, etc., alongside election-related programs such as training of election monitors, campaign workers, and potential candidates (particularly women). It was not that the United States forced Arab countries to hold elections or concentrated all pro-democracy efforts on elections, but rather that the Bush administration began to use assistance (and in some cases, pressure) to promote freer and fairer elections. More and more Arab countries are holding
elections on a regular or semi-regular basis; nearly all Arab counties (excepting Libya and Somalia) hold elections of some kind, and most now have elected parliaments.

**Current Choices**

Significant Arab popular sentiment in favor of democracy, growing freedom of expression, and increasingly frequent elections mean that the choices facing the United States regarding democracy promotion are a bit different than they might appear at first glance. It is not so much a question of the United States forcing American-style democracy onto an unwilling and unprepared Arab world as it is the United States deciding how it should handle the many challenges that an evolving political scene in Arab countries will present.

There are both continuities and changes in Arab politics that will challenge the United States. The main features of politics in most Arab countries have not changed much in decades:

- powerful executive branch officials (whether monarchs or presidents) who are not accountable to an electorate;
- weak legislative branch institutions, in which an elected lower house enjoys little power and is often balanced by an appointed upper house;
- judiciaries that are not fully independent;
- regimes that carry out cosmetic reforms in order to absorb public demands but avoid any power sharing;
- opposition movements with little ability to exert influence on the government;
- Islamist opposition groups (active in social welfare delivery and possessing extensive grassroots networks through mosques) that generally are more able to mobilize supporters than are secular opposition groups.

At the same time, there are changes in the Arab political landscape that merit attention:

- political debate has become more open, with the explosion of media outlets and the lifting of many taboos (such as criticizing leaders);
- information on human rights abuses circulates widely via new media, human rights organizations enjoy a higher societal status, and several countries now have semi-official human rights commissions;
- democratic political systems have gained widespread acceptance as an ideal, including among Islamists and leftists;
- liberal political ideas are enjoying a small but discernable renaissance among educated youth and political elites;
- most countries are holding elections, many have electoral commissions, and some have made important strides in election procedures.

Taken together, these constants and changes present a picture of a region where society is on the move but ruling elites are making minimal concessions so far. As the United States must work with these ruling elites on several critical questions—preventing Iran from acquiring nuclear weapons, stabilizing Iraq, making peace between Israel and its Arab neighbors—can the United States at the same time promote the shift, however gradual, of political power away from tiny elites and toward the broader electorate?

**Connecting the Freedoms**

President Obama has cited freedom from want and freedom from fear (two of President Franklin D. Roosevelt’s “four freedoms,” which also included freedom of expression and freedom of religion) as priorities in discussing how to deal with democracy promotion abroad. Economic development and conflict resolution, necessary to secure those freedoms, are critical in the Middle East and the United States should
support them energetically. What has been missing from the evolving policy of the Obama administration so far is how they are connected to other freedoms (of expression, religion, association, *inter alia*) and to the right of citizens to choose their government.

In the Middle Eastern context, freedom from want also means improved education in order to qualify young people for jobs in the global economy. While Arab governments have invested in building schools, the quality of instruction remains poor in many cases. Arab Human Development reports by the UN Development Program have identified the failure to encourage research and critical thinking as key deficits. The United States (whether through U.S. government assistance to poor countries or assistance by American educational institutions contracted by wealthy Arab countries) is already playing a large role in developing education in the region. This should continue to be a priority in U.S. assistance but is a long-term effort that cannot substitute for engagement on current human rights and democracy issues.

Among the lessons learned from decades of U.S. development assistance is that it is difficult for real economic development to take place under repressive or predatory governments. (The UNDP reports cited above reached the same conclusion, citing a “freedom deficit” as impeding all forms of human development in the Arab countries). The Millennium Challenge Act of 2003 recognized this principle and made significant amounts of economic assistance available to governments that met certain standards of good governance and investment in their citizens. Whatever the outcome of discussions on the future of U.S. assistance (whether through the Millennium Challenge Corporation, the Middle East Partnership Initiative, or the U.S. Agency for International Development), it will be important to preserve this principle in some way. Government that is reasonably efficient, clean, and accountable to citizens should continue to be an important goal of U.S. economic assistance.

Is it possible for Arab countries to have good governance without democratization? There are some Arab rulers—King Abdullah of Jordan, for example, and King Muhammad of Morocco—who show sincere interest in improving the quality of governance in their countries and the welfare of their subjects. While the United States should encourage such moves (and has done so through the MCC and other forms of assistance), it should not confuse them with democratization. As in other Arab countries, the ruler remains powerful and unaccountable to an electorate, and elected parliaments remain weak. In both countries, political opposition movements call for establishing a constitutional monarchy and transferring more powers to the elected parliament. It remains to be seen whether such calls will strengthen with time.

Should the United States promote the building of democratic institutions as a precursor to encouraging open political competition? Democracy scholar Thomas Carothers speaks of a “sequencing fallacy,” pointing out that history shows few cases in which authoritarian rulers willingly allowed the creation and empowerment of institutions that would curb their power. Normally such rulers only agree to such reforms when compelled by political competitors. Thus institution building and the growth of political competition generally proceed together in untidy ways that vary from country to country.

**Finding a Policy Goal between Regime Change and Authoritarian Consolidation**

If the United States pushes aggressively for democratization in any Arab country, particularly a country without reasonably well-developed political forces and institutions, it runs several risks. First, it will almost certainly lose any cooperation from the existing government. Second, without reasonably capable institutions the country might descend into chaos or violence. Third, if political forces are immature, extremists (probably Islamists) could sweep aside other groups and take power. Because
the United States enjoys close relations with many Arab governments, such extremists are likely to be hostile to U.S. interests.

There is no such thing as promoting democracy while avoiding all risk, but the United States can diminish the risk of such infelicitous outcomes:

- The United States can avoid alienating current governments by making clear that its strategy is not one of regime change or revolution but rather of supporting gradual but real changes to meet legitimate demands for improved human, civil, and political rights.

- The United States can promote the growth of institutions that support accountability such as a free press and independent judiciary, as well as those that allow the expansion of political competition, such as independent electoral commissions.

- The United States can support a gradual opening of the political space in Arab countries that allows the emergence and enfranchisement of various political groups. The gradual enfranchisement of Islamists in many countries (Arab countries such as Morocco, Bahrain, Yemen, and Jordan as well as Turkey) has led to more moderate and pragmatic positions on many issues.

While the United States should in general promote gradual reform and democratization, it should avoid the trap of rewarding authoritarian regimes for carrying out cosmetic reforms with no real impact or a negative net impact. Arab governments have become expert in carrying out reforms that appear to accommodate some indigenous or foreign demands while actually consolidating the basis of authoritarian rule and foreclosing possibilities of greater competition. Egypt’s 2007 constitutional amendments, which accorded the parliament some marginal powers but also removed judicial supervision of elections, are an excellent case in point.

The United States should not promote democracy in a way that backfires or creates unrealistic hopes and then abandons them. But, to return to the remarks by Ayman Nour, it also should not “support oppression.” In the end, it is not possible for the United States, with its major presence in the Middle East, to be neutral on this question. If the United States does not stand in favor of democracy and human rights—in a wise, prudent, patient, but serious way—then peoples and governments in the region automatically will see it as standing in favor of the persistence of authoritarian rule. As President Obama suggested in his inaugural remarks, it is a question of deciding on which side of history we stand.
Political Islam: Policy Challenges for the New Administration and the New Congress

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Iran: Challenges for U.S. Policy
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Iran may be the most difficult problem for the new administration and Congress in view of the advances made in the Iranian nuclear program, the intense concerns in Israel concerning Iranian intentions and the many on-the-record statements by U.S. officials saying that Iran cannot be allowed to build and deploy nuclear weapons. In addition, Iran remains a key player in the ongoing conflicts in Iraq and Afghanistan and is the key supporter of terrorist groups such as Hizbollah and Hamas. The policy issues include: A decision as to whether the U.S. should negotiate with Iran and under what conditions? At what point should the use of force be contemplated? Alternatively, can a new administration persuade Russia and China to adopt a more cooperative approach at the UN to pressure Iran to curb its nuclear program? What further pressure or incentives can the U.S. and Europe apply by themselves?

Discussion Questions

- How close is Iran to having a nuclear weapon?
- What incentives can the U.S. offer Russia and China to support tougher UN sanctions on Iran?
- How secure is the Iranian regime and how has the fall in oil prices affected its domestic programs?
- What would be the impact of a resumption of diplomatic relations between Iran and the U.S.?
- Are there areas of mutual cooperation including development, heath and educational exchanges that could further improve the relationship?

Iraq and the Future of the U.S. Presence in the Gulf
Paul Hughes, U.S. Institute of Peace

The new administration faces tough choices in planning its future strategy in Iraq and the Gulf. Its decisions and those of the Congress will take place against a backdrop of a financial crisis that will impact all sectors of government, including the Department of Defense. Opponents of the war look
for a speedy drawdown of U.S. forces on the ground; supporters are nervous that premature withdrawal could jeopardize the successes that have been achieved in the last year of combat. Beyond Iraq, the Gulf Arabs worry that the U.S. will tire of its open-ended protection of the region while the Iranian leadership yearns for the U.S. departure and the fulfillment of its own ambitions to be the dominant power in the region. The future U.S. presence must also take into account the importance of nurturing civil societies and more political transparency.

Discussion Questions

• As the high intensity of U.S. military involvement begins to wind down in Iraq, what will be the future role, both militarily and non-militarily, for the U.S.?
• What development challenges will Iraq face, and does the U.S. have a role to contribute to their success?
• Should the U.S. help foster the development of civil society, infrastructure needs, a restoration of modern health delivery and educational systems?
• Will the military achievements be jeopardized without a commensurate non-military investment?

Pakistan and Its Neighbors: U.S. Policy Priorities

Teresita Schaffer, Center for Strategic and International Studies

Managing relations with Pakistan ranks as one of the toughest challenges for the Obama administration. Pakistan’s new democratic government is strongly pro-American and wants to work with Washington in defeating the Taliban in Afghanistan, reigning in its own terrorists and improving relations with India. But it faces major opposition from within, especially from radical Islamic groups and sections of the Pakistani military who still regard India as the prime enemy and are suspicious of American motives. The economy is in trouble and corruption still thrives. Thus American leaders have to proceed carefully in their efforts to promote more robust responses from Islamabad, especially on the question of using force against Taliban and al Qaeda elements still operating in Pakistan’s Federally Administered Tribal Areas (FATA).

Discussion Questions

• How secure are Pakistan’s democratic leaders? Are they capable of dealing with rogue elements within the Pakistan Army?
• What are the current mechanisms for controlling access and use of Pakistan’s nuclear forces?
• What is the strength of the Islamic parties and what common goals do they share?
• How serious a setback were the Mumbai terrorist attacks to better relations between India and Pakistan?
• Should the U.S. reduce military aid to Pakistan and increase support for humanitarian programs including health and education?
America, Democracy and the Arab World: The Balance Sheet

Michele Dunne, Carnegie Endowment for International Peace

The new administration was elected with a dramatic display of American democracy at work. It comes at a time when the previous administration’s efforts to promote democracy in the region have faced much criticism. Some believe the U.S. election—which has resonated throughout the Arab world—will reinforce Arab moderates who support more domestic political reform and transparency. How the U.S. disengages from Iraq and how it approaches the Arab-Israel conflict will be early tests as to whether hostility to U.S. policies has diminished.

Discussion Questions

• What has been the impact of the U.S. presidential election on Arab opinion and Arab support for political reform?
• Should the U.S. reinforce its democracy promotion agenda?
• How should the U.S. work with the rich Arab countries to spread wealth and benefits including health and education, to the poor Arab countries?
• How important are the factors of accessible and quality health care and education in maintaining stable and vibrant Arab societies, and is it in the U.S. national interest to help strengthen these services?
• Is U.S. policy in the Arab world more effective with soft power or hard power, or a combination of both?