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EUROPE, THE MIDDLE EAST AND THE SUPERPOWERS
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EUROPE, THE MIDDLE EAST AND THE SUPERPOWERS

SYMPOSIUM CO-SPONSORED BY THE INSTITUTE FOR INTERNATIONAL RELATIONS AND THE JOHNS HOPKINS UNIVERSITY BOLOGNA CENTER IN BONN, MARCH 16th - 20th, 1988

REPORT AND SUMMARY OF DISCUSSIONS

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PREFACE

When assessing the factors coining the relations of the Superpowers and the Western European powers with the Near and Middle East there is no way out that the conflicts there will stay in the foreground of our anxiety and alarm and of our interest. Realistically one has to set out from the consideration that containment and management of conflicts above all are the primary tasks. The major conflicts apparently are not solvable now or in the near future; also recently there have been set-backs in attempted solutions; and workable proposals for solutions have been rejected.

The Superpowers - the USA and, with different objectives and more restrained, the Soviet Union - play an important, if not a decisive role in this. The Western European powers, closely linked to the Near and Middle East by political, economic and cultural ties in history and present times, show a low profile and "have been silent with one voice", as an European foreign minister put it. However, all possible avenues of the European Community and of Western European states for taking directly and indirectly a more active, positive position, in the framework of the Atlantic Alliance, may not have been fully explored and exhausted.

In the hectic course of warring and of diplomatic action it seems to be necessary, therefore, to take stock of events and of objectives, motives and options of the concerned powers from time to time. Reconsidering topical events and positions also means not to loose sight of the ultimate goal of peace policy: containment and management of conflicts are required, but also balancing the adverse interests between the partners of conflict is indespensible in the long run, as well as forming step by step the preconditions for a lasting and stabile peace.

Having this in mind, the Institute for International Relations (Bonn, Federal Republic of Germany) and the Bologna Center of the Johns Hopkins University (Bologna, Italy) jointly sponsored and organized an international symposium "Europe, the Middle East and the Superpowers", held in Bonn, March 16-20, 1988.

32 eminent scholars, diplomats and counsellors of governments from the USA, five Western European countries and the European Community, Israel, Arab countries and Iran participated, discussed specially prepared working papers and attained, not without well founded disputes, to some common insights and

findings.

The following report, prepared by Prof. Hanns W. Maull, is based on the working papers, presentations and discussions of the symposium. This report, of course, cannot reflect the individual view of each participant, and is not binding on anybody who contributed to this endeavour, therefore.

The achievements and findings of the symposium stem from the contributions made by the participants founded on scholarly analysis and on practical experience in forming Near and Middle East policy, and their willingness to take part in frank and critical discussions. We are greatly indepted to all of them. We extend special thanks to Dr. Stephen Low, to Prof. Hanns W. Maull, to Prof. Otto Pick and Mr. Hasan Teoman of the Bologna Center of the Johns Hopkins University who developed the concept for the symposium and also supported organizational preparations.

The Editor

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SUMMARY OF DISCUSSIONS

PREPARED BY HANNS W. MAULL

1. THE ISRAELI-ARAB CONFLICT: A NEW PHASE

During its long history, which predates the history of the state of Israel, the Israeli-Arab conflict has been perceived and acted out in different dimensions: it began as a civil war between Palestinian Arabs and Jews in British Palestine; with the creation of the state of Israel, the focus of the conflict shifted to interaction between the state of Israel and its Arab neighbour states. At times during the past four decades, it even seemed to turn into an East-West conflict (see, for example, the Soviet-American crisis in October 1973, when Moscow threatened to introduce Soviet troops into the Middle East theatre of war, and Washington responded by declaring DefCon III military readiness). Since the late 1960s, the conflict has also developed an Israeli-Palestinian dimension, which sees the Palestinian Liberation Organisation (as the political voice of the Palestinian people) fighting the state of Israel for an independent Palestinian state.

ISRAEL AFTER "INTIFADAH"

With the upheavals in the occupied territories since the fall of 1987, the Israeli-Arab conflict now in some sense has almost come full circle - just as in the 1930s, the focus is again on civil strife between Palestinian Arabs and Jews in Palestine. Even the recent overtones of religious conflict introduced by radical Islamic-fundamentalist Palestinians, which add the further dimension of religious conflict, had their forerunners in the mandate period.

Yet in another sense the "intifadah" which since October 1987 has shaken Israel's hold over the occupied territories marks an entirely new phase of the Israeli-Arab conflict. The fact that some 200 Arab villages in the occupied territories were "liberated" (which in practical terms meant that a Palestinian flag was hoisted at the entrance, taken down by Israeli occupation forces, perhaps admidst a hail of stones, and then re-hoisted after their withdrawal) constitutes a psychological revolution. Moreover, the revolt in the occupied territories has been carried out by a new leadership, which, although clearly oriented towards the PLO and accepting it as the sole legitimiate representative of Palestinian aspirations, on balance seems more radical than the PLO leadership and in many ways quite independent from it.

Israel's response to the uprising has been fraught with contradictions. This reflects the fundamental dilemma for the Jewish state: how to square Israel's democratic structures with its aspirations as a Jewish state and its role as an occupation power. Israeli military might will not be able to resolve this dilemma - indeed, recent events suggest that Israeli's military power may have peaked around 1982. The need to hold down unrest in the occupied territories could severely strain the quality and morale of the Israeli defence forces - the corrosion of military effectiveness through internal security duties in occupied territory historically seems to be something of an "iron law". There are also problems of economic dependence on American aid and grants, which together account for some 60% of revenues of a budget whose volume exceeds that of GDP; this structural weakness of the economy will limit the ability of the Israeli military to maintain and modernize its equipment adequately. This may give additional impetus to attempts to develop a nuclear defence.

These new uncertainties are producing domestic changes within Israel - but the direction of those changes at present is still far from clear. At least in the short term, they appear to favour hardline responses and thus Likud - though the internal debate between "rejectionists" and "accomodationists" to some extent cut across party lines. Moreover, the political process in Israel now seems profoundly blocked, with little chance for clear majorities and de-

cisive policies but ample scope for the exercise of veto power by small minorities. The preconditions of political leadership and an ability and willingness to compromise for progress towards a settlement of the conflict thus at present seem to be missing in Israel.

THE ARAB WORLD: EGYPT AND SYRIA

The Israeli-Arab conflict traditionally has been an important catalyst and pretext for inter-Arab rivalries - what Malcolm Kerr has called the "Arab Cold War". In this inter-Arab struggle, governments tried to establish pan-Arabist credentials and hence domestic legitimacy and support by calling for united action against Israel, and by attacking other Arab countries for not doing enough - or doing the wrong things - in this common struggle. Yet the reality behind such rhetoric has long been the primacy of national interests over pan-Arab aspirations. This has perhaps been most apparent in Egypt's policy towards the Israeli-Arab conflict: Sadat in the end accepted the divorce between national Egyptian objectives such as recuperation of the Sinai from wider Arab concerns.

Sadat's successor Hosni Mubarak has basically followed this line, though with some modifications. The emphasis on foreign policy has been reduced in facour of seeking solutions to pressing domestic and economic problems. This implies, however, dependence on external resources - Western aid and technology, and conservative Arab oil funds. Mubarak's foreign policy thus has been trying to maintain links with the USA and at the same time to normalize relations with the Arab world - the latter partly also as a means to placating domestic opposition against this strategy of cooperation with the West and peace (although "cold peace") with Israel.

The normalization of relations with the Arab world has made remarkable progress. It was helped by the Iran-Iraq war, which allowed Egypt to resume Sadat's old role as the champion of conservative Arab and Western interests in the region - this time, however, in the Gulf. But the regime will remain vulnerable to opposition at home attacking the glaring deficiencies of Egypt's social and economic development, its dependence on the West and its relationship

with Israel which will have to continue to secure USA aid. With contradictory pressures from within and abroad, Egypt's margin of manoeuvre thus remains limited, and a more dynamic role of regional leadership will almost certainly be impossible as long as the serious socio-economic crisis at home remains unresolved.

While Egypt under Mubarak thus has been trying to tackle problems of domestic political legitimacy at home, using foreign policy as a means to enlist support for this objective, Syria's efforts to secure national interests have continued along the Nasserist tradition of domestic integration through foreign policy activism. This has produced a much less rational, calculable and steady foreign policy than that of Egypt. Domestically, Hafiz al-Assad's regime has tried to cement control through the promotion of traditionally underprivileged minority groups and the concentration of power in his own hands through a highly diversified security apparatus. Syria's foreign policy under Assad seems best explained in terms of rivalry with other Arab states and a desire to build up a position of regional hegemony; the hard line vis-a-vis Israel serves these purposes as much as the tactical alliance with Iran, which gives Syria added leverage in the Arab world.

Objectively, of course, Syria has made a successful Arab strategy vis-a-vis Israel more, rather than less difficult - it has contributed heavily to the fragmentation of the Arab world. Syria also shows as little interest in a truly independent Palestinian state as Egypt or Jordan. Yet its efforts to secure "parity" with Israel in military, economic and political terms is bound to overstretch Syria's capacity - with serious consequences for an economy whose problems have already become very pressing. The severe strain Assad's foreign policy is placing on the economy and society is thus Syria's greatest handicap; it fuels opposition from Sunni fundamentalists and other forces which have been attacking Assad's lacking Arab and national credentials. (Interestingly, the Syrian opposition has thus itself taken up the national focus of Assad's policies, rather than expousing a pan-Arabist orientation).

In the cases of both Syria and Egypt (as in that of Israel), state power thus appears to have eroded substantially in its ability to

shape regional developments actively; little more than veto power remains. Part of the explanation for this may be found in problems of domestic legitimacy: while important groups have been co-opted and made beneficiaries of respective economic management in Egypt and Syria, the populations as a whole are certainly not better off. Political challenges are repressed ruthlessly by Syria's omnipresent security forces, while Egypt has been relying on a more flexible strategy of co-operation and limited political liberalisation, coupled with stern action against fundamentalist dissent.

Just as in Israel, one can expect little political initiative in the search of a peace settlement from Egypt or Syria. Egypt can be expected to flexibly go along with promising initiatives for a negotiatied Israeli-Arab peace settlement put forward by others, but seems too weak to promote initiatives itself. Syria appears to have little to gain from cooperation in any peace offensive and probably prefers the present status of controlled tensions short of war. Its position is that of a "spoiler": powerful enough to veto any initiatives excluding it, yet not strong enough to force a settlement on its own terms nor interested in compromise solutions.

A CHANCE FOR NEGOTIATIONS?

Lack of political committment fo a negotiating process and severe domestic constraints in Israel, Egypt and Syria thus make it hard to be optimistic about the prospects for a negotiated international peace agreement. Nor does the situation look more hopeful with regard to other key actors: the PLO leadership - which by now probably is more moderate in its policy stance than the new, indigenous leadership in the occupied territories - seems keen on a political process, but is split and vulnerable to conflicting cross-currents in the Arab world; and the Jordanian monarchy will not be able and willing to act without an explicit endorsement of the PLO and does not have much to offer: the "Jordanian option" has for fifteen years been little more than a fata morgana.

Beyond the region itself, perhaps the most hopeful sign of progress has been the change within the American Jewish community. The up-

heavals in the occupied territories and the Israeli reaction to them shocked the American television audience and accelerated the departure of the Jewish community from uncritically pro-Israeli government positions, which had begun with the Lebanon invasion of 1982 and the Pollard case. This has started to weaken the stifling grip of Congress over US Middle East policies - as witnessed by the letter of thirty senators (some staunch supporters of Israel) deploring the Israeli government's rejection of any "land for peace" compromise.

Recent changes in East-West relations and in their respective Middle East policies have also produced a better climate for Superpower co-operation on Middle Eastern issues. But Moscow and Washington still have widely diverging views about the nature, the purposes and the process of an international peace conference. And it is also unclear whether the uprising in the occupied territories will dispell the sense of complacency, of declining importance and lack of urgency which in recent years has prevented any major peace initiative in the Israeli-Arab conflict.

There are thus precious few reasons for optimism about the "Shultz initiative", which may be a departure from "benign neglect" but seems unable to extract a committment to negotiations from key players. It is clear that there can be no such thing as a "peace agreement" - peace cannot be the result of a single act, however comprehensive, it will have to be a process involving changes in the two key polities and societies: Israel and the Palestinians. The Israeli-Arab conflict is not a traditional conflict between nation-states but one between two people. This raises serious issues about its tractability, its openness towards diplomatic compromises and even about the very possibility of "conflict resolution". The focus on a territorial solution (i.e., on a separate Palestinian state), for example, from this perspective can hardly be considered a solution but at best a transitory stage towards some kind of confederation or federation.

The ultimate shape of the "solution" thus necessarily must remain very uncertain; it will have to be preceeded by significant changes and thus depends on the outcome of the "internal dialogue" in Is-

rael, in particular. The space for constructive negotiations will have to be created on the political level, by initiatives which express and enhance committment to a process of accomodation. One central element probably would have to be an Israeli willingness to trade land for peace, to cede control over the occupied West Bank and the Gaza strip. The relevance of those territories in terms of national security has become negligible; what Israel needs is space, not territory.

There are important social forces and institutions within Israel which favour such an approach (for instance, the military-industrial complex) and thus would be willing to disengage from the occupied territories; they are blocked, however, by Jewish radicalism and fundamentalism. If the latter forces prevail, the future of Palestine could resemble the fate of Algeria in the 1950s or of Lebanon in the 1980s - a bitter and violent struggle for control between competing nationalisms or between Zionism and Islamic fundamentalism.

2. THE GULF WAR: "ARMED NEGOTIATIONS"?

Undoubtedly, the years 1986/87 have marked a turning point in the Gulf war between Iran and Iraq: after the brief initial phase, which saw Iraq on the offensive, the counter-attacks of Iran in 1981/82, and the stalemate since the successful defense of Iraq against Iranian offensives inside Iraq, the war in 1986/87 escalated: Iran scored important military successes in the land war (Fao, the Northern front) and almost broke through the defenses around Basrah; the war at sea widened, drawing the Superpowers into building up a sizeable military presence and running escort operations for Kuwaiti tankers; and the UN Security Council Resolution 598 demonstrated Iran's growing international isolation.

In some sense, this is a war between two revolutions: Khomeini's Shi'ite fundamentalism and the (pan-Arab) nationalist and secularist Ba'th revolution. The latter revolutionary ideology has, however, lost some, if not all of its appeal, and has instead be-

come firmly aligned with (state) nationalism, thus making the clash one between Iranian and Iraqi nationalism. Iran still is much more of a revolutionary state in practise, though there, too, the revolution has become aligned with Iranian nationalism, and may well soon become another rigidly institutionalized and bureaucratized political system which relies - apart from appeal to nationalism - on economic benefits and repression.

An important cause of the war has been the Iranian revolution's desire to expand beyond its narrow Iranian Shi'ite base, and its claim that Khomeini's revolution has universal relevance. This has produced a dualistic foreign policy - one track defined by revolutionary expansionism, the other by Iranian state pragmatism and caution. A critical question is to what extent the revolutionary dimension still survives. In other words: has Iran become a "normal country", or does it remain in fundamental ways beyond the established rules and norms of international conduct?

CHANGES IN IRAN

While the jury on this issue still is out, there do seem to be important changes happening inside Iran which at the very least suggest a change of tactics. Thus, Iranian war aims, while essentially unchanged, have been rephrased in nationalist terms: Iran aims for the "collapse" of the Ba'th system in Baghdad and its replacement by a new regime (which, according to Speaker of Parliament Rafsanjani, could even be pro-USA!). In its confrontation with the USA, Teheran has been remarkably restrained and cautious; it did not reject the UN Security Council Resolution outright, as many observers expected, but kept the door open; and its demands in the tanker war (namely, that Iranian attacks would be ended if and when those against Iranian tankers were also halted, the Iraqi aggressor condemned and Arab support for Iraq withdrawn) also semmed not unreasonable.

Iran in 1987/88 also failed to launch another offensive at Basrah. The reasons for this are unclear - they may have to do with less than complete success in last year's war recruitment efforts, with

concern about a possible UN Security Council arms embargo, or simply with a shift to more promising military tactics of limited probes in the middle and Southern front and a push in the North. But the Iranian offensive in Kurdistan does not seem to pose a real threat to Iraq or even to tie down significant parts of its military. Thus, the land war seems to be winding down to a state of protracted but relatively low level military conflict - in fact, "armed negotiations" in which each side tried to improve its position in the expected bargaining.

A rather similar picture emerged from the analysis of the war at sea. Iraq's rationale in attacking Iranian tankers has long been to weaken Iran's war effort economically and to draw in outside powers, thus isolating Teheran and forcing it to the negotiating table. Iranian objectives, too, were political and economic: attacks against Arab tankers were to dissuade the GCC states from supplying Iraq with financial assistance and to demonstrate to them that their support for Iraq was dangerous to them. After Kuwait had broken a tacit understanding to keep out both Superpowers, Iran also sought to demonstrate that bringing Washington into the Gulf made it less rather than more secure. During 1987, the tanker war has been halted three times, presumably to give a chance to negotiation and mediation efforts. Iran has not outright rejected the UN approach - which, some would argue, has by and large been rather strongly biased against Teheran, thus explaining at least some of Iran's hesitations about this route.

There thus seems to be some evidence which suggests that Iran has indeed begun to modify its strategy fundamentally and might be moving towards some kind of end to the war. Even the Iran-Contra affair was thought to contain hints of such a pragmatic approach: while the first stages of American approaches to Iran were utterly misguided, the last stage (the "second Channel" episode) actually suggested real opportunities for a serious rapprochement between the USA and Iran. The revelations about Iran-Contragate, however, provoked considerable alarm among America's conservative Arab Allies and ultimately led Washington to revert to a policy of reassuring the GCC states and isolating Iran through the UN resolution - in fact, a policy with a clear pro-Kuwaiti and pro-Iraqi bias.

THE SUPERPOWERS IN THE GULF: TOWARDS FORMALISED COOPERATION?

In the 1980s, the Gulf region has become the primary center of gravity and attention in the conflict-ridden Middle East - and perhaps even one of the most dangerous trouble spots in the international system at large. Yet patterns of conflict and cooperation and hence rules and norms of behaviour for regional and Great Power actors are much less clearcut than in Europe; there is also less knowledge and understanding about this part of the Middle East in Washington, with the result that policies are often improvised and developed as events unfold. One important impediment to sounder US policies has been obsession with the Soviet Union and with the strategic importance or Iran: at least so far, the Soviet Union has reaped remarkably few benefits from the major setbacks for the US position in the region since 1979, and feels in some ways just as threatened by the regional dynamics of conflict and change.

In some sense, the Iran-Iraq war may be seen as self-containing: the fall-out in terms of oil market disturbances has been remarkably limited so far, and over long periods, the military confrontation has simply been stalemated, suggesting that neither of the two sides is strong enough to secure a decisive military victory. The mutual laceration of the two major candidates for hegemony in the Gulf region may even have produced a sense of satisfaction on the Arabian peninsula, whose conservative oil states benefitted from an enhanced margin of manoeuvre. Yet it would be dangerous to overestimate the importance of those aspects of self-containment. It is probably more accurate to see the war as having been contained - not least through a degree of parallel action by the two Superpowers in critical stages.

East-West interests in the Gulf have not been mutually exclusive; the region thus has become depolarized in East-West terms, and overlapping concerns (e.g., about an Iranian victory) allowed a degree of Superpower cooperation in the Gulf war. This, in turn, helped European-American cooperation, which had been hampered by the US obsession with Soviet machinations in the Middle East. Yet one important contentious issue continues to lurk in the background - the future of Iranian domestic politics and its orientation bet-

ween East and West.

Throughout the 1980s, both Superpowers have behaved with extreme caution and restraint in the Gulf - precisely because of a perceived risk of direct confrontation which both wanted to minimise. Thus, the Middle East has not been without some informal rules and norms of Superpower behaviour. The general evolution of East-West relations in recent months no doubt have improved opportunities for East-West cooperation in the Gulf. These opportunities should be explored in three areas: non-interference in Middle Eastern domestic politics, assurances for the free passage of oil from the Gulf, and crisis management. Careful preparation at the working level and discussion at USA-Soviet summit meetings could conceivably even produce formalized agreements between East and West about the Gulf. But the history and aftermath of the UN Security Council Resolution 598 (which has so far not been followed by a "second resolution") underlines the difficulties involved in securing formalized arrangements between East and West.

SCENARIOS FOR THE FUTURE

It will be even more difficult to agree on rules and norms of behaviour among regional actors. Thus, a formalized peace settlement or even a negotiated cease-fire do not seem very probable. But assuming a change of direction in Iranian strategies has taken place (or will take place, perhaps after Khomeini's death), a de facto cease-fire or at least a de-escalation of military operations seem plausible scenarios. This assessment rests on the assumption that Iran will not be able to overcome Iraq's defences and would not find a way to destabilize the Iraqi political system from within. The underlying conflict would not disappear, however, tying down resources and energies of both countries for the foreseeable future - not to mention the pressing needs of domestic reconstruction and the resolution of economic problems at home.

Islamic fundamentalism under this scenario would perhaps not be an explicit article for Iranian export, but it would continue to reverberate around the whole region, posing serious challenges to

the legitimacy of ruling political elites. The interaction of the Israeli-Arab and the Gulf theatres of the Middle East would certainly continue, perhaps even intensify - and so would a number of other challenges to regional instability such as Kurdish nationalism.

The other group of scenarios assumes decisive political change in either of the two states, perhaps as a result of a major military setback. In balance, this now seems less likely. The implications of a "collapse" of the Saddam Hussein system in Iraq would be uncertain but it seems reasonable to assume that the principal threats to wider regional stability would be political and ideological, rather than military: Iran would probably be preoccupied with tasks of internal reconstruction and maintaining Iraqi inferiority and subservience, and would be confronted with a new front of containment consisting of most of the Arab world, supported by the West and perhaps also by the Soviet Union. But an Iranian victory could send political shock waves through the Arab world, producing domestic changes and upheavals without much direct prompting by Iran simply as a result of discreditation of the ancien regimes. There could also be efforts to appease Iran by some of the GCC states, and one could expect a more radical OPEC dominated by Iran, and rising tensions in the Kurdish regions of Iran, Iraq and Turkey. Perhaps the most worrying aspects of those scenarios would be the potential for renewed East-West rivalry coinciding with an uncertain and fluid situation and greater dependence on Gulf supplies with political upheavals in this region such as a renewal of open warfare between Iran and Arabs, or domestic upheavals on the Arabian Peninsula.

3. SOVIET MIDDLE EAST POLICIES AT A TURNING POINT

The Soviet Union has always understood itself as a power with "legitimate rights" in the whole Middle Eastern region from the Bosporus to Afghanistan. Geopolitical aspects, i.e., security and great power foreign policy interests, rather than ideology are behind this notion - and they have introduced strong elements of continuity in Soviet Middle East policies. Those policies, however,

clearly distinguish between those regions immediately bordering the Soviet "empire": Turkey, Iran, Afghanistan (the "Northern Tier"); and those beyond: the heartlands of the Arab world, the Fertile Crescent and the Arabian Peninsula.

Only in the former, however, does the Soviet Union hold vital security interests; and those countries have also played the dominant role in East-West relations in the Middle East. There, the United States scored the first successes in the "Cold War" (Soviet withdrawal from Northern Iran, 1946; support for Turkey against Soviet pressure, eventually leading to Turkish membership in NATO); the Northern Tier thus assumed a particular importance in strategic competition between the Superpowers. Against this, the Arab world to Moscow was of secondary, but still considerable interest as a region of a very substantial political presence of Western powers and critical economic importance to Western economies, where the forces of nationalism and anti-colonialism provided good opportunities for Soviet gains.

THE "NEW LOOK" OF SOVIET MIDDLE EAST POLICIES

Soviet Middle East policies have thus unfolded against the background of a great continuity of interests. At the same time, they have also been quite flexible - and under the new leadership, they seem to be undergoing a major overhaul. Some of this new look is purely procedural: Soviet diplomacy in the Middle East has in recent months become considerably more skillful and adept (examples include Moscow's superb handling of the Egyptian debt problem, the opening of diplomatic channels to several conservative Arab countries, and its clever overtures towards Israel). Other new features of Soviet Middle East policies have been substantive: Moscow has recently displayed greater willingness to contribute to the resolution of regional conflicts, and even has - as the most dramatic example for its new approach - decided to leave Afghanistan.

The motives for this new approach are not hard to discover: the Soviet involvement in the Middle East - and in the Third World in general - has by and large been politically uncertain (gains were

often, as in Egypt or Somalia, nullified by political change), strategically risky (it sometimes - as in the October war 1973 - brought the USSR into direct confrontation with the USA. something Moscow has always been keen to avoid), and economically costly (most Soviet clients are economic basket cases). Moreover, the new leadership under Mikhail Gorbachov wants to focus on an improvement of relations with the United States - and the reduction or even removal of tensions over Third World conflicts could be expected to contribute positively to this.

Soviet Middle East policies in the crises of the 1980s (the Israeli invasion of Lebanon 1982 and its aftermath, the troubled diplomatic efforts to resolve the Israeli-Arab conflict, and the Gulf war) have generally shown remarkable restraint. In the Israeli-Syrian confrontation, the USSR avoided direct involvement and showed itself unwilling to concede Syria military parity with Israel. The Gulf war has, from the Soviet point of view, served Washington with a pretext for an enhanced US military presence and also held the danger of an American come-back in Iran (which led the Soviet Union to permit the supply of some Soviet arms to Iran); in addition, however, a victory of revolutionary Islam over the Soviet client Iraq also seriously threatened Soviet interests (leading to rather more massive arms supplies to Iraq). In addition, Moscow used the war to improve relations with conservative Arab states, culminating in the lease of Soviet tankers to Kuwait, complete with crews and military escorts.

PROSPECTS FOR AN ENHANCED SOVIET ROLE

In the Gulf war, the Soviet Union is the only Superpower with reasonable political relations with both combattants; in the Israeli-Arab theatre, Moscow is working hard on broader political influence (including diplomatic relations with Israel and participation in an international peace conference). Yet even in the Gulf, let alone in the Israeli-Arab conflict, Soviet chances to broker negotiated settlements seem remote: the historical parallel of Tashkent, where Moscow mediated a solution to the Indian-Pakistani war, is in fact highly misleading because there is no comparable

willingness to settle the conflict in the Gulf today. Generally, Moscows's influence in both major conflict systems will continue to be very circumscribed, and its ability to deal with both sides may produce as much dilemmata as opportunities (there are already signs of dissatisfaction in the conservative Gulf states with Moscow's reluctance to put pressure on Iran to end the war).

The chances for explicit agreements between the Superpowers over rules of behaviour in the Middle East seem, as noted already, also less than bright. The closest example for this so far may be the Afghanistan agreement - and even here, the jury is still out with the final verdict about the future distribution of political power and, hence, Superpower behaviour. In other parts of the Middle East, the prospects for a Superpower condominium are even more spurious. On the other hand, the Soviet Union is not really interested in the heartlands of the Middle East - only in the US role and presence there. Oil will for some time not be of concern to the Soviet Union (although this could change in the very long run); and the necessary retrenchment of the Soviet Union's overextended empire could thus easily involve those parts of the Middle East.

The Northern Tier, of course, is different: Turkey will continue to be of great importance for the Soviet Union, and so will Iran. At present, Moscow has to be concerned with Iran's possibility to spoil the Afghan agreement; there is also the issue of Islamic fundamentalism spreading from Iran and Afghanistan to the Soviet empire proper. All this argues for a cautious approach vis-a-vis Iran - and there have been reports about a tacit understanding about mutual non-interference in domestic affairs between Moscow and Teheran. This may not square easily with Western interests and policies in the Gulf war. The question of Iran's future could, as noted already, also turn out to be dicisive - but here, a tacit division of spheres of influence and unilateral rules seem a plausible alternative to Superpower confrontation.

Lastly, there is of course the possibility of a failure of Gorbachov's reforms, which could produce a new twist in Soviet Middle East policies - perhaps even a return to activism and high-risk policies induced by growing failures and deficiencies at home (a

historical parallel might be the Russo-Japanese war of 1904). Under such a scenario, the Soviet Union's military capabilities would acquire additional importance. While there are at present no signs yet of changes in the Soviet military build-up in the region (especially that of air power), these deployments are generally not thought to be an indication of expansionist intentions. Some key components of Soviet deployment plans (AWACs, air transport) are also not yet functioning fully.

4. NEW CHALLENGES IN MIDDLE EAST POLITICS AND POLICIES

Below the surface of events in the late 1970s and 1980s, the texture of Middle Eastern politics seems to have changed in important ways - posing new challenges to regional developments and Western policy responses. These structural changes are by definition more speculative and less easily analysed and weighed for their implications than series of events. Yet without an understanding of those changes in structure, policy responses to Middle Eastern events are liable to run aground. The papers and discussions in Bonn highlighted two of those changes: the decline of the role of the state in Middle Eastern politics and the rise of political fundamentalism in response to a deep and pervasive socio-economic and political crisis.

THE DECLINE OF STATE POWER

That foreign policies of states cannot be understood and analysed properly without a close look at their wider societal settings (both internally and abroad) has become something of a truism. Yet the degree to which the power of the state seems to have become dissipated in the Middle East during the past years still is striking: domestic politics, economic development, intra- and transnational societal processes of interaction, and the dynamics of cultural change all have deeply penetrated government policy making, even in polities which are hardly democratic or pluralistic. This implies that political processes in the future are like-

ly to be even more profoundly shaped by developments beyond international relations in the narrow sense of state-to-state relations.

Examples for this trend abounded in the discussions in Bonn; some of them have already been flagged briefly:

+ In the United States, the Jewish lobby during the 1970s acquired such a strong hold over the domestic politics of US Middle Eastern policies as to threaten their abdication or paralysis. Changes in the attitude of this lobby are a promising but also an essential ingredient in the reactivation of US Middle East peace mediation efforts.

+ The Soviet Union has begun to confront the dilemmata of an over-expanded Superpower: the discrepancy between available domestic resources for such a role and the claims to such resources from global committments. The crisis of the Soviet economy has forced its way into Soviet foreign policy.

+ The military and political power of the state of Israel seems to have decisively peaked around 1982/83; Israel's ability to shape events has been eroded both by the deadlock of the domestic political process and by the resistance of Palestinian society to the occupation.

+ In the Arab world, linkages between foreign policy and domestic politics also appear to have become more sensitive. At stake here is the elusive issue of "legitimacy" - hard to analyse under conditions of political suppression and difficult to assess in its bearings for political developments. While it is unclear whether serious deficiencies in legitimacy pose a real threat to a government's ability to remain in power (there are enough examples worldwide for regimes which hang tight through a mixture of repression through an elaborate security machinery and selective co-optation through material benefits), governments obviously assume they need legitimacy - and try to build it through provison of material benefits, ideological gratification or (limited) political participation. It also seems plausible to assume that social resources

to cope with the complex challenges of socio-economic transformation cannot be mobilised without political legitimacy: fear and corruption alone will not do the trick. The multi-dimensional crises reverberating throughout the Middle East (see below) reflects the inability of the state in many Middle Eastern countries to "deliver", to respond to people's aspirations, but also reinforces it. Even the PLO - perhaps the most participatory of all Arab "governments" - seems not immune from this problem.

To state this point is not to underestimate the continuing role of the state in international relations. Yet the overall evolution in the Middle East appears to resemble more a random path driven by policy blockages and the exercise of veto power than the realization of policies, let alone of "grand designs". State power may not have become irrelevant - but it seems less and less able to produce desired outcomes.

CRISIS AND RESPONSE: THE RISE OF POLITICAL FUNDAMENTALISM

The societal crisis in the Middle East today has many facets. One all to often ignored facet may be demographic trends. Their political relevance is obvious in Israel, but may be as great in Egypt (where population growth relentlessly complicates an already nightmarish economic mess) or in the Gulf (where asymmetries in population strength between Iran and Iraq, although much overestimated in their short-term implications - Iraq at present has more soldiers under arms than Iran -, could have a profound impact in the longer term).

Another facet is economic development, or the lack thereof. The oil price explosion of 1973 produced a sense of euphoria and of "can do" in the region, which dangled hopes of a bright future and thus raised expectations dramatically. And the oil boom of the 1970s did produce a significant rise in material welfare - not just in the Gulf itself but, through a number of transmission mechanisms such as migrant labour, in the whole region. Yet this boom did not produce much real development in the sense of self-

sustained growth: the Middle East continues to be heavily dependent on oil revenues, and the oil boom has also created economic and social upheavals and distortions. Lack of attainment and a growing awareness of the negative side of development dissipated the sense of optimism prevailing in the 1970s, and the sharp decline in oil revenues during the 1980s forced wrenching downward adjustments. In the oil-rich Gulf states, this may mean no more than a useful shake-out of excessive consumption; in the poorer parts of the region, however, which heavily depended on the ripple effects of the oil boom, those problems of adjustment may be politically highly disruptive.

A third aspect of this crisis is cultural and political; it turns around the notion of identity. The old ideologies - Western democracy, Arab nationalism, Nasserism and Ba'th Socialism, Marxism-Leninism - have all lost their appeal: none of them has been able to overcome the problems of underdevelopment and dependence, to cope with the crisis of social transformation. Fundamentalism has developed and grown against this background; it represents - in many different forms - a demand for radical change in the paragimatic assumptions underlying the ordering of societies and a radigtion of "modernity". The power of this trend is hard to overestimate, although it can be wrongly dramatized (thus, the Khomeini variant of (Iranian-Shi'ite) political fundamentalism is unlikely to take hold outside Iran and Lebanon) and still has shown no convincing answers to the problems it has identified. Nevertheless, fundamentalism has now entered the mainstream of the political dynamics in the region - and there is no alternative in sight to respond to the sense of malaise which pervades the Middle East.

5. THE MIDDLE EAST AND THE ATLANTIC ALLIANCE

The potential for dramatic upheavals - never low in the Middle East - thus certainly has not diminished; the region is likely to continue to test the ability of the Western Alliance to cope with "out of area" crises. In the past, the Alliance has come through such crises better than it is normally given credit for: a few

spectacular disagreements have clouded real achievements in maintaining mutually compatible and often supportive policies.

Alliance co-operation over the Middle East, however, could never be expected to be sheer harmony. First of all, the complexity of Middle Eastern politics could be expected to produce differences in analysis and policy courses advocated. While such disagreements may be entirely "objective" (reflecting incomplete information and problem complexity), in foreign policy as a rule they can be expected to reflect other factors, as well. One undoubtedly will be national interestes, as defined by governments. While Western interests in the region are by and large very similar, they contain some divergencies, as well as elements of competition. Thus, Western Europe (a shorthand expression, which simplifies differences among European countries and suggests a neat mid-Atlantic dividing line which in reality much more often runs both through Europe and the USA) in the past sometimes tended to see the danger of Soviet expansionism in less dramatic terms as Washington; and Europe and the USA, while sharing the interest in access to Middle East oil, in the past sometimes competed with each other over such access. Finally, there is the issue of "burden-sharing", of distributing policy responsibilities and contributions within the Alliance, which repeatedly has been controversial.

Beyond differences in interests, there are a number of other factors which help to explain past disagreements: differences in the domestic setting of respective Middle East policies (e.g., the special importance of Israel to US Middle East policies) ought to be mentioned here, but above all divergent role expectations. European countries - individually and jointly - have often harboured unrealistic expectations about an independent Great Power role in the Middle East. Washington, on the other hand, has traditionally been keen to enlist European support for its policies. But US Middle East policies have always reflected the Superpower role which Washington has assumed since 1945, rather than the NATO Alliance, - and it was the refusal to provide such support which caused the worst flare-up during the past two decades: the row during and after the October war 1973.

More recently, US-inspired co-operation in the Middle East has been more successful - the economic aid packages for Egypt and Turkey; European participation in the Sinai peacekeeping force and in Lebanon (a major debacle); the mine-clearing operation in the Red Sea; and finally the Western naval presence in the Gulf have shown that Alliance co-operation in the Middle East can and does work. Moreover, on the operational level, the co-ordination of the Western military presence has - as demonstrated by the comparison between the Red Sea and the Gulf naval operations - markedly improved, presumably reflecting learning processes.

PROSPECTS FOR THE FUTURE

Even the debacle of the Multilateral Force in Lebanon held some consolation for the West - it demonstrated the irrelevance of failure. A major blow to US and European prestige, it nevertheless produced little, if any, lasting damage to Western interests in the region beyond the immediate loss of life and face. This experience highlights two things - the robustness of regional structures to violent disturbances and the declining salience of the region to the rest of the world. Just as the Western withdrawal from Lebanon did not result in wider regional turmoil or a threat to fundamental Western interests, so oil exports from the Gulf have continued at a high level throughout all turns and twists of the Iran-Iraq war, underlining the resilience of oil trade ot intra- and international violence.

This continuation of oil flows from the Gulf has, of course, contributed to erode the importance outside powers have attached to the Middle East. With the shift of the oil market from a buyers' to a sellers' business and the relative decline of OPEC's (and the Mittle East's) share in world oil supply, the region's importance has declined since 1981. Lower oil revenues also imply lower exports of goods and services to the region, reinforcing this trend. And the changes in Soviet Middle Eastern policies outlined above have, in combination with a general relaxation of East-West relations, further accentuated this shift of attention away from the Mittle East. The overriding Western interests - secure access to oil, containment of Soviet expansionism - have recently lost much

of their urgency. This means that policies to respond to regional challenges become less pressing, and policy failures may be less dramatic.

Yet one should be cautious in extrapolating those favourable conditions. Western dependence on Middle Eastern oil seems likely to increase substantially in the 1990s (indeed, US oil imports have already begun to expand steeply). The future of East-West relations, and of the Soviet Union's approach towards the Middle East, still is uncertain, and there is at least an off-chance that failure of domestic reforms might push the Soviet Union back into a more assertive and disruptive foreign policy stance. And the tectonic faults in the region itself sketched above provide ample catalytic power for major upheavals with significant implications for oil exports and/or opportunities for Soviet advances.

Changes within the Western Alliance are also likely to have an impact on Alliance policies towards the Middle East. The trends point towards greater European autonomy and responsibilities within NATO. The efforts to cope with the implications of East-West arms control, of declining US defence expenditures and of a consequent need for a "European pillar" within NATO will absorb much of Europe's foreign policy energies and resources. Financial constraints will also affect French and British capabilities to project force in out of area crises. While the trend within the Alliance thus on the one hand suggests a greater European role (through what one might call the "devolution" of NATO) in the Alliance's efforts in the Middle East, there will also be new constraints on resources available for such tasks.

The overall trends in East-West relations point to a similar conclusion. The problems of developing a coherent response to the new Soviet approach to East-West relations will probably push the Middle East down on the agenda of policy-makers in the Alliance (and of those of the Soviet Union!). Thus, detachment, rather than involvement, is likely to be the common denominator of Alliance policies towards the Middle East - as long as the dynamics of change within the region will allow it. The Middle East may resent this - but under present circumstances, Western (and Soviet) Middle

East policies are likely to be shaped

a) by the centrality of relationships between the two Superpowers and the future of Europe to Soviet, American and European foreign policies, and

b) by constraints on available political, diplomatic, economic and military resources.

This suggests a reactive,rather than an active approach, policies of cautious conflict containment and even detachment, rather than of active promotion of regional structures of order and stability.

A ROLE FOR EUROPE?

All this does not provide much ground for optimism about an active European Middle East policy. Past experiences support this: dreams about an independent European role - which the Europeans tried to realize through the European Community's Mediterranean Policy, through the European-Arab Dialogue, through European Political Cooperation initiatives, and most recently through a proposed dialogue with the GCC - have in reality not added up to much.

There are, of course, close economic and social ties between Europe and the Middle East, and those ties are likely to deepen further in the future - but the question of how those assets could be utilized to shape a strong political relationship and an independent European role has thus far produced tantalizingly little of practical utility. The difficulties of organizing a homogeneous European policy, the absence of leadership within the EC (France and Britain have not really tried to play such a role), a lack of urgency and of operational suggestions, and American scepticism, even opposition, have all contributed to this state of affairs. Thus, Europe "has been silent with one voice", to quote a European foreign minister. Sometimes not even that: not even on the problems of dealing with Middle Eastern terrorism has there been a unified European response.

Partly, the problem with European Middle East policy may of course just be one of exaggerated expectations: the present approach of keeping a low profile and limiting the damage from Middle Eastern instability in the role of a junior partner of the United States could in fact well represent a more realistic and constructive approach than grandiose but futile attempts at providing a policy alternative to the USA. Europe simply does not have the military and political clout to play this part, and its economic leverage may in fact be extremely difficult to instrumentalize, as recent efforts at putting pressure on Israel via the EC's external trade policy (the import of agricultural goods from the occupied territories under a separate trading regime) have again demonstrated.

Yet Washington clearly also expects Europe to do more than just to sit on the fence. Perhaps European Middle East policies, through over-ambitious expectations and insufficent analysis and conceptual thinking, have missed opportunities for more modest but real contributions. Europe could try to use its influence in supporting and encouraging processes of change in constructive directions, in eliciting committments to accomodation and compromise and fostering those trends within Middle Eastern polities, in opposing radicalisation and violence. This may not satisfy grander ambitions - but it might prove helpful in creating opportunities for peaceful change.

(2)

THE JOHNS HOPKINS UNIVERSITY
BOLOGNA CENTER
SCHOOL OF ADVANCED INTERNATIONAL STUDIES

Institut für Internationale Begegnungen e.V.
Institute for International Relations
5300 Bonn 2

March 14th, 1988

INTERNATIONAL SYMPOSIUM

SPONSORED BY THE JOHNS HOPKINS UNIVERSITY, BOLOGNA CENTER
AND THE INSTITUTE FOR INTERNATIONAL RELATIONS, BONN

EUROPE, THE MIDDLE EAST AND THE SUPERPOWERS

in Bonn, Federal Republic of Germany
March 16-20, 1988

Conference Venue: Gustav-Stresemann-Institute,
Langer Grabenweg 68, 5300 Bonn 2, Tel.: 0228/81070

Plenary Sessions in Conference Room S 6

F I N A L P R O G R A M M E

Wednesday, March 16, 1988

Afternoon	Arrival of participants
	Accommodation: Gustav-Stresemann-Institute, Langer Grabenweg 68, 5300 Bonn 2 Tel.: 0228/81070
	Registration of participants
18.30	Welcome-Dinner at the wine restaurant (basement)

Thursday, March 17, 1988

OPENING OF THE SYMPOSIUM

9.00	Welcome Addresses
	Berthold Finkelstein Chairman, Gustav-Stresemann-Institute; Vice-Chairman, Institute for International Relations
	Dr. Stephen Low Director, Johns Hopkins University, Bologna Center, Bologna

p.t.o.

Min.Dir.a.D. Winfried Böll
Chairman, Institute for International Relations, Bonn

REGIONAL DYNAMICS OF CONFLICT

9.30 *The Arab World and the Israeli-Arab Conflict*

Dr. Harold Saunders
Brookings Institution, Washington, D.C.

Discussant: Edward Mortimer
Financial Times, London

Discussion

Gulf Politics and Security

Prof. Anthony Cordesman
Georgetown University, Washington, D.C.

Discussant: Dr. Jonathan Farley
Royal Naval College, London

Discussion

12.30 Lunch break

14.00 *Oil and Development*

Dr. Giacomo Luciani
Istituto Affari Internazionali, Rome
(Visiting Professor of Economics, University of California, Los Angeles)

Discussion

15.45 Coffee break

16.15 *Islamic Fundamentalism*

Prof. John Voll
University of New Hampshire, New Hampshire/USA

Discussant: Uwe Simson
Federal Ministry for Economic Cooperation, Bonn

Discussion

18.00 Dinner

19.30 Reception for participants and invited guests by Dr. Ruprecht Vondran MP, Executive Director, German Iron and Steel Federation
at: Fritz-Schäffer-Str. 3, 5300 Bonn 1

Friday, March 18, 1988

REGIONAL ACTORS: OBJECTIVES, STRATEGIES, TACTICS

9.00 *Israel*

Prof. Dan Segre
University of Haifa, Haifa

Discussant: Prof. Daniel Heradtsveit
Norwegian Institute of International Affairs, Oslo

Discussion

Egypt and Syria

Dr. Gudrun Krämer
University of Hamburg, Hamburg

Discussant: Prof. Friedemann Büttner
Free University, Berlin

Discussion

12.30 Lunch break

14.00 *The Palestinians and the PLO*

Dr. Ghassan Salamé
University of Paris, Paris

Discussant: Dr. Rainer Büren
Research Institute for International Affairs (Stiftung Wissenschaft und Politik), Ebenhausen

Discussion

15.30 Coffee break

16.00 *Iran and the Gulf*

Dr. Shahram Chubin
Graduate Institute for International Studies, Geneva

Discussant: Dr. Johannes Reissner
Research Institute for International Affairs (Stiftung Wissenschaft und Politik), Ebenhausen

Discussion

THE ROLE OF OUTSIDE POWERS

German Middle East Policy

Reinhard Schlagintweit
Director General, Federal German Foreign Office, Bonn

Discussion

19.00 Dinner (buffet) for participants and invited guests by the Institute for International Relations and the Bologna Center, Johns Hopkins University at the conference venue, clubroom 2

Saturday, March 19, 1988

9.00

The United States

Dr. Gary Sick
Research Institute on International Change,
Columbia University, New York

Discussant: Prof. Gianni Bonvicini
Istituto Affari Internazionali, Rome

Discussion

The Soviet Union

Dr. Helmut Hubel
German Society for Foreign Affairs (Deutsche Gesellschaft für Auswärtige Politik), Bonn

Discussant: Prof. Otto Pick
Johns Hopkins University, Bologna Center

Discussion

12.30

Lunch break

THE EUROPEAN DIMENSION

14.00

Europe's Role in the Middle East

Dr. Udo Steinbach
Director, German Institute for Oriental Studies
(Deutsches Orient-Institut), Hamburg

Discussant: Prof. Georges Delcoigne
Johns Hopkins University, Bologna Center

Discussion

French Middle East Policy

Dr. Walter Schütze
Institut Français des Relations Internationales,
Paris

Discussion

15.45

Coffee break

16.15

British Middle East Policy

Prof. Malcolm Yapp
School of Oriental and African Studies, London

Discussion

Middle East Policy of the EC

Eberhard Rhein
Director, Mediterranean Region, Near and Middle East,
Commission of the EC, Brussels

18.00 Dinner

Sunday, March 20, 1988

THE MIDDLE EAST: ALLIANCE COOPERATION AND CONFLICT

9.00 *The Middle East: Alliance Cooperation and Conflict*

Prof. Hanns W. Maull
University of Eichstätt, Eichstätt

Discussant: Prof. Hermann F. Eilts
Boston University, Boston

Prof. Andrew Hurrell
Johns Hopkins University, Bologna Center

Discussion

11.00 General Discussions and Findings of the Symposium

11.30 Farewell Addresses

12.00 Lunch

Departure of participants

+ + + + + + +

Conference Desk: Mrs. Brigitte Allié and Mrs. Brigitta Andrée

The conference desk at the conference venue will be open:

Wednesday, March 16th:		3.00 p.m. - 6.30 p.m.
Thursday, March 17th:	8.30 a.m. - 1.00 p.m.	2.00 p.m. - 6.00 p.m.
Friday, March 18th:	8.30 a.m. - 12.00 a.m.	2.00 p.m. - 6.00 p.m.
Saturday, March 19th:	8.30 a.m. - 12.00 a.m.	

(3)

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Institute for International Relations

5300 Bonn 2

March 14th, 1988

INTERNATIONAL SYMPOSIUM
EUROPE, THE MIDDLE EAST AND THE SUPERPOWERS

FINAL LIST OF PARTICIPANTS

1. Dieter Bielenstein
   Managing Director, Institute for International Relations, Bonn

2. Min.Dir.a.D. Winfried Böll
   Chairman, Institute for International Relations, Bonn

3. Prof. Gianni Bonvicini
   Istituto Affari Internazionali, Rome

4. Dr. Rainer Büren
   Research Institute for International Affairs
   (Stiftung Wissenschaft und Politik), Ebenhausen

5. Prof. Friedemann Büttner
   Free University, Berlin

6. Dr. Shahram Chubin
   Graduate Institute for International Studies, Geneva

7. Prof. Anthony Cordesman
   Georgetown University, Washington D.C.

8. Prof. Georges Delcoigne
   Johns Hopkins University, Bologna Center, Bologna

9. Prof. Hermann F. Eilts
   Boston University, Boston

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    Royal Naval College, London

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13. Prof. Andrew Hurrell
Johns Hopkins University, Bologna Center, Bologna

14. Dr. Gudrun Krämer
University of Hamburg, Hamburg

15. Dr. Stephen Low
Director, Johns Hopkins University, Bologna Center, Bologna

16. Dr. Giacomo Luciani
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(Visiting Professor of Economics, University of California, Los Angeles)

17. Prof. Hanns W. Maull
University of Eichstätt, Eichstätt

18. Edward Mortimer
Financial Times, London

19. Prof. Otto Pick
Johns Hopkins University, Bologna Center, Bologna

20. Dr. Johannes Reissner
Research Institute for International Affairs
(Stiftung Wissenschaft und Politik), Ebenhausen

21. Eberhard Rhein
Director, Mediterranean Region, Near and Middle East, Commission of the EC, Brussels

22. Dr. Ghassan Salamé
University of Paris, Paris

23. Dr. Harold Saunders
Brookings Institution, Washington D.C.

24. Reinhard Schlagintweit
Director General, Federal German Foreign Office, Bonn

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Institut Français des Relations Internationales, Paris

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University of Haifa, Haifa

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Research Institute on International Change,
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Federal Ministry for Economic Cooperation, Bonn

29. Dr. Udo Steinbach
Director, German Institute for Oriental Studies
(Deutsches Orient-Institut), Hamburg

30. Prof. John Voll
University of New Hampshire, New Hampshire / USA

31. Prof. Malcolm Yapp
School of Oriental and African Studies, London

THE GULF AND REGIONAL CONFLICT

ANTHONY H. CORDESMAN

MARCH, 1988

The problems of regional conflict take on a special intensity in the case of the Gulf. This small area contains more than 50% of the world's proven oil reserves, and represents one of the world's most important strategic prizes. The Gulf is divided by deep regional tensions, and is affected by outside pressures in virtually every direction. These pressures not only involve peripheral states, but the two Superpowers. For more than a decade, the Gulf has been the center of the largest arms build-up in the Third World, and there is little prospect that this situation will change.

The Gulf is also the scene of a major conflict. The Iran-Iraq War is one of the longest and bloodiest wars of the Twentieth Century, and one of the most expensive. Even if one uses conservative figures, the combined military, economic, and social cost is at least half a trillion dollars. All of the Southern Gulf states have had to become deeply involved in the politics of the war and have had to restructure their military forces.

The West and the Soviet Union have long been rivals in the region, and they too have been indirectly involved in the Iran-Iraq War from its start. They have supplied tens of billions of dollars worth of arms to the two belligerents, and they have recently become militarily involved in escorting ships through Gulf waters. The PRC and North Korea have also become leading actors as arms suppliers to Iran, and the PRC has extended its rivalry with the USSR to trying to influence Iran.

Other peripheral and regional states have been caught up in the Iran-Iraq conflict, or have involved themselves in it. Turkey has been forced to redeploy substantial military forces and fight a continuing low level war against Kurdish

factions which are supported by Syria and Iran. Egypt and Jordan have taken sides in support of Iran. Such strange political bed fellows as Israel, Syria, and Libya have taken sides in support of Iran, and the spillover from Iran's Shi'ite brand of Islamic fundamentalism has further worsened the peculiar social disease known as Lebanon.

Table One: Major Weapons in Middle Eastern Forces Directly or Indirectly Affecting the Military Balance in the Gulf

Country	Main Battle Tanks						Combat Aircraft					
	73	79	82	84	88	92	73	79	82	84	88	92
Iran	920	1735	1110	1000	1000	1500	159	447	90	95	60	200
Iraq	990	1800	2300	4820	4500	4800	224	339	330	580	500+	530
Sub-Total	1910	3535	3410	5820	5500	6300	383	786	420	675	560+	730
Bahrain	0	0	0	0	60	90	0	0	0	0	12	18
Kuwait	100	280	240	240	260	300	34	50	49	49	80	95
Oman	0	0	18	18	39	60	12	35	37	52	53	70
Qatar	0	12	24	24	24	40	4	4	9	11	23	36
Saudi Arabia	85	350	450	450	550	700	70	178	191	203	226	239
UAE	0	0	118	118	136	160	12	52	52	43	65	72
Total GCC	185	642	850	850	1069	1350	132	319	338	358	459	530
North Yemen	30	232	714	664	683	700	28	11	75	76	73	85
South Yemen	50	260	470	450	470	550	20	109	114	103	68	120
Total Gulf	2175	4669	5444	7784	7722	9000	563	1225	947	1212	1160	1465
Egypt	1880	1600	2100	1750	2,250	1950	620	563	429	504	441	430
Jordan	420	500	569	750	986	900	52	73	94	103	109	136
Israel	1700	3050	3600	3600	3900	4000	488	576	634	555	586	530
Lebanon	60	0	0	142	90	120	18	16	8	3	7	21
Syria	1170	2600	3990	4100	4000	4200	326	389	450	503	478	490
Sub-Total	5230	7750	10259	10342	11226	11170	1504	1617	1615	1668	1621	1607
Algeria	400	500	630	700	910	1250	206	260	306	330	346	370
Libya	221	2000	2900	2800	2100	2300	44	201	555	535	544	550
Morocco	120	140	135	120	110	160	48	72	97	106	117	130
Tunisia	0	0	14	14	68	90	12	14	8	8	31	52
Sub-total	741	2640	3679	3634	3188	3800	310	547	966	979	1038	1102
TOTAL NEAR EAST	8146	15059	19382	21760	22136	23970	2377	3389	3528	3859	3819	4,174
Djibouti	-	-	-	0	0	30	-	-	-	0	8	15
Ethiopia	50	624	790	1020	750	900	37	100	113	160	138	150
Sudan	130	150	190	73	175	180	50	36	30	34	43	57
Somalia	150	80	140	240	303	300	100	25	55	64	71	72
Turkey	1400	3500	3550	3532	3700	3700	288	303	402	458	412	420
TOTAL OTHER	1730	4354	4670	4865	4928	5110	475	464	600	716	672	714

(1) Numbers are generally adapted from the IISS Military Balance, JCSS Middle East Military Balance, and SIPRI Year Book for the appropriate year. All estimates for 1994 are made by the author.

Table Two: Near Term Annual Trends in Arms Imports Impacting on the Gulf and Near East (In current $ millions)

	72	74	76	78	80	82	84	86	88	90	92	94
Gulf												
Iran	525	1,000	2,000	2,200	400	1,500	2,200	1,800	1,750	2,200	2,300	2,400
Iraq	140	625	1,000	1,600	1,600	4,600	7,700	4,500	4,800	4,500	4,500	4,600
Iran-Iraq Total	665	1,625	3,000	3,800	2,000	5,600	9,900	6,300	6,550	6,700	6,800	7,000
Saudi Arabia	100	340	440	1,300	1,800	2,600	2,600	2,400	2,400	2,700	2,900	2,900
Kuwait	5	10	80	300	40	110	390	500	550	600	640	690
Bahrain	-	-	-	-	80	5	40	80	80	70	70	75
Qatar	-	-	5	20	90	250	200	170	190	230	240	260
UAE	10	50	100	50	170	40	190	190	190	180	170	170
Oman	5	10	10	270	100	130	310	240	240	230	230	250
GCC Total	120	410	635	1,940	2,280	3,160	3,730	3,580	3,650	4,010	4,250	4,345
Gulf Total	780	2,035	3,635	5,740	4,280	8,760	13,630	9,880	10,200	10,710	11,050	11,345
Red Sea												
Sudan	20	30	50	120	100	170	110	80	120	140	140	140
Ethiopia	10	10	50	1,100	575	300	575	480	520	540	470	470
Somalia	20	90	100	240	190	70	70	80	100	100	110	120
North Yemen	10	10	20	90	550	240	100	220	240	260	280	290
South Yemen	20	40	40	140	240	50	90	90	110	120	130	140
Sub-Total	80	180	260	1,690	1,655	830	945	950	1,090	1,160	1,130	1,160
Levant												
Israel	300	950	975	900	825	950	675	1,200	1,400	1,400	1,550	1,600
Syria	280	825	625	900	2,700	2,300	1,500	1,200	1,500	1,800	2,000	2,400
Jordan	30	70	140	170	260	1,000	210	300	400	350	350	360
Lebanon	20	10	10	20	40	50	240	200	210	240	240	260
Sub-Total	630	1,855	1,750	1,990	3,825	4,300	2,625	2,900	3,510	3,790	4,140	4,620
North Africa												
Mauritania	-	-	20	30	-	10	20	15	20	25	30	30
Morocco	-	20	210	440	350	260	190	230	250	280	300	310
Algeria	10	20	320	725	525	1,300	525	700	650	650	720	750
Libya	160	330	1,000	2,000	2,200	2,900	1,800	1,400	1,800	2,000	2,300	2,300
Chad	-	-	10	5	1	3	40	75	75	60	60	60
Tunisia	10	10	10	35	140	60	140	280	300	310	320	330
Egypt	550	230	150	400	550	2,100	1,500	1,500	1,500	1,700	1,700	1,700
Sub-Total	730	610	1,720	3,639	3,766	6,633	4,215	4,200	4,595	5,025	5,430	5,480
Other												
Turkey	150	150	320	220	290	420	480	480	500	530	550	580
India	210	190	490	290	700	1,400	800	2,000	1,900	2,100	2,300	2,400
Pakistan	110	100	190	210	380	440	550	580	540	580	600	630
Afghanistan	20	80	50	90	10	160	400	200	230	230	250	250
Sub-Total	490	520	1,050	810	1,380	2,220	2,230	3,260	3,170	3,440	3,700	3,860
Total Region	2,710	5,200	8,415	13,869	14,906	22,743	23,645	21,190	22,565	24,125	25,451	26,465

Source: Author's estimate based on computer data provided by the U.S. Arms Control and Disarmament Agency. Data are historical through 1986. Estimates are provided from 1988 on. Figures represent current dollar value of actual deliveries.

THE LIMITATIONS OF THE IRAN-IRAQ WAR AND THEIR IMPLICATIONS FOR THE FUTURE

At the same time, the arms race and tensions in the Gulf have not led to uncontrolled conflict or instability. Even the Iraq-Iraq War has had important limitations. It has not had a major impact on the world oil trade, in part because of external military intervention, but in part because of a combination of excess supply and Iraq and Iran's need to export oil to live. Both Iran and Iraq have mobilized large military forces, but neither has mobilized for total war. The land conflict has been seasonal and has usually involved only part of the front. The air and missile wars have largely concentrated on military targets. They have done only limited damage to civilian life and economic targets. While the Southern Gulf states and Turkey have suffered from some aspects of the war, it so far has really only posed an important threat to Kuwait.

The war has also had limitations on an ideological level which have helped to prevent it from spreading into the Southern Gulf, and from impacting on states outside the region. Iraq's Ba'athist ideology has been a regional corpse for well over a decade. It is a convenient cloak for a pragmatic military dictatorship in Iraq, and does have considerable internal political and technocratic support in Iraq for what increasingly seem to be careerist reasons. Nevertheless, Arab Socialism seems to influence a steadily shrinking in the rest of the region. Similarly, Khomeini's Islamic Republic helped trigger a much wider Islamic revival, but it has since been an increasingly nationalist, Shi'ite and Persian movement. It has impacted on the Shi'ites in Kuwait and Bahrain, and to a lesser extent in Saudi Arabia and the UAE, but it has had the most impact in Lebanon for reasons which are largely external to the Gulf. Words like "Islam" and "Arab" are driving forces throughout the Gulf, words like "Khomeini" and "Persian" are not.

The end result of these conflicting trends is one where the Gulf can now follow one of two futures. The first is a future in which the Iran-Iraq War ends in a peace or de facto cease-fire as a result of a combination of Iraq's ability to defend, the resolve and political and economic actions of the Southern Gulf states, and Western naval intervention led by the U.S. The second future is one where Iraq is defeated to the extent that the Ba'ath regime collapses and Iran becomes dominant over Southern Iraq.

THE IMPACT OF A PEACE OR CEASEFIRE IN THE IRAN-IRAQ WAR

The first of these two futures now seems most likely, although it is impossible to predict precisely when the war will end. Iran does not seem to have to military resources or skill to conquer Iraq, or to drive the U.S. and its allies from the Gulf. It lacks the military resources to seriously threaten the Southern Gulf states, and does not seem to have any clear targets for internal subversion. It so far has shown few signs of being able to decisively exploit its huge advantage in manpower, and even its official statistics barely disguise the growing economic problems that the Islamic Revolution has done little to come to grips with.

If this future does occur, it will have a number of implications. These may be summarized as follows:

THE IRANIAN REVOLUTION, LIKE MANY REVOLUTIONS BEFORE IT, WILL HAVE TO FULLY INTERNALIZE NEW POLITICAL, ECONOMIC, AND IDEOLOGICAL SOLUTIONS ON A PURELY NATIONAL LEVEL

A peace or lasting cease-fire will mean that Iran's ruling elite will have to face the political, economic, and ideological problems and contradictions it has largely ignored since the start of the war. It no longer will be able to defer these challenges because of war or a messianic international mission. These challenges will be extremely difficult to meet. Much of Iran's higher eduction now consists of its students abroad. Its technical education and development, which were in a shambles during the last few years of the Shah's rule, are in chaos today. Iran now suffers badly from the most serious of Third World economic diseases, ignoring and mismanaging the agricultural sector. This suffering is compounded by the second most serious disease, unproductive and social destructive urbanization.

One has to be careful in interpreting economic patterns within Iran because of the lack of accurate data, but virtually all sources agree that both the agricultural sector and a water policy have been severely mismanaged. In spite of attempts at import controls, food and livestock imports have increased by roughly 70% in real terms since the fall of the Shah. They now run well over $2 billion a year, and would be substantially higher if they were not controlled.

Iran faces over-population, with a birth rate of 3.7% and a fertility rate of 5.6%. Its population is young, with more than half under the age of 21. Roughly one-quarter of the entire population has faced the educational and work skill

disruption caused by the war and revolution. Iran has declining oil reserves, which is critical in a country where oil and oil products make up 98% of all exports, and the problems inherent in the Shah's impossible infrastructure and development goals have been compounded by Khomeini's industrial neglect. Iran retains a cadre of excellent technocrats, but it may be years before the political situation allows them to function effectively.

There is no consensus as to the definition of an Islamic economy in terms of agriculture, trade, industrialization, oil policy, or social policy. The economic management of Iran is also now even more corrupt than under the Shah, and is considerably more chaotic. Quite aside from the public debate over Islamic socialism versus Islamic traditionalism, the creation of personal centers of economic power has added a strong element of technocratic feudalism that may be hard for any post-Khomeini leader to displace.

As for stability, one can only really argue from historical experience. There are no rules that say there must be a power struggle after Khomeini. There are no rules that say revolutions must be followed by an internal struggle for control and re-definition of the economy and society. There are no rules that say they have to lead to reaction, and to episodic attempts to blame outside states for internal problems or to export the revolution, regardless of whether anyone wants to import it. There are no rules that say the military must either be coopted or challenge the civil government for power, and there are no rules that say the instability inherent in mass popular revolution tends to last twenty to thirty years. These are, however, the historically most likely patterns of events, and make the efforts of area specialists to predict their futures based on short term trends and current personalities largely useless.

IRAQ IS MOST LIKELY TO STABILIZE AROUND TRYING TO SOLVE ITS INTERNAL ETHNIC AND ECONOMIC PROBLEMS, AND WINNING INFLUENCE THROUGH POLITICAL MEANS

It is by no means clear that Saddam Hussein and his immediate coterie will long survive victory. It is also by no means clear that anyone cares except Saddam Hussein. The real issue is whether Iraq will pursue a pragmatic course of trying to heal the ethnic divisions caused by the war, rebuilding its economy, and dealing with its neighbors on a basis of intelligent self interest. The answer is "yes, but..."

The Iraqi people do not seem to be in the mood for any further political or military adventures, and Saddam Hussein or his successors will face continuing tension and occasional border conflicts with Iran. Iraq will have strong economic motives to cooperate with the Southern Gulf states in oil and economic policy, particularly since Iraq will be in no position to succeed by intimidating them.

There may be friction over issues like Iraq's access to the Gulf. It is already clear, however, that a struggle with Kuwait over leasing or annexing Bubiyan or Waribah is not going to secure Iraqi access to the Gulf. The military shifts caused by the war mean that Iran will be able to cover all the waters, ports, and offshore facilities from the Neutral Zone south of Kuwait to the Iran-Iraq border with anti-ship missiles and/or mines. This may take improved missiles and sensors if Iran evacuates Faw, but Europe, the USSR, the PRC, or North Korea will unquestionably be happy to sell them. The riparian dispute over the Shatt al-Arab will not disappear in political or legal terms, but it has already lost all meaning in terms of security, and Iran's willingness to use force will steadily increase as Iran shifts its Gulf trade to ports lower in the Gulf and in the Gulf of Oman, and reduces its vulnerability to Iraqi retaliation.

From a trade sense, Iraq also has every incentive to concentrate on creating a stable oil export market and pattern of imports with the West. Iraq's natural trading partners are the oil importing states, and particularly the industrialized oil importing states. Iraq has nothing to gain from conflict with the West and Japan, or regimes like Jordan and Egypt, and a great deal to lose. Its key trading partners for imports are currently Japan, the FRG, Turkey, Italy, France, Brazil, and the U.K., and these patterns will only undergo limited shifts if the war ends. Iraq will remain dependent on the West for key consumer goods and more than half its capital goods through at least the end of this century, and is likely to remain a major food importer.

If it survives the Iran-Iraq War, the "wild cards" in Iraq's future are its ability to heal its ethnic divisions without a full scale war against its Kurds, the nature of the almost inevitable power struggle within the next five years as a result of the internal rivalries and tensions caused by the war, the risk of some form of new ideological ambitions or the emergence of a political leader with personal ambitions or rivalries with foreign leaders, and the spillover of the Arab-Israeli conflict. At least some of these factors are likely to cause regional

tension, but none of them currently seem likely to pose major challenges to regional stability. Iraq will, however, have to continue its arms race with Iran, and this will help drive other regional states to continue theirs.

Table Three: The Trends in Iranian and Iraqi Military Forces: 1980-1988

Force Category	1980/81		1987/88	
	Iran	Iraq	Iran	Iraq
TOTAL ACTIVE MILITARY MANPOWER SUITABLE FOR COMBAT	240,000	242,250	654,000-1,000,000	750,000-1,035,000
LAND FORCES				
Regular Army Manpower				
Active	150,000	200,000	305,000	955,000
Reserve	400,000+	256,000	NA	(480,000)
Revolutionary Guards/	-	-	350,000	-
Basij/People's Army	-	-	130,000	650,000
Hezbollah (Home Guard)	-	-	2,500,000	-
Arab Volunteers	-	-	-	6,000?
Division Equivalents				
Armored (Divisions/Brigades)	6+4	12+3	4?	5
Mechanized	3	4	3-4? (a)	3
Infantry and Mountain	0	4	7-11 (a)	10+9 (b)
Special Forces/airborne	-	-	1/1 (a)	11
Pasdaran/People's Militia	-	-	9-20	-/15
Major Combat Equipment				
Main Battle Tanks	1,740	2,750	900-1,150	4,500-6,150
Other Armored Fighting Vehicles	1,075	2,500	1,190-2,000	3,550-5,000
Major Artillery	1,000+	1,040	750-1,000	3,000-3,500
AIR FORCES				
Air Force Manpower	70,000	38,000	35,000	40,000
Combat Aircraft	445	332	60-118 (c)	500-592 (d)
Combat Helicopters	500	41	45	150-170
Total Helicopters	750	260	120-370	360-433
Surface to Air Missile Batteries (e)	-	-	12	70
NAVY				
Navy Manpower	26,000	4,250	14,500	5,000
Destroyers	3 (f)	0	3(f)	0
Frigates	4 (g)	1 (h)	4(g)	5 (h)
Corvettes	4	0	2	6 (i)
Missile Patrol Craft	9 (j)	12(k)	8-11(j)	8(k)
Major Other Patrol Craft	-	-	4-13	7-12
Mine warfare vessels	-	5	1	8
Hovercraft	14	0	6	0
Landing craft and Ships	-	17	8	7
Maritime Patrol Aircraft	6 P-3F	0	1-5 P-3F	0

(a) Estimates differ sharply. One detailed estimate of the regular army shows 7 mechanized divisions with 3 brigades each and a total of 9 armored and 18 mechanized battalions. Also 2 special forces divisions, 1 airborne brigade, plus eight Revolutionary Guard divisions and large numbers of other brigades and battalions. A recent Israel estimate says there are about 10 regular divisions and 20 Pasdaran divisions. The latest JCSS estimate shows four corps with four armored and 29 infantry divisions, plus 3 independent special forces brigades, and two airborne divisions. This is equivalent to 13 regular army and 20 Pasdaran divisions.

(b) Includes 5 infantry divisions and 4 mountain divisions. There are 2 independent special forces divisions, 9 reserve brigades, and 15 People's Volunteer Infantry Brigades.
(c) Includes 20-50 F-4D/E, 17-50 F-5E/F, 10-14 F-14A, and 3 RF-4E. Large numbers of additional combat aircraft are in storage due to lack of parts. Some Argentine A-4s and PRC or North Korean F-6 and F-7 may be in delivery. The number of attack helicopters still operational is unknown.
(d) Includes up to 7-12 Tu-22, 8-10 Tu-16; 4 FGA squadrons with 20 Mirage F-1EQ5 (with Exocet), 23 Mirage F-1EQ200, 4 FGA squadrons with 40-60 MiG-23BM/MiG-27, 3 with 75-95 Su-7 and Su-17/20, and 1 training unit with 12-15 Hunter FB-59/FR-10. There is 1 recce squadron with 5 MiG-25; and 5 interceptor squadrons with 25 MiG-25, 40 MiG-19, 150-200 MiG-21, and 30 Mirage F-1EQ. Figures for Mirage strength vary sharply according to assumptions about delivery rates and combat attrition. Typical estimates of combat helicopters are 40-50 Mi-24, 50-70 SA-342 Gazelle (some with HOT), 30 SA-316B with AS-12 and 44 MBB BO-105 with SS-11.
(e) The number of operational SAM units on each side is unknown. Many of Iran's 12 Hawk batteries are not operational. Iran also has extensive holds of SA-7s and some RBS-70. Iraq has shown very limited ability to use its Soviet made SAMs and some sites do not seem to be fully operational. Counts of Iraq's missile strength are controversial but Iraq seems to have roughly 20 SA-2 (120 launchers), 25 SA-3 (150 launchers), and 25 SA-6 batteries. It also has SA-7 and SA-9 units and some 60 Roland fire units.
(f) 3 equipped with Standard Arm SSMs. One Battle-class and two Sumner-class in reserve.
(g) Equipped with Sea Killer SSM
(h) 5 Lupo class with 8 Otomat-2 missiles and 1x8 Albatros/Aspide, plus 1 helicopter. There is 1 Yugoslav training frigate. (i) 6 Wadi-class Italian made 650 ton corvettes. Each has 1X4 Albatros/Aspide. 2 have 2 Otomat-2 and 1 helicopter each; 4 have 6 Otomat 2 SSMs.
(j) Equipped with Harpoon surface to surface missiles. No missiles currently available.
(k) Equipped with Styx missiles.
Adapted from various editions of the IISS: The Military Balance, JCSS, The Middle East Military Balance, and work by Drew Middleton for the New York Times

THE GCC STATES WILL MAKE MINOR IMPROVEMENTS IN THEIR COOPERATION, BUT CONTINUE TO PURSUE THEIR SEPARATE POLITICAL, ECONOMIC, AND MILITARY INTERESTS. THEY WILL CONTINUE THE ARMS RACE, BUT INCREASINGLY BE DRIVEN BY THE FORCES FOR INTERNAL CHANGE

The Gulf Cooperation Council states -- Kuwait, Qatar, Bahrain, Saudi Arabia, the UAE, and Oman -- find the GCC useful enough so that they are certain to continue it as a regional security framework. It is already clear, however, that it is far easier for them to agree on cosmetics than substance. Many activities, like cooperation in internal security, may already approached their practical limit. Cooperation may be improved in areas like tracking foreign labor and clearly radical subversives, but full cooperation in intelligence and in dealing with controversial radicals and movements is likely to remain limited to the occasional bilateral effort.

Ambitious efforts at military cooperation are unlikely to succeed. Saudi Arabia and Kuwait may cooperate in a rapid deployment force in the West, but the rest of the Gulf states will not. There may be some cooperation in maritime surveillance and air control and warning, but there is unlikely to be real cooperation in standardization and interoperability. Cooperative exercises and training are likely to remain more matters of form than substance. Once the

driving impetus of the Iran-Iraq War disappears, so will much of the rationale for making the kind of hard choices that go beyond purely national considerations, and which force the Southern Gulf states to trade their parochial national interests and national privacy for military effectiveness.

The Iran-Iraq War has had the effect of weakening many of the historical tensions and rivalries between the Gulf states, although the petty border confrontation between Bahrain and Qatar and the treatment of an attempted coup within the UAE show that such problems have scarcely vanished. It has not, however, create a real consciousness that the Southern Gulf state can only ensure their individual security through collective security. Kuwait and Saudi Arabia have been slow to cooperate on intelligence, air defense, and maritime surveillance data. Oman has tended to stand aside from Saudi Arabia. Qatar has remained relatively isolated, and the UAE remains divided over the wisdom of expanding its ties to the GCC, its relations with Iran, and its closeness to the West.

All of the individual Southern Gulf states retain different security interests, and all but Bahrain orient their economies towards states outside the region. They are oil exporting states which obtain virtually all their imports from outside the Gulf. Their trade relations are largely "vertical" in the sense that any given GCC state -- except Bahrain -- has far more to gain in economic terms from improving its trade with the major Western states and Japan than it has to gain from any conceivable form of economic cooperation with its neighbors. It is also too late for most Southern Gulf states to achieve significant savings or benefits from cooperation in economic infrastructure.

For all the usual rhetoric about Arabism, Islam, and regionalism, the one major area where the GCC states are likely to cooperate if Iraq survives the Iran-Iraq War is oil policy. Even here, their policy must be oriented towards external forces. The GCC oil exporting states all are thinly populated enough to be more interested in a stable pattern of interdependence with the West than in maximizing short term oil revenue to meet urgent social needs.

It does seem virtually certain, however, that Southern Gulf state will continue to feel threatened enough by its northern neighbors, and those to the south and west, to remain a major arms importer and retain military ties to Western suppliers. These ties will, in fact, be more important for most Southern

Gulf states than their ties to the GCC. They will affect far more of their force structure and military decisions, and create at least an implicit dependence on supplier countries to make the equipment work in time of war. Given an incurable need to substitute advanced technology for a lack of manpower, most of the Southern Gulf states will also be unable to reduce their dependence on foreign equipment and advice, even though they will gradually create significant pools of trained manpower and native military expertise.

THE WEST WILL LARGELY WITHDRAW FROM THE GULF WITHOUT HAVING ACCOMPLISHED ANYTHING TOWARDS IMPROVING ITS CAPABILITY FOR COLLECTIVE ACTION. IN THE LONG RUN, THE U.S. WILL REDUCE ITS POWER PROJECTION CAPABILITY. BRITAIN WILL LARGELY LOSE ITS POWER PROJECTION CAPABILITY, AND FRANCE WILL BE THE ONLY EUROPEAN STATE CAPABLE OF INTERVENING IN ANYTHING BUT THE LOWEST LEVEL WARS

The West has blundered into the Gulf, and it now seems likely that it will successfully blunder out of it. The initial failure of the key European actors -- Britain, France, Belgium, Italy, and the Netherlands -- to agree on any fully integrated or collective course of action has not been corrected and will not be corrected as long as Iraq survives the war or Iran shows continued restraint in attacking Western naval forces.

At the risk of being pessimistic, it seems likely that the current cuts in the British defense budget will seriously compromise British power projection capabilities over the next five to ten years. Like the Falklands force, the Armilla Patrol may well prove to be something of a last hurrah for Britain as a global power. Britain will remain a major advisors and arms seller, but may already have lost its ability to intervene in anything other than the most limited land and air struggle and may gradually lose it naval capability as well.

This leaves France and the United States. In the case of France, the key issue will be whether France can really afford the power projection capability it is now seeking. If it does buy its planned strategic lift, modern carriers, and new carrier aircraft, it will be the only European power that can seriously intervene in low-level Gulf conflicts. These, however, are big *ifs*, and the current thrust of European security is rapidly increasing France's need to concentrate its defense resources in Europe.

The U.S. is virtually certain to cut some of its carrier task forces, strategic lift, marine forces, and other capabilities for USCENTCOM. These cuts will be

dictated by budget pressures, rather than changes in commitments, but they will increase American reluctance to become involved in the Gulf. At the same time, however, the U.S. will retain enough power projection capability to stay the only Western power that can deal with a medium level war and help the Southern Gulf states cope with a major military threat from the Northern Gulf or a Soviet backed effort from the Yemens. Over-the-horizon U.S. forces will continue to be more important in ensuring the security of the Southern Gulf states and regional security, than on-the-horizon reinforcements from other states in the GCC.

As for the politics of Western action, there are few practical prospects for a move towards more effective collective action in Europe or the West. The U.S. and France will be forced to act on their own, and seek support later. Anything more than cosmetic consultation will be a recipe for paralysis and inaction. While paralysis and inaction are not always undesirable policies, they are not ones that intelligent nations need allied help to pursue. Terms like "Atlantic unity" and "European unity" will have the same regional effect as terms like "Arab unity": They will end up doing anyone who acts upon them more harm than good.

Finally, it is important to note that in spite of the "oil glut", Western economies are as structurally dependent on oil as ever, and that virtually all of the alternative fuel programs of the 1970s have failed to approach their goals in reducing Western dependence on oil imports. Given the fact conservation savings are reaching their limits, this will leave the West dependent on Gulf oil.

Similarly, most Western arms manufacturers and Western military forces are becoming more dependent on arms sales to sustain their economic rates of production, and technology base for new weapons developments, even though arms sales are declining in real terms. This will steadily increase Western competition to sell first line weapons systems to any buyer, and do so in spite of the regime or impact on Western power projection.

THE YEMENS AND THE RED SEA AREA WILL REMAIN A GROWING SOURCE OF LOW LEVEL TENSION, DAMPED LARGELY BY THE CIVIL CONFLICTS AND ECONOMIC CHAOS WITHIN POTENTIALLY MORE AGGRESSIVE RADICAL STATES

Given recent trends and civil war in the PDRY, Ethiopia, and the Sudan, the name Bab el Mandeb might just as accurately be applied to the entire Red Sea. Saudi Arabia and Oman are likely to face growing problems with the now

firmly pro-Soviet radical regime in Aden. The same is true of the YAR. Ethiopia shows no signs of breaking out of its mixture of civil war and national mismanagement, and the Sudan is rapidly becoming a regional basket case.

These Red Sea threats will impact on Somalia and Egypt, but it is unclear they will impact on the Gulf states. They would only be dangerous if the PDRY could take over the YAR, if the more radical Red Sea states could unite on effective action, or if a charismatic leader could successfully unite one of the radical Red Sea states. None of these conditions seems likely in the near future.

Table Four: Comparative Military Effort of Red Sea and Key African States Affecting Red Sea Security

	Defense Expenditure in 1986 ($Millions)	Arms Imports '81-'85 ($Millions)	Military Manpower	Battle Tanks	Combat Aircraft
Saudi Arabia	16,200	14,760	73,500	470-500	62-220
Oman	1,510	955	21,500	39	53
North Yemen	414	1,675	36,800	775-800	73-99
South Yemen	230	1,110	27,500	550	120
Sudan	440	560	58,500	175	43
Ethiopia	450	2,100	320,000	750-1,020	138-160
Somalia	146	365	65,000	293	71
Egypt	4,950	7,120	460,000	1,750	427
Libya	5,100	10,455	76,500	2,280	544
Israel	5,110	4,105	141,000	3,900	676
Chad	49	65	17,000	(65)	2
CAR	17	10	7,000	4	2
Zaire	45	150	51,000	50	20
Uganda	11	135	20,000	13	(6)
Kenya	258	300	13,350	76	26

Source: Adapted from the IISS, Military Balance, 1987/1988; ACDA computer data base for World Arms Transfers and Military Expenditures, 1986. Military data differ from text which is adapted to include information from other sources. Figures in parenthesis indicate country has similar equipment in form of lighter AFVs or armed training aircraft.

THE ARAB-ISRAELI CONFLICT WILL CAUSE SOME RISING TENSION BUT WILL NOT TRIGGER MAJOR REGIONAL INSTABILITY IN THE GULF

The Arab-Israeli conflict will also have an indirect impact on the Gulf. The rise of tensions on the West Bank is unlikely to lead to either an acceptable peace settlement or a major new Arab-Israeli conflict, but it is likely to

complicate U.S. efforts to create a stable strategic relationship with the Southern Gulf states.

The greatest single risk, however, is that the conflict on the West Bank will become intense and bitter enough to drag Iraq back into the role of a front line state, and to force the Southern Gulf states to provide massively backing for radical Palestinian movements to protect their own internal security.

It seems unlikely that Syria will ever be able to devote major resources to adventures in the east, but the problem of Jordanian and Egyptian stability will be critical. The Arab-Israel conflict could have far more impact on the West and the security of Western oil supplies, if either Egypt or Jordan came under radical or hostile rule or joined in putting military pressure on Israel. Such shifts seem unlikely, but they are by no means impossible.

THE END OF THE IRAN-IRAQ WAR WILL EASE KURDISH PROBLEMS IN TURKEY, BUT NOT ITS NEED TO MAINTAIN AND IMPROVE ITS MILITARY POSTURE IN EASTERN TURKEY

All of the nations in the Northern Gulf define "Kurdish freedom fighters" as sacrifice pawns that are useful in intimidating or fighting neighboring states, but which must be killed or disarmed the moment they no longer are useful. This pattern will continue in the future. The end of the Iran-Iraq War is almost certain to lead to more Iranian economic dependence on transit through Turkey and to a halt to overt arming and training of anti-Iraqi Kurds. Iraq is likely to return the favor, although both Iran and Iraq are likely to support low level Kurdish "freedom" efforts to use as levers against the other.

Iraq may talk with its Kurds, but it is unlikely that Iraq can reach a lasting arrangement with the various Kurdish factions challenging the government without resorting to force. This is particularly true as long as the current Ba'athist elite is in power, especially if First Deputy Premier Taha Yasin Ramadan plays a role in the negotiations. Some Kurds, like Talabani, may be realistic enough to be willing to compromise, but the more likely result is several bloody years of military pressure.

The Kurds in Turkey may be more realistic, although this is uncertain. In any case, the steady rise of the Kurdish problem and the build-up of Soviet air and land capabilities in the region, will lead Turkey to steadily modernize its land and air forces in the region. This will act as a regional deterrent and

stabilizing factor, although it will also lead to further Turkish military suppression of the "Mountain Turks".

THE SOVIET UNION WILL PLAY A LOW LEVEL SPOILER ROLE, WITH OCCASIONAL ATTEMPTS AT OPPORTUNISM ALTERNATING WITH EFFORTS TO WORK WITH THE WEST. MUCH WILL DEPEND ON THE COURSE AND AFTERMATH OF THE CONFLICT IN AFGHANISTAN

The Soviet Union is scarcely likely to abandon its regional ambitions in the area, and will continue to try to weaken Western influence in the Gulf or to win Western acceptance of a major Soviet role in the region. It will certainly attempt to expand its foothold in the Gulf in the PDRY, to exploit its ties to India in trying to reduce the Western presence in the Indian Ocean, and to influence the course of the Iranian revolution whenever it has the political opportunity to do so. It will remain a major arms seller, and it will continue to modernize its land forces and expend its air presence in the region.

This said, only a major victory in Afghanistan seems likely to lead to new Soviet willingness to take risks in Southwest Asia, and this seems unlikely. While some factions in Iran may turn to the USSR for support, no particularly faction seems likely to identify itself with the USSR or be willing to be a Soviet satellite. It also seems unlikely that the USSR would be willing to intervene in Iran, except for limited gains and in carefully defined ways, given its experience in Afghanistan.

This does not mean that the USSR will not try to expand its rail and commercial links to Iran. It may, however, be confronted by having to choose between being a major military supplier to Iran and Iraq. Such a choice would be an interesting one, and much might dependent on the Soviet calculation as to whether Iran was isolated enough from the West so that arms could be used as an important economic lever. Soviet efforts to court Iran will also be limited by the fact Iraq is likely to be the key customer in terms income from arms sales, which are the USSR's second largest export after oil.

Regardless of Glasnost, Gorbachev seems likely to play the "great game" of the Czars at a constant but relatively low level. The major wild card would seem to be either a major oil crisis in the Soviet bloc or the sudden rise of a Marxist and largely secular regime in Iran that called for Soviet support. These are potential risks, but they are not particularly likely ones.

AFGHANISTAN AND PAKISTAN WILL BE REGIONAL IRRITANTS, BUT NOT MAJOR SOURCES OF INSTABILITY

The India-Pakistan conflict has spilled over into the Gulf in terms of fueling Indian ambitions to be the major power in the Indian Ocean and in increasing Pakistan's tendencies towards instability. Neither factor seems likely to have a major impact on the Gulf, although the problem of Islam and ethnic divisions in Pakistan will interact with those in Iran.

The problem of Afghanistan is more serious. Unless the war is over when the Iran-Iraq War ends, Iran may well shift Guards forces and arms to Shi'ite and fundamentalist elements in the Afghan Mujahideen. The Iranian government has already been a strong backer of such elements, and has done a great deal to divide the Mujahideen and make them anti-Western. This has the positive impact of increasing the Soviet Union's problems in Afghanistan, and Soviet problems with Islamic minorities, but it has not helped efforts to reach a more stable and lasting peaceful solution to the Afghan problem.

THE IMPACT OF AN IRANIAN VICTORY

The second future, some sort of strategically significant Iranian victory, now seems unlikely. Iran did score some important strategic gains in seizing Faw in 1986, and performed well during its initial attacks on Basra in 1987. It could still launch a major offensive in 1988. By and large, however, Iran's problems in obtaining arms have grown worse during 1987 and 1988, if they are judged by its ability to sustain a massive land invasion of Iraq. Iran is having at least some manpower and financial problems, and Iraq has had time to build massive new defenses around its most threatened cities in the south.

It is also important to stress that any Iranian victory has to involve more than simply toppling Saddam Hussein, or conquering part of Southern Iraq, to have strategic significance. To impact on the region, such a victory has to give Iran sufficient control over Iraq to threaten long term control or influence most of the country. If Iran is to obtain significant freedom of action, its victory and control over Iraq must be perceived as complete enough by other regional states to be beyond challenge.

Iran will face significant military limitations in invading most GCC states unless it can somehow drive the U.S. and its allies from the Gulf. Iran is now a very weak naval and air power, far weaker than under the Shah. It has only

token amphibious capabilities and is virtually forced to move by land around the Gulf, rather than strike across it.

The U.S. and Europe may be limited in land power, but other Arab states could provide land reinforcements to the GCC states. The U.S. also has the ability to rapidly deploy naval and air power in large numbers against Iran. Further, Iran has not had recent supplies of aircraft or naval equipment and munitions, and will take one to two years to absorb any military aircraft and surface-to-air missile systems it captures from Iraq.

It is also far from clear that the U.S. is particularly vulnerable to being forced from the Gulf even if Iran does win the Iran-Iraq War. Withdrawing from Lebanon, in the absence of any clear enemy and reason to stay, is one thing. It is quite another to accept defeat in an area which hold 50% of the entire world's proven oil reserves. The U.S. has stood firm in the face of the attack on the *USS Stark*, and the embarrassment of the *Bridgeton* incident, and it seems unrealistic to over-estimate the impact of American domestic politics. In fact, it now seems unlikely that Iran can find any way to drive the West from the Gulf as long as Kuwait and Saudi Arabia want it to stay, even if Iran scores some major limited success against the U.S. and inflicts considerable casualties of the kind it did in supporting the bombing of the U.S. embassy and Marine Corps barracks.

As for perceptions and reactions in the Southern Gulf, virtually any major Iranian victory over Iraq will give it the ability to threaten Kuwait. Kuwait will also be an attractive target for several reasons. It is small and vulnerable. It is a difficult area for the West to project power. The ruling family has supported Iraq and deported many Shi'ites, and Kuwait has nearly as many proven oil reserves as Iraq and Iran combined -- roughly 13% of the total reserves in the world. Nevertheless, any major Iranian invasion threat to Kuwait would rapidly turn the war into an Arab versus Persian war, as well as into a war for the security of the world's oil supplies.

Iran may also find even part of Iraq to be more than it can successfully rule. It is far from clear that Iraq's Arab Shi'ites would particularly welcome liberation by Iran's Persian Shi'ites. Khomeini has not done a good job of preserving the religious ties he once had to most Iraqi religious leaders and many of those with whom he did attempt to preserve such ties have been

removed from the scene. If Iraq is 60% Shi'ite, it is also 40% Sunni and it is doubtful Iraq's Kurds an other minorities would welcome a pro-Khomeini regime.

There is, therefore, no real reason to assume that an Iranian defeat of Iraq would somehow trigger a domino effect throughout the Gulf. Such an event will certainly be threatening, but it is only like to be decisive in what is virtually a worst case scenario. If this future does occur, it will have a major impact on the regional interactions described for the future in which the war ends with a cease-fire or peace settlement.

IRAN MAY BE TEMPTED TOWARDS MILITARY ADVENTURES, BUT MAY FIND ITSELF INVOLVED IN A MAJOR MILITARY EFFORT TO MAINTAIN CONTROL OVER IRAQ, AND CONFRONTED BY AN ARAB AND WESTERN EFFORT TO CONTAIN IT. IT MAY CHOOSE TO CONCENTRATE ON IDEOLOGY, RATHER THAN MILITARY OPTIONS

Much of Iran's response to any victory over Iraq will be determined by the scale and cost of that victory. It seems likely, however, that any victory that resulted in the defeat of Saddam Hussein, and even a partial conquest of Iraq, would allow Iran's rulers to defer dealing with many of its internal issues for some years. A victory would be seen as a sign of the revolution's legitimacy in both political and ideological terms, and probably on a Messianic basis. Iran would be encouraged to make active and violent attempts to export its revolution, although such efforts would depend heavily on their cost, the internal stability of the occupied territories in Iraq, and the Western response.

As has been noted earlier, Kuwait is the most likely and tempting military target if Iran does risk military adventures. Iran is scarcely likely to challenge Turkey, Pakistan, or Syria, and lacks the resources to strike at the other Gulf states by sea. Much would depend on Kuwaiti resolve and willingness to act. If Kuwait delayed inviting in Western and external Arab support until it was actually attacked, it might well be too late for other nations to react. If Kuwait should immediately seek Arab land reinforcements, however, and allow U.S. or other air reinforcements to move into Kuwait , it might well be able to deter an Iranian attack. This would be particularly true if USAF reinforcements were allowed to deploy to Saudi Arabia and both the USAF and Saudi Air Force support Kuwait.

If Kuwait should be defeated, it is also far from clear Iran could move further. Kuwait has no strategic depth, but Saudi Arabia does. It acts as a shield to Bahrain and Qatar, as do Western naval forces. Iran would also have to move deep into Saudi Arabia to reach the Shi'ite portions of the Eastern Province, and this would involve logistic and support capabilities Iranian land forces currently lack. It is likely that Western, Saudi, and other Arab forces could check further Iranian expansion, although not without some loss of Saudi territory.

If Iran wins, it is also is almost certain to make further efforts at subverting other states. It is likely to expand its activities in Lebanon, Afghanistan, and Pakistan. It is virtually certain to put added pressure on Bahrain, and to seek to subvert from Saudi and other Southern Gulf Shi'ites. The issue of Islam, however, will become increasingly more complex as Iran attempts to put pressure on Sunni Arab regimes. There seems to be little reason to assume that a victory over Iraq will bring Khomeini anything like the support outside Iran that it will bring him within it. Even a "pro-Iranian" state like Syria is likely to be anything but happy if Iran achieves more than the fall of Saddam Hussein. The personality and ideological disputes between Syria and Iraq are one thing. A victorious Iran on the Syrian border is another.

Iran also will face the problem possible partition of Iraq. Some Turkish grab for northern Iraq cannot be ruled out, and any Iranian rule over the Sunni part of Iraq is virtually certain to create resentment and armed resistance. Those Kurds that are currently pro-Iranian may soon be anti-Iranian. It seems highly doubtful that Iran can tolerate more than a Kurdish puppet regime, and that only as a tool to keep a conquered Iraq weak and divided.

Arms sales and oil will also be critical issues. Most forms of Iranian military victory are likely to give Iran a massive pool of military equipment. It may take some time to absorb such equipment, but they could free Iran from dependence on arms sales for several years and allow it to build-up considerable air capability in one to two years. Nevertheless, captured equipment is a fragile reed to rest modern armed forces on, and Iran will immediately have to seek resupply of its forces. This raises the prospect of a possible Soviet-PRC-North Korean-Third World race to win arms sales and influence, with some European efforts as well. If Iran does not have free transit through the Gulf, however, it would be dependent on Soviet sales. Air transit of

major military supplies from the PRC, North Korea, or Third World nations is not practical.

As for oil, Iran is likely to seek to maximize its own oil revenues while trying to intimidate the Southern Gulf sales into minimizing their own sales and raising prices. Iran might also risk military action to pressure the Southern Gulf states to follow its lead in OPEC. The problem with this scenario is that Iran will be very vulnerable to Western naval action, and will face political and military problems in trying to use Iraq's pipelines through Syria and Turkey.

Oil could again influence Iran to turn to the USSR for added shipping facilities and oil export capabilities, but such schemes would at best be a limited solution because of limited pipeline and transfer capacity. The truth is that Iran is as vulnerable to attacks on its exports and imports as any Gulf state, and its large population leaves it with less ability to deal with a major embargo. Some form of oil/trade "war" seems likely to if Iran defeats Iraq, but it is far from clear that Iran will emerge as the victor.

IRAQ MAY DIVIDE IN THE FACE OF A MAJOR IRANIAN VICTORY, OR BE CONQUERED FOR A SHORT PERIOD. SOME FORM OF IRAQI REGIME IS LIKELY TO REASSERT ITSELF, HOWEVER, IRAN IS NOT LIKELY TO RETAIN LONG TERM CONTROL OVER IRAQI TERRITORY

Iraq's probable reaction to defeat has already been discussed. It seems likely that Iraqi and Arab nationalism are likely to turn out to be more important in the long run than any divisions between Iraqi Sunni and Shi'ite. Iran is likely to experience immediate problems in creating a friendly government even in Iraq's Shi'ite south and and may well find it impossible to occupy the Sunni north. A major new Iraqi Kurdish effort at separatism seems almost certain, and could have some success. It is unclear, however, that any form of "Kurdestan" could survive regional hostility and exploitation for more than a few years.

Put differently, the prognosis for a "conquered" Iraq is likely to be one where Iraq's people start low level conflict against Iran and any pro-Iranian regime. It is also likely to be one where a continuing low level civil war takes place among the major ethnic factions within Iraq, which may well impact on the Kurdish problem in Turkey and Iran.

THE GCC STATES ARE LIKELY TO DIVIDE THEIR RESPONSE, WITH THE UAE ACTING AS THE WEAK LINK. KUWAIT, BAHRAIN, SAUDI ARABIA, AND OMAN, HOWEVER, ARE LIKELY TO HOLD FIRM IF THEY RECEIVE SUFFICIENT WESTERN AND OTHER ARAB SUPPORT.

The Southern Gulf states have been described as weak and unstable for so long that it is worth pointing out that they are among the Third World's most stable survivors as states and regimes. Further, the Southern Gulf states have shown considerable recent resolve in the face of Iranian pressure and threats, in large part because they realize that there are sharp limits to dealing with Iran if they are to survive as independent regimes.

It seems unlikely, therefore, that an Iranian victory would produce a "domino effect" if the West and other Arab states showed sufficient resolve to provide the Southern Gulf states with military aid and support. Kuwait may be militarily weak, but it has immense financial resources to pay for outside support, and its ruling family and elite have no illusions about what it would mean to have Iranian troops on the border without reacting to give Kuwait added defense capability. Saudi foreign and defense policy has been accommodating only when it has been to Saudi Arabia's national interest to follow such a path. Oman has shown considerable resolve in the face of Iranian threats and pressure. Bahrain is shielded by the presence of the U.S. Middle East Task Force, and Qatar would not be directly threatened by an Iranian victory and is likely to follow the Saudi lead.

The UAE would be the weak link in the Southern Gulf security structure. At least three Emirates now actively trade with Iran. The traditional rivalry between Abu Dhabi and Dubai has contributed to the fact that Abu Dhabi's strong backing for Iraq is partially offset by Dubai's tilt towards Iran, a tilt joined by Sharjah and Ras al Kaimah. Even in the case of the UAE, however, it seems unlikely that the UAE would attempt active appeasement. Abu Dhabi continues to lead UAE defense and foreign policy, and all the Emirs are capable of judging the risks of becoming any kind of Iranian satellite.

THE WEST WILL WITHDRAW FROM THE GULF ONLY IF IT CANNOT ACHIEVE LOCAL SUPPORT AND COOPERATION. THE U.S. WILL COMMIT ADDED AIR AND NAVAL FORCES, AND SOME KIND OF LAND PRESENCE. BRITAIN AND FRANCE WILL ALSO CONTRIBUTE MORE FORCES TO DEAL WITH AN IRANIAN VICTORY

The long term decline in Western power projection capability projected for the earlier scenario is driven more by budget pressures, not a calculation that the West can afford to reduce its commitments in the region. In the short term, the West retains massive power projection capability.

This is particularly true of the U.S. The U.S. now has major staging facilities and prepositioning at Diego Garcia and in Oman. It can rapidly ferry several wings of fighter aircraft to the existing bases in Kuwait and Saudi Arabia, most of which already have considerable interoperability with the USAF. The U.S. can rapidly move two carrier battle groups and one battleship combat group into the region, and already has a major naval presence in being. While the U.S. would have more problems in deploying ground troops, it is important to note that it can rapidly build-up a major force of attack helicopters and heavy infantry which are well equipped for defensive warfare.

Britain and France can also still deploy significant air, specialized ground, and specialized naval forces. Belgium, Italy, and the Netherlands can reinforce with specialized units that would be of value in a naval conflict or low to medium level war.

The events of the last year have created a general consensus among the key actors involved that the West must act to stabilize the military situation in the Gulf. The core of an effective basis for multilateral action has been established without the paralysis and ineffectiveness that would be inevitable in a UN, "Atlantic", or "European" approach to such a security problem.

THE YEMENS AND THE RED SEA AREA MAY SEE SEEM ATTEMPTS AT OPPORTUNISM BY THE PDRY, BUT THESE ARE UNLIKELY TO BE SUCCESSFUL

The only radical or hostile Red Sea state that is likely to try to exploit an Iranian victory is the PDRY, and it is difficult to see how it can do so. The Shi'ite sects in the YAR have never shown any particularly sympathy for Khomeini and a secular pro-Soviet Marxist state is scarcely Iran's natural partner. At a minimum, however, the government in Aden seems likely to probe Oman and Saudi Arabia to see if they can be pressured into providing aid and to probe the

YAR for any weakness to PDRY influence or "unification". It seems unlikely that such efforts will have much success.

THE ARAB-ISRAELI CONFLICT WILL BE LARGELY SUBORDINATED TO MILITARY ACTION IN THE GULF

The Arab-Israeli conflict will probably have less impact on the Gulf if Iran wins. Israel is less likely to try to manipulate a victorious Iran than one that threatens and pins down Iraq. The U.S. is also more likely to bypass domestic political efforts that block its attempts to create a stable strategic relationship with the Southern Gulf states.

IRANIAN VICTORY WILL WORSEN THE KURDISH PROBLEM IN TURKEY, BUT TURKEY WILL RESPOND BY IMPROVING ITS MILITARY POSTURE IN EASTERN TURKEY, AND MAY SEIZE PART OF IRAQ

Turkey has long shown it is willing to act quickly and ruthlessly in its own interest. It has denied it would ever react to an Iranian victory by seizing part of Iraq, but it might well support a breakaway Iraqi regime in the Sunni part of Iraq. It also is likely to show even less tolerance for the Kurds if Iran wins than if Iran is forced to accept a cease-fire, and Turkey may well be willing to take reprisals against Iran for any continued support of the Kurds. Unfortunately for the Kurds, Turkey is more than capable of suppressing them, and will do so regardless of the time and amount of force required.

THE SOVIET UNION MAY TRY TO PLAY THE IRANIAN CARD. IT TOO, HOWEVER, WILL BE THREATENED BY AN IRANIAN VICTORY

The Soviet Union has already tried to capitalize on the U.S. intervention in the Gulf by courting Iran. It will continue to try to weaken Western influence in the Gulf by gaining influence over Iran whenever it feels it can do so. It will probably become a major arms seller to Iran.

What is less likely is that it can gain a major political or military foothold in a victorious Iran. While some factions in Iran may turn to the USSR for support, no faction will have much incentive identify itself with the USSR if Iran wins the war. It also seems very unlikely that the USSR would be willing to intervene militarily in a victorious Iran. The major wild cards will remain a major oil crisis in the Soviet bloc or the sudden rise of a Marxist and largely secular regime in Iran that called for Soviet support. These are potential risks, but they are not even less likely if Iran wins than if it loses.

AFGHANISTAN AND PAKISTAN WILL BE MORE THREATENED BY INTERNAL DIVISIONS OVER ISLAM

The chief impact of an Iranian victory over Iraq, and any broader Iranian success, will be to exacerbate the Sunni versus Shi'ite, and Islamic fundamentalist problems in both Pakistan and Afghanistan. Pakistan seems likely to try to be more accommodating to Iran, and to take a more Islamic posture, but not change its basic orientation towards the U.S. or the West.

The situation in Afghanistan will be more serious. Unless the Afghan conflict is over when Iran wins, Iran is likely to provide more support for Shi'ite and fundamentalist elements in the Afghan Mujahideen. These could become dominate, and divide the Mujahideen. This would again increase the Soviet Union's problems in Afghanistan, and its overall problems with its Islamic minorities. Iran might also so thoroughly divide an already divided Mujahideen as to cause their defeat. In any case, it could mean a victorious Mujahideen movement could be hostile to both the USSR and the West.

THE REGIONAL STRUCTURE OF CONFLICT

A great deal of the future regional structure of conflict in the Gulf depends on the outcome of the Iran-Iraq War. It is also clear, however, that it will take a truly catastrophic Iraqi defeat, and a considerable failure of resolve on the part of the United States, to create a structure of conflict that does lasting damage to Western interests. One has to be particularly careful about confusing the fall of Saddam Hussein and the current Ba'athist elite in Iraq, or the loss of Southern Iraq, with a critical increase in regional instability.

No matter what happens, many of the same forces for stability and instability will still apply. Ironically, many of the forces for regional stability are ones which do little to increase stability individual nations. These forces include:

- o Dependence on oil revenue and trade with the West, supported by growing population pressure for imports and reduced self-sufficiency, especially in agriculture.
- o Vertical trade flows that make the West , rather than neighboring states, key trading partners.
- o Dependence on arms imports and foreign advisory efforts.
- o Low population and military experience levels in many Southern Gulf states which increase dependence on the West.

- o Growing ability of the Southern Gulf states to work together towards common goals and objectives, and the creation of the Gulf Cooperation Council.
- o Limited local military competence, exacerbated by a lack of logistic and power projection capability.
- o Internal national ethnic and religious tensions that tend to paralyze efforts to export radical or fundamentalist movements.
- o Continuing tension between the two large Northern Gulf states that acts to limit the ability of either state to threaten the Southern Gulf states.
- o Geography which limits the ability of the larger Northern Gulf states to directly invade any Southern Gulf state except Kuwait.
- o Western ability, particularly U.S. ability, to deploy large amounts of naval and air power.
- o Geographic limits on the USSR's ability to deploy large amounts of military power outside Northern Iran.
- o The Islamic minority problem within the USSR and tensions between Iran and the USSR over Islam and Afghanistan.
- o Turkish pressure on Iran for stability, and ability to limit Soviet expansion.

For all the many sources of low level regional conflict, and for all the threats inherent in the Iran-Iraq War, the various forces at work in the Gulf create a considerable degree of military stability. The region's tensions and conflicts may not help individual nations or regimes, but many act to hold the region in balance.

Most Gulf states will probably face a greater future challenge in dealing with their internal problems than they do in dealing with external conflict. For all the ongoing arms race and conflict, the key uncertainties affecting the stability of the Gulf region may still be the impact of social and political change in individual Gulf countries.

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Oil and Development

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Introduction

This paper is expected to discuss to what extent and through which mechanisms the dramatic increase of oil income in the 1970's influenced political developments in the region, as well as the implications of the sharp contraction since 1982. To what extent and how has oil income helped to contain national and regional conflicts; to what extent has it created new sources of tensions?

Finally, the current management of the oil economies will be evaluated and contrasted to developments in those countries in the region that have little or no oil.

That oil income exercised a powerful influence on political developments in the Middle East is such an obvious conclusion that it lends itself to sweeping generalisations. Contrary to this tendency, I tried to avoid generalisations and look at the many differences between individual Middle Eastern states. Such emphasis on diversity is necessary if we wish to understand the real impact and direction of forces at play.

The evidence is strikingly mixed. On the one hand we have a set of countries which, in contrast to the period until approximately 1970, when they had experienced serious and traumatic regime changes, achieved substantial political stability in the last 15-20 years. In these countries, successions took place within the existing institutional framework, even in cases in which the previous ruler was assassinated, such as in Egypt and in Saudi Arabia. Although we shall mainly focus out attention on the Eastern Arab region, it may be noted in this respect that both the succession in Algeria and the recent exoneration of Bourguiba in Tunisia took place within the existing institutional framework. On the other hand we have at least two macroscopic examples of instability: the collapse of the state in Lebanon and the revolution in Iran; and at least one additional important case, being the collapse of the Numairi regime in connection with the continuing civil war in Sudan. Thus *prima facie* it is far from clear whether oil income has reduced or increased domestic political conflict.

On the regional level, we witness on the one hand the decline of revolutionary panarabism as a source of tensions, as well as the resolution or fading out of numerous border conflicts. Also, the signing of separate peace between Israel and Egypt has essentially ruled out a military solution to the Arab-Israeli conflict. Nevertheless, little substantial progress has been made towards a solution of that conflict, and the current no war-no peace situation is accompanied by periodical violent flare-ups. On top of this, an old border conflict between Iran and Iraq has taken an entirely new dimension, and now casts a shadow on political developments in the entire region.

Should we say that on balance there is now increased or decreased conflict in the region? Clearly, facts in this case do not speak for themselves. They need to be seen in the light of an interpretive paradigm that is capable of explaining both increased stability and increased conflict.

Oil and the Stabilisation of Rentier States.

Although some authors have recently stressed the substantial historical roots of a majority of the Middle Eastern states (Harik 1987) it seems evident that the consolidation and perpetuation of some of this states is very essentially due to the availability of oil revenue. Previously, the economy of these countries was too poor to support a proper state apparatus, and authority rested on fragile grounds (Luciani 1987: 64-5); this case can be made for Libya as well as for all the current members of the GCC, albeit with some differences within the latter group.

Thus oil certainly has contributed to the consolidation of several states in the region by providing an economic base for the existence of state apparatuses that otherwise would have had none at all, except foreign aid. In most cases it also contributed to a consolidation of their unity in the face of regional tensions: in Saudi Arabia it created a strong interest in the Hijaz to maintain association with the rest of the country, in Libya it overcame the polarisation between Tripolitania and Cyrenaica, and it allowed Abu Dhabi to keep most other former Trucial states within the United Arab Emirates; yet, the presence of oil in Mosul may have exacerbated the Kurdish conflict (but then there is no oil in Turkey, and Kurdish separatism is there as well), and certainly did exacerbate the civil war in the Sudan. Thus, oil was no panacea against regional tensions, but appears to have in most cases contributed to a reinforced interest in participation in a strong central government.

The states that were consolidated thanks to access to oil revenue display a peculiar nature: they are **rentier** states. The essential impact of oil production and exports is that they free the state from the need of raising income domestically. Being recipients of revenue which accrues to them directly from abroad, their main function is allocating the income that they receive from the rest of the world. On the contrary, whenever the income of the state is based on tapping the domestic economy through whatever assortment of fiscal instruments, the state can grow and perform an allocative function only to the extent that the domestic economy provides the income which is needed to do so. Hence the distinction, which I proposed elsewhere (Luciani 1987a), between 'allocation' and 'production' states.

The distinction carries political implications. In countries where the state is of the production type the largest part of the population derives its income from sources different from the state itself. Because of its need to rely on taxation, the state has an interest in expanding the income base on which taxes can be levied. Economic growth is the primary goal of the economic policy that all production states adopt: but no economic policy is neutral from a distributional point of view, and the polarisation of society into a variety of interest groups struggling to influence economic policy is a necessary corollary. Although the precise political implications of tax levying may vary according to the nature of the tax itself, in most cases the operation requires a large degree of acceptance on the part of the population. This establishes a link between the ability to raise taxes and legitimacy, which is captured in the saying 'no taxation without representation'. Although the immediate link between taxation and representative democracy may well not exist, as countless examples demonstrate, it is a

fact that whenever the state essentially relies on taxation the question of democracy becomes the unavoidable issue, and a strong current in favour of democracy inevitably arises. This is the result of the fact that people will naturally be induced to coalesce according to their economic interest, and those groups that find no way to influence the decision-making process in their favour claim appropriate institutional change.

None of the above is to be found in an allocation state. The state, being independent of the strenght of the domestic economy, does not need to formulate anything deserving the appellation of economic policy: all it needs is an expenditure policy. Because state revenue is the largest part of GDP, the simple act of spending domestically will maximise GDP growth. Because an allocation state only spends and does not tax , its expenditure policy can only indirectly damage some of its people; it will, on the other hand, usually be seen as benefitting everybody.

That benefits are unequally distributed is not as relevant for political life, because it is not a sufficient incentive to coalesce and attempt to change the political institutions. To the individual who feels his benefits are not enough, the solution of manouvering for political advantage within the existing setup is always superior to seeking an alliance with others in similar conditions. A lot of scheming may be expected to go on in allocation atates along the time-honoured pattern of court politics, but this will seldom, if ever, develop into a truly political debate.

What differentiates allocation states are the circumstances of the preexisting state structures which are turned into allocation states; as well as the ability of the ruler to master the allocative game. With respect to the former, the patrimonial Arab Gulf state is particularly adapted to be transformed into a stable allocation state. In the Arab Gulf countries "... A long tribal tradition of buying loyalty and allegiance is now confirmed by an *état providence*, distributing favours and benefits to its population" (Beblawi 1987: 53). In all Arab Gulf countries, the ruling families have mastered the allocational game well enough to keep themselves in power, displaying a skill which the Sanusi dinasty failed to command well enough. But in other countries, in which the state rested on foundations other than the distribution of favours along ethnic/tribal lines, the transformation of the state into an allocation state may fail to have a stabilizing effect.

This is the case of Iran:

> "...unlike many Middle-Eastern oil-exporting states, Iran started with a substantial agricultural and commercial economy, and the beginnings of an indigenous industrialisation before the oil economy took root and began to structure development. For this reason, the process of transformation of the Iranian state into a rentier state may have involved a more painful and prolonged experience of alienation for society compared to similar processes in some of the Gulf states, for example. In the latter cases, the new rentier states emerged on the basis of certain traditional structures, that is tribal/kinship networks. These networks provided a ready-made distribution network for the new wealth. Iran was quite different: the establishment of an oil state meant a progressive erosion of the traditional linkages between the state and civil society." (Najmabadi 1987: 218)
>
> "The final erosion of the traditional social base of the state occurred from the early 1960s when the Shah's developmental policies, in particular the land reform, undermined the landlords as a socially important and politically significant class and bypassed the bazaar and

> the traditional commercial interests in its attempt to foster a new economic elite with no political voice." (ibid.: 221)

In other words, the collapse of the Pahlavi state is due to the fact that, while being an allocation state, it did not concentrate on allocating the oil rent in order to acquire the most political support. It did, on the other hand, concentrate on promoting a program of aggressive industrialisation which exacerbated class conflict while pushing aside the traditional elite. In so doing, it created conditions whereby discontent was widespread and could be mobilized, while at the same time no effective social force was ready to support the state. It would be extremely interesting to contrast the Shah's policy with the economic policy of the Islamic Republic: this is however effectively impossible because the war distorts the picture beyond repair.

What is important to note here is that conditions similar to those in Iran are found in other states as well, and this may contribute to explain the limitation of the stabilizing effect of oil revenues on countries such as Egypt, Sudan or Syria. But before we come to these, the question of regional circulation of oil rent must be introduced.

Regional Circulation of the Oil Rent

If oil revenue had a consolidating effect on certain states, which easily turned into allocation states, and a destabilizing effect on others which did not master the transition as effectively, this all happened well before 1973. The transformation of the Gulf Arab states as well as the undermining of the traditional Iranian elites began already in the previous decades, and should not be attributed to the sudden increase in oil revenues that took place in the '70s. The latter simply reinforced and strenghtened existing processes, but did not change their direction.

It is at the regional level that the jump in oil revenues caused a drastic qualitative change, by shifting the regional balance of power from the production to the allocation states, and leading to "the new belief that power grows, not out of the barrel of a gun nor out of the appeal of a revolutionary leader or movement, but out of an ample state Treasury" (Kerr, 1982).

There are four main mechanisms through which the impact of oil revenue was felt in the production states with little or no oil revenue:

a) for countries having a modest oil production or commanding important transportation infrastructure, oil and/ or locational rents became an important source, while they had been marginal before;
b) the larger oil producers extended direct grants;
c) the increased perception of the strategic importance of the region created the opportunity to receive vastly increased aid from donor countries outside the region;
d) accelerated domestic expenditure in the major oil producers greatly increased demand for immigrant labour and consequently the size of migration-generated financial flows also increased dramatically.

There is a substantial difference between the former three mechanisms and the last one: the former are official transfers leading to increased revenue of the state as such, while the last generates unofficial transfers that are controlled by private decisionmakers - the migrants or those who are otherwise in a position to benefit from migrants' remittances (e.g. financial intermediaries). *Prima facie* we may expect that

official transfers will reinforce the state and contribute to stability, while the case is lass clear with respect to remittances.

Indeed, it is easily seen that in most cases official transfers did contribute to stability. This is seen if we consider a summary "map" of these transfers:

a) the following states (other than the Gulf producers, Libya and Algeria) received considerably increased revenue because they are oil producers: Syria, Egypt, Tunisia;
b) Egypt, and to a lesser extent Syria and Tunisia also benefitted from other locational rents (Suez Canal tolls and pipeline transit fees);
c) Syria, Jordan, the OLP and Egypt until Camp David received substantial direct subsidies from the Gulf states, amounting, in the case of Jordan, to more than 50% of total state revenue in certain years; other Arab states received much smaller grants, except possibly Yemen (YAR), whose subsidy from Saudi Arabia also accounted for a very significant part of the total state budget;
d) Israel and Egypt, following Camp David, were the recipients of very substantial US transfers and loans, while Syria received military aid from the Soviet Union (although in fact the aid content of Soviet arms sales may not have been very substantial).

It appears that access to external sources of revenue has in practically all cases strenghtened the man in power and reduced the need for democratic legitimation. If deprived of external sources of revenue the regimes in Jordan and the YAR, or the PLO leadership might have had considerably greater difficulty in maintaining themselves in power. In the cases of Syria and Egypt I believe the same to be true, but admittedly these are more complex cases. In the case of the PLO, opposition remained vocal because it too had direct access to external sources of revenue. The same, of course happened in Lebanon, where militias and warlords, rather than the state, had access to external sources of revenue. I find very significant that a deeply democratic country such as Israel has experienced a militarist temptation, as played out by Gen. Sharon, at a moment in time in which the role of regional watchdog of the United States appeared to offer access to increased external revenue, and the only way out to a difficult economic crisis. Hence, I find evidence supporting the proposition that access to external sources of revenue reinforce or breed authoritarian tendencies and state autonomy.

One could point to the Sudan as providing the exception to the rule. Numairi tried his best to attract external revenue, succeeded to some (little) extent, and fell nevertheless. His downfall was mainly due to the combination of a civil war and a dramatic economic crisis; the latter was due to the civil war itself, to the effects of the Sahelian drought and to pervasive policy mistakes. The revival of the civil war was certainly to some extent connected to Numairi's attempts to attract larger subsidies from abroad, especially from Saudi Arabia, which led to a disastrous alliance with Islamic fundamentalists and to enactment of Shariah legislation - which was of necessity totally unacceptable to the population in the South (An-Naim 1986). Had he in fact succeeded in attracting large subsidies, enabling the regime to weather the economic crisis with increased imports, he may have survived the civil war. In short, it is difficult to say whether Numairi was a victim of the lure of oil money, of the fact that he in fact got very little of it, or simply the victim of himself. Yet it is very significant that his downfall was brought about by a strong popular movement in favour of democracy. The democratically elected government has solved none of the problems: the economy is still in shambles, liberalisation of prices and payments has not proceeded far enough, and the civil war is still there; yet the government of Sadiq al Mahdi enjoys democratic legitimation.

Morocco is another contrasting case, because the state there had practically no access to oil rent: expect for a short flare-up in phosphate prices in 1973-74, which led to an excessive increase in public development expenditure, the government always was severely short of money. It also engaged in his own civil war, which is generally deemed to have added to its popular support, but certainly is a drain on the Treasury. Quite significantly the king succeeded in stabilizing his position, which had been seriously challenged several times in the previous decade, by staging a process of slow and controlled democratisation. Hence Morocco was a forerunner of a situation that other countries have come to face more recently, as a consequence of the decline in oil prices, and suggests the hypothesis that fiscal difficulties may lead to some degree of democratisation.

The Unofficial Channels of Rent Circulation

For some countries, unofficial transfers have been as important as official transfers, and in some cases even more so. Syria, Jordan, the West Bank and Gaza, Egypt, the YAR, Sudan, Tunisia, Algeria, Morocco: all are major recipients of remittances essentially linked to migration. How did these affect the political order?

Remittances have a positive effect on the balance of payments, and make it possible to run a larger trade deficit, improving the availability of goods within the country. The macroeconomic picture is correspondingly improved. Migration also offers an alternative outlet to large numbers that would otherwise remain totally or partially unemployed, and allows them and their families to reach levels of income they could previously not even dream of. Undoubtedly, this may make the task of any government easier. The microeconomic picture, so to speak, is thus considerably, if unevenly, improved as well.

However, it still is true that migration and remittances are essentially societal phenomena which escape the control of the state, and weaken the state's autonomy. In fact, notwithstanding the attempts on the part of some of the sending countries to regulate and control migration, the latter has taken place essentially spontaneously. Although receiving states may appear to have been relatively more successful in asserting their political control over migration flows, time will tell that facts are quite different from superficial appearances.

Sending countries soon find out that remittances must be encouraged. This has profound implications: it either requires a liberistic economic policy, allowing considerable freedom in international transactions and in domestic capital markets and prices (especially agricultural prices); or it requires the creation of special regimes within an existing interventionist set of policies. The former solution is found in countries such as Jordan, Morocco, to a lesser extent Tunisia. The latter is represented mainly by Egypt, Sudan, Syria. In the former countries the state has willy-nilly restricted its role in promoting development, and used economic levers to promote political instruments only within the - generally tight - limits permitted by the budget. It is easy to see that none of these states genuinely believes in the merits of liberist policies, as is shown by the fact that they do resort to controls of capital movements, to administrative fixation of some prices, to consumption subsidies; yet, they know that they cannot afford even worse distortions. On the other hand, Egypt Sudan and Syria make massive political use of economic policy: key prices are fixed, terms of trade are manipulated against agriculture, politically sensitive consumption items are subsidised, capital markets are regulated and interest is kept artificially low, and investment

decisions reflect political criteria. Migrants would not remit their income under these circumstances were they not granted special privileges and exemptions: starting from the so-called "own imports" system, these privileges gradually led, through successive modifications, to the domestic circulation of the US dollar as a parallel currency in both Egypt and the Sudan, substantially undermining one of the basic attributes of sovereignty - seignorage. The need to recover control over monetary circulation, more than anything else, has inspired the changes which occured in Egyptian monetary policy during the last year, which still fall short of the required domestic liberalisation.

A heated debate has developed on the pros and cons of migration with respect to economic development: while this too is important, I find that it is less so than the political effect of migration on the states' ability to control their respective economies. It is a fact that, while before 1973 the Arab countries were strongly polarized in two camps, one adopting interventionist or "socialist" policies, the other following market oriented or "capitalist" policies, the massive inflow of oil revenue has considerably reduced such polarisation. It has done so because most of the "socialist" countries happened to be net sources of out-migration, while most "capitalist" countries happened to enjoy a considerably increased oil rent. As a consequence the former were obliged to move towards liberalisation, while the latter in fact engaged in massive state intervention in the economy. Exceptions are interesting: Libya, a socialist with oil, has not liberalised, while Iraq has belatedly done so because of the war; and the Moroccan state would probably love to be as interventionist as, say, Saudi Arabia, but cannot afford to. But exceptions aside, one sees a convergence of Arab economic policies that will certainly, in the long run, play a role in regional relations and in prospects for increased economic integration.

From Rentier State to Rentier Society

Hence it appears that the regional circulation of the oil rent had quite different effects depending on whether it took place through official or unofficial channels. Circulation through official channels generally reinforced the state and increased its autonomy from society; while circulation through unofficial channels did primarily reinforce society, and reduced the state's room for independent manouver.

But this is not the only way in which the sudden increase in oil revenue affected society in the Middle East. With a paradigm that runs parallel to the notion of rent-seeking society (Krueger, 1974), the notion of rentier economy has been proposed, one defined as being qualitatively dominated by the circulation of rent accruing from abroad. In this respect it is less important whether oil income accrues directly to the state or indirectly through unofficial channels; what is important is that the sudden inflow upsets all established parameters and expectations in economic life. "... Such an economy, writes Hazem Beblawi (1987), creates a specific mentality: a rentier mentality. The basic assumption about the rentier mentality and that which distinguishes it from conventional economic behaviour is that it embodies a break in the work-reward causation. Reward - income or wealth - is not related to work and risk bearing, rather to chance or situation." The overwhelming importance of the rent and the strong element of chance involved in gaining access to it destroys the drive to work productively. Private interest encourages speculative or opportunistic attitudes rather than dedication to work. A Kuwait University professor used to ask me: how can I expect these boys to make the effort and learn something, when they can make more money

by spending the time of the lecture at the Souk al Manak, than I have made in all my life?

Exaggerations of extreme wealth accumulation were not common everywhere - and in a sense they were not common in Kuwait or Saudi Arabia either, to the extent that only a small minority hit the jackpot. Nevertheless the effect on mentality and on a whole generation's approach to work and development was affected. Even in the non oil countries, such as Egypt, the luster of the engineer declined and the star of the importer rose. "The semi-rentier nature of non-oil states is not without its effects on the role of the state and on citizens' behaviour. Government favours are now embodied in a welfare doctrine. Subsidies of all kinds pervert the economic system. A huge bureaucracy, sort of a new rentier class, is getting a substantial slice of the government's accrued rent. Though individually very low-paid, civil servants as a social group are a very expensive element in view of their contribution to the country's productivity... It is also interesting to see how each source of external rent has bred its own chain of second-order rentiers. In Egypt, for example, a prosperous trade has been developed around workers' movement to the Gulf. Also, money dealers have grown immensely to process workers' remittances. American aid helped create a flourishing consultancy - legal, technical, economic, etc. - business to prepare proposals for aid consideration. A new social class - lawyers, consultants, financial analysts, lobbyists, brokers, etc. - is on the rise everywhere." (Beblawi, 1987: 61-2).

We do not know to what extent the corrupting effect of the oil rent has destroyed society's drive to develop: indeed some would claim that the latter never existed in some of the Middle Eastern countries, and others will argue that with the decline of oil prices 'engineers' are staging a comeback.

Indeed, it would be a mistake to underestimate the social and political strenght of the 'engineers', i.e. of that component of the New Middle Class (Leca, 1988: 166-8) which is predominantly associated with the creation of productive capacity in a state sector. While this class has up to now been unable to address the problem of economic efficiency, it can claim to have brought about the most significant transformations in the economic structure of the Arab countries, and has succesfully resisted (e.g. in Egypt) the process of surreptitious privatisation of the public sector which had begun under the banner of *infitah* (Waterbury 1983: 138-9). Is this resilience associated with the fact that oil revenue has in fact soon started to decline, undermining the ascent of the new traffickers?

The tendency towards increasing privatisation remains strong in many countries, and in some cases the *nouveau riches* are turning into an industrial bourgeoisie, albeit one that, for the moment, has not the strenght to engage in anything more than small-scale production (on Algeria, Syria and Iraq: Leca, 1988; on Saudi Arabia: Chatelus, 1987). But I see no reason to rule out that a rentier circulation may gradually generate a true national bourgeoisie, initially engaged in small-scale undertakings and later growing into more substantial enterprises. In the past I have argued that "Thanks to large scale migration a process of primitive accumulation of unprecedented scope is underway in Egypt" and predicted that "Egyptian return migrants will invest in small self run enterprises both in the countryside and in the city" (Luciani, 1984: 108). Recent empirical work appears to belie the latter expectation (Sabagh, 1988: 162). Thus it may be that the original sin of migrants remittances - their being a partially rentier income - prevails in their final destination and prevents them from being channelled into productive investment. But I still find the alternative explanation more convincing: migrants' wealth has not been productively invested in the countries of

origin because the latter still maintain punitive economic policies (in particular: distortions in the financial markets).

More generally, the sudden inflow of oil wealth has been credited with causing fundamentally important changes in the 'Arab social order' (Ibrahim). Cynicism, alienation, loss of identity, chaotic change, servilism, dependence and Islamic fundamentalism: hardly anything has not, in one way or another, been blamed on the sudden increase in oil revenue. None of these linkages is to be denied: but quite often we tend to attribute excessive importance to specific developments, ranging from the introduction of the steam engine to that of TV or of the personal computer, which are less important *per se* rather than as episodes in the broader context of the continuing process of technological and economic transformation. Which has been more important in the making of the Iranian revolution, oil money or the cassette tape player? Unless we keep our attention closely focussed on the specific political and social mechanisms through which the oil rent is circulated, we run the risk of treading muddy waters out of which little solid analytical thinking will emerge.

Political Consequences of Declining Oil Revenue

The decline in oil revenues faces the Middle Eastern states with a fiscal problem of different intensity. The situation is highly critical for both Iraq and Iran, which face sharply reduced revenues while the war continues to absorb large sums of money; but it is less so for most other states. At the opposite extreme, most smaller Arab Gulf producers have been able to draw on reserves and cut down on expenditure quite substantially, and do not face an immediate threat to their financial stability. But the largest group, ranging from Saudi Arabia to Syria, faces the need to raise taxes as well as cutting down on expenditure, and this may lead to important political consequences.

The current situation in Saudi Arabia is particularly interesting. At the beginning of January 1988 the government introduced a new budget, which on the one hand substantially cuts down on expenditure, and on the other announces the sale of government bonds to finance the expected deficit. While the bonds may be of the zero-coupon kind, possibly more acceptable to Islamic eyes, they will nevertheless need to be repaid, implying that either oil revenues are expected to increase or taxes will be raised on the domestic economy. Indeed, import duties were also raised, and a few days later the government suddenly announced that the old legislation subjecting expatriates to income tax, which had been abolished in 1975, was back in force. Faced with massive resignations on the part of key expatriate personnel, the government was obliged to withdraw this ill-conceived bit of fiscal policy within two days: but the problem is there.

The situation is interesting because it raises immediate political implications. The Saudi government cannot tax the 'volatile' expatriates, that came to Saudi Arabia for a short period of time essentially as a function of some income objective: either their net income is unchanged, or many will leave. Practically speaking this means that a tax on them is rapidly passed on to their Saudi employers. They cannot, at the same time, tax Saudis exclusively, because most of the Saudis are government employees, and an income tax on them is not very much different from a decrease in government salaries (or a devaluation of the Saudi Riyal, which amounts to almost the same and is more elegant). A meaningful income tax must encompass the settled migrants while excluding the short-term migrants: but even mentioning this distinction in Saudi Arabia raises political problems.

At the same time, even if some form of direct taxation is introduced in Saudi Arabia (the less painful alternative of implementing indirect taxes could be tried first) the Saudi state will remain essentially based on oil revenue for many decades to come, and is unlikely to change its rentier nature. But in other countries the shift in revenue composition is a qualitative one, and the State is gradually coming to rely essentially on domestic taxation. Interestingly, Morocco is the one Arab state that has made the most consistent effort at improving its fiscal capability (Oualalou 1987: 181-86). In the Middle East, Jordan has also recently reformed its income tax system (Gharaibeh 1986: 62-70); and in Israel reliance on domestic sources of income, among which direct taxation always was prominent, has increased in the context of the economic stabilization plan adopted by the national coalition government. But in other countries substantial developments are failing to materialize.

A retrenchment in the definition of the responsibility of the state is visible in most countries. If, as we mentioned, privatization plans have made little progress, neither has the state taken additional burdens on its shoulders. The fact that state enterprises are generally making losses certainly influences several governments' revisionist approach to socialist ideology (Algeria, Syria). This sets in motion a process of economic liberalisation which inevitably leads to a parallel demand for political liberalisation.

From a political point of view, it is likely that progress in the direction of modernisation of the fiscal system will occur only if it takes place with some parallelism in all Arab countries. It is difficult for individual states to adopt a more modern fiscal system and fight against pervasive evasion, when in neighbouring countries, that are linked by a plurality of economic ties, nothing of the sort takes place. A substantial reinforcement of fiscal instruments of the rentier states would cause a modification in their nature: but this is not, *per se*, a good reason to expect that such a modification will not take place, although it is clear that it would raise more than one problem and meet more than one obstacle. The issue is closely connected with the question of legitimation and to the development of democratic institutions. It is a recurring historical truth that demands for democratic participation become louder, sometimes unrestrainable, whenever the state must ask for sacrifices, be they under the form of increased revenue or reduced expenditure.

Thus it is clear that the Arab states are heading towards important modifications in their public finance, which will entail important modifications in the rules of the political game. It is quite possible that they will re-emerge stronger out of this difficult juncture. To the extent that they succeed in strenghtening their domestic bases and reducing reliance on external support, this will indeed be the case.

Oil may become cheaper, but rent will not disappear from Arab politics as a factor shaping equilibria and rules of the game. Some of the smaller Gulf states (but not all of them) simply lack the resource base or minimum conditions that would allow them to become significant agricultural or industrial producers. Their lifestyles are inextricably tied to oil and the rent it generates, and they can credibly outlive oil only if this rent is permanent.

For these countries, a reduction in rent revenue accruing to the state necessarily implies a reduction in expenditure, but is not likely to imply a significant reduction in dependency on rent, because alternative sources of revenue are meagre.

The situation is different for the countries in which the state has access to some rent, but alternative sources of domestic taxation exist or may be developed. For them, the

question is which political conditions would permit a transition from a rentier state to one based on democratic legitimation.

It is almost inevitable that this transition will be difficult. Power structures based on rent are well entrenched, and the decline in available rent will be widely felt in the population, which may precipitate protest and disturbances that states are accustumed to dealing with heavy-handedly. Yet it is notable that such protest has in fact been not as pervasive as many expected in the last couple of years, showing that under appropriate political conditions the population may be willing to sacrifice.

The Current Management of the Oil Economies

How well have the oil economies been managed? This is a difficult question to address. On the one hand the massive transformation in lifestyles that the population of these countries has experienced thanks to oil is so obvious that one may even tend to forget about it. On the other, as one drives along little travelled six-lane freeways across overgrown urban centers in which marble-tiled individual housing units alternate with desert, rock and dust, one is reminded of the age old *memento*: *quia pulvis es et in pulverem reverteris*.

One cannot deny that development has occurred. Not only income has grown, but investment has taken place and new production capabilities created. And yet, it is not clear that this growth and diversification will be capable of outliving oil, and some would claim that if all inputs were accounted for at replacement cost and at international prices, then value added would turn out to be negative across the board. The case of Saudi agricultural production is emblematic: according to World Bank statistics, Saudi Arabia has realized the fastest agricultural growth in the world over the decade 1974-84, and is today a net exporter of wheat, being capable of producing twice its domestic needs. Yet, this was made possible by a policy of pervasive input and price subsidies, and it is not clear that Saudi production could ever compete internationally. The latter may not be a terribly impressive argument, given the EEC record in this respect; but, more substantially, the increase in Saudi agricultural production is based on intensive utilisation of fossile water deposits that cannot be replaced, and there is currently no idea of how it will continue once those deposits are exhausted.

If we reason along these lines, then we come to the conclusion that there is practically no economic activity worth pursuing in the Gulf countries. The comparative advantage of these countries is simple oil production and nothing else, and the first best solution for their inhabitants is to sell the oil and move elsewhere. "The glory that was Araby", titled the Economist (June 27, 1987: 13-4) in a negative assessment of Saudi growth that went back to the days when Saudi money could buy several of the largest corporations quoted in the Western stock markets; the idea being that had they done that, instead of investing in developing their native desert, the glory would still be on Araby's side:

> "This has been the fastest foozling of an investment opportunity ever. Immediately after the oil-price rises of 1973-74, Saudi Arabia and some of its Opec allies were raking in foreign exchange surpluses at about $115,000 a second. At 1974 prices, they could have bought the equivalent of all four British clearing banks every 11 days, or all the equities on the London Stock Exchange after nine months. (...) With 12.8 years' worth of those net oil earnings, they could have bought an annuity of $115 a week for every adult Arab, including homeless Palestinians."

Eliyahu Kanovsky's (1986) follows a similar line of reasoning. The title of his paper ("Saudi Arabia's Dismal Economic Future: Regional and Global Implications") is quite telling, and so are some of the statements: "I also postulate, he writes, that the Saudi economy will continue to be overwhelmingly dependent on oil revenues. In other words, their attempts at economic diversification will not yield any significant fruits in the foreseeable future.." Why so? Kanovsky's argument is that "The "Achilles Heel" of the Saudi economy, as a whole, and of its industrial sector, in particular, is the woeful inadequacy of its national labor force...". As a consequence "the prospects for success of the industrialisation program appear to be dim...". That industrialisation may take place on the basis of immigrant labor is a possibility which Kanovsky simply does not consider.

Agreement or disagreement with these assessments is not a matter of factual information, but one of assumptions. The Saudi will to industrialise and develop must be accepted as a politically motivated starting point which may be irrational from a strictly economic point of view but must be respected as such. The Arab Gulf countries are certainly not the only ones that could be more easily "resettled" than "developed"! The question is rather: is development feasible?

The answer to the latter question must logically be in the affirmative, provided an appropriate exchange rate policy is followed. Saudi import-competing production has appeared to be very uneconomical, and the recession induced by the collapse in oil prices was deeper than necessary because the Saudi government has been following an ill-conceived exchange rate policy based on a dollar peg, which led to significant real effective revaluation of the Saudi Riyal in 1983-85, at a time when a devaluation was needed. The revaluation worsened the underlying Dutch disease problem that affects all oil exporting countries, and negatively affected the domestic sector's ability to compete with imports, especially since the economy was kept essentially open to imports and a minimum of protection was offered to domestic producers.

However, since the last quarter of 1985 the progressive decline in the value of the dollar relative to the European currencies and the Yen has dramatically changed the competitiveness of the Saudi domestic producers, and what evidence we have available tells us that they are now doing rather well. The level of domestic prices, especially rent and real estate, has decreased significantly from the early '80s, and so is the level of wages, in particular of imported labour. Overall, it appears that the Saudi private sector is now positively reacting to the new challenges, and growing.

The devaluation in the Saudi Riyal, of course, implies a reduced purchasing power of the Saudi population in terms of imports. Because the latter are very important in the definition of the standard of living of the Saudis, a devaluation implies a significant worsening in that standard of living. Yet, it has been accepted as a necessity, or possibly as something which is outside the control of the Saudi government. The latter may be the reason why the Saudi monetary authorities insist on keeping a close link with the dollar: but it is important to understand that, if necessary, the option of further devaluation is open to the Saudi government. One by-product of devaluation is that the Riyal value of oil revenue is increased, and the budget is therefore strenghtened. Another by-product is that price subsidies, e.g. for agricultural products, can be trimmed down.

While clearly errors have been made in the past - most notably an excessively rapid increase in domestic expenditure in the early 1980s - and are still made at present - the aborted fiscal reform is an example - there is little reason to be overcritical. Surely, the road ahead is rife with obstacles, first and foremost the dependence on immigrant

labour, which needs to be accepted as permanent and irreversible, with all political implications thereof. But none of these obstacles is such that it cannot be overcome.

If we look at another Gulf country that has followed a strategy closer to that which critics of Saudi Arabia consider rational, i.e. Kuwait, we must again conclude that considerable results have been achieved. Notwithstanding the repeated occurrence of financial scandals, and the intervention of the government to bail out most of the loosers, at a huge cost for the Treasury, Kuwait has nevertheless accumulated a sufficient amount of financial assets abroad and has drastically lessened its dependence on oil revenue. Revenue from investment abroad is today more important for Kuwait than oil revenue, and, barring unforeseen negative circumstances, its relative importance should continue to grow. Also, with respect to the oil sector, Kuwait has pursued a successful policy of downstream integration internationally, which made the country capable of directly marketing a substantial part of its Opec oil quota, reducing its dependence from the volatile spot market.

Opinions generally concur that positive results have been achieved also in Bahrein and Qatar. One is less sanguine about Oman, and some of the UAE members clearly overextended themselves: but their problems will not affect regional stability.

Indeed, if anything it is the non-oil producing countries, or the smaller oil producers, that have the greatest trouble in adapting to the lower oil prices. Egypt, for one, has revised its exchange rate policy and accepted the World Bank's insistent suggestion that it should devalue; however no significant liberalisation of the domestic markets has taken place, and consequently the private sector is not investing enough and non-oil exports, from which future economic expansion depends, are not growing in any significant way.

One has the impression that the political will to undertake the crucial reforms is not there.

Conclusion

It is commonly assumed that conditions of economic crisis, necessitating adjustment programs that translate, in one way or another, into real income losses for a significant part of the population, are potentially damaging for political stability, and specifically for democratic institutions. Conversely, it is also commonly assumed that democracy is generally not well suited to implement the difficult decisions that crisis and adjustment necessitate.

Contrary to this approach, I have argued (Luciani 1987b) that recent experience shows that countries have reverted to democratic rule at times in which they were facing economic crisis. While no casual link should be established (i.e.: economic difficulties do not necessarily breed democracy) it seems to me that lack of sufficient progress towards democratisation is the main obstacle to a redressing of the economic policies of many Middle Eastern countries. I certainly find not surprising that the question of democracy is becoming increasingly pivotal in the region, from Tunisia to Egypt and Sudan. Israel's relative success in addressing its economic problems supports the view that democratic institutions are of key importance. And the fact that the Gulf oil producers - which, while weakened, still are essentially rentier states, and do not face an immediate demand for democratisation - are doimg better than the non-oil states in tackling the problem of reduced oil revenue, is also no surprise.

Oil has allowed many countries in the Middle East to improve their endowments: now they must develop.

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"Europe, the Middle East, and the Superpowers:
Islamic Fundamentalism,"
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The Islamic world has been transformed in the past fifty years from a dominated area to a dynamic force in global affairs. In the past decade it has been common to see a resurgence of Islam itself as playing an important role, both as cause and consequence, in this transformation. Although this revivalism takes many forms, it is frequently thought of as a manifestation of "fundamentalist Islam." It is within this braoder framework of global affairs and transformations that Islamic fundamentalism must be viewed if its role in the Middle Eastern "regional dynamics of conflict" is to be understood.

THE NATURE OF CONTEMPORARY ISLAMIC FUNDAMENTALISM.

Islamic fundamentalism has been described in many ways. For some it is an ultimately futile attempt to return to an idealized past while for others it is an assertion of an authentically Islamic identity within the contemporary world. Many of the evaluations depend more upon the definition given by the observer than upon the reality being observed. People who are secularists in their own societies, for example, find it difficult to give a positive evaluation of any "religious" fundamentalism. Even the terminology itself can become the subject of considerable debate, often diverting discussion from analysis of issues to quibbling over terms. Some feel that the term "fundamentalist" itself has too many Western connotations to be helpful while many people use the term, despite that, because of its convenience and familiarity.

Regardless of the term used, however, there is widespread recognition that Islamic concepts, symbols, and traditions are playing a more important role than they have in the modern past. This resurgence is associated with efforts to have life in Muslim societies reflect more directly a pristine Islam free of corruptions and compromises. This involves an assertion of the fundamentals of the Islamic message, even though there may be disagreement on what those fundamentals are or how they might be defined. It is in this sense that it is useful to speak of "fundamentalist Islam" in the contemporary world. For purposes of this analysis, it will be this more general definition that will be used.

Islamic fundamentalism, in this sense, is a mode of operation or an approach to coping with the problems and opportunities of major historic change. It represents an affirmation that the starting point for programs, aspirations, and worldviews in the contemporary world must be the fundamentals of Islam as expressed in the Quran and the traditions. In this sense it reflects a significant change of emphasis and approach from earlier modern modes. In these modes, modern intellectual content was accepted as the starting point and the effort was to show how Islam was in accord with that content. In the fundamentalist approach, the modern is accepted only if it is compatible with Islamic fundamentals.

This approach is neither conservative nor traditionalist in the commonly accepted meaning of those terms. The fundamentalist is profoundly dissatisfied with the existing conditions and is

advocating major change. As a result, the fundamentalist program cannot be thought of as conservative. The fundamentalist also rejects the accumulation of habits and institutions that have developed over the centuries and have become the foundation of "traditional" society. The fundamentalist rejects those who say that something should be done simply because it has been done for centuries, and in this way is not a traditionalist. Instead, the fundamentalist represents a radical position, advocating significant changes. The position differs from other radicals in that the ideal of the fundamentalist is based on an already completed vision and message rather than a future utopia. It is the mode of thought, not the specific content, that is the distinguishing feature, as the variety of Islamic fundamentalist movements and programs illustrates.

From this perspective, this resurgent Islam is a change in the modes of expression, the style of operation, and the basic shape of perceptions in the various dimensions of contemporary life. This change is most visible in the political arena but it also manifests itself in social, economic, religious, and intellectual aspects of life. One way of describing the change is to make use of the now-overused (but still useful) conceptualization of Thomas Kuhn and suggest that there has been a significant revolution in the basic paradigm of socio-religio-political worldview in the Islamic world.

The contemporary Islamic fundamentalist paradigm may also be seen as a specific mode of discourse, which gives the shape to policies and practices in many aspects of contemporary life. Talal Asad suggests that "Islam is neither a distinctive social

structure nor a heterogeneous collection of beliefs, artifacts, customs, and morals. It is a tradition." (Asad, 1986, p. 14) He explains what he means by tradition: "A tradition consists essentially of discourses that seek to instruct practitioners regarding the correct form and purpose of a given practice that, precisely because it is established, has a history....An Islamic discursive tradition is simply a tradition of Muslim discourse that addresses itself to conceptions of the Islamic past and future, with reference to a particular Islamic practice in the present." (Asad, 1986, p. 14) While any Islamic discursive tradition will, by definition, relate itself to the basic texts of Islam, the Quran and the Hadith, each mode will relate itself to that foundation in different ways.

One such discursive tradition is reflected in the history of two great concepts within Islam, tajdid and islah. These "reflect a continuing tradition of revitalization of Islamic faith and practice within the historic communities of Muslims." (Voll, 1983, p. 32) While the specific contents of the message of revitalization may differ from time to time and place to place, the "main foundations of this renewalist tradition remain remarkably constant." (Voll, 1983, p. 34) In the 1970s, I believe that this discursive tradition became an increasingly prominent part of the general paradigms of social, intellectual, and political discourse in the Islamic world.

In the contemporary world these changes have created the foundations for an emerging consensus on the terms and concepts of debate within the Islamic world on issues of politics and

society. This does not represent a consensus on the content but rather, simply an agreement on the basic conceptualizations. Maridi Nahas has discussed the implications of this transformation in terms of interstate relations in the Middle East. In that analysis, it is noted that the old normative consensus on the fundamental concepts of the "dynastic [social] order, anchored in a strong allegiance to the principles of sovereignty and territorial integrity" (Nahas, 1985, p.523) has failed to meet the crises created by the transformations of the modern era. In that context, the revolutionary worldview offered by Nasser represented a significant challenge. However, with the failure of Nasserite socialism, there was not a successful restoration of the old consensus. Instead, "the diplomatic containment of Egypt in 1967 did not ensure long-term systemic stability because the more serious causes of the disruption, namely, the societal crisis that gave rise to the Egyptian challenge remained unattended....[The forces aroused by the Egyptian Revolution returned] in the form of revolutionary pan-Islam." (Nahas, 1985, p. 524) While one might have reservations about specific aspects of the Nahas analysis, the approach which sees "Islamic fundamentalism" as an alternative "normative consensus" in the current conflict and competition of worldviews is a useful aid to understanding basic regional dynamics of conflict.

PRESENT STATUS OF ISLAMIC FUNDAMENTALISM

As the emerging dominant "discursive tradition" or the foundation for the new socio-political worldview (or paradigm) or as the core of an emerging "normative consensus," Islamic

fundamentalism is a significant aspect of the contemporary situation in the Middle East. It provides a readily-available alternative to the existing systems and modes of thought. In the competition, it has significant advantages.

At present, the primary rivals to Islamic fundamentalism are in weak positions in appealing for mass, and increasingly, elite support. Old reformist ideas based largely upon an uncritical acceptance of Western models have little appeal. Just as the belief that the West had succeeded inspired many Muslim reformers in the nineteenth and early twentieth century, now the belief that the West has failed is an important factor in contemporary Islamic thought. (Voll, 1987) Western-based models, whether capitalist or Marxist, have much less appeal than they did in previous decades. The failure even of specially-adapted Western models, like Nasser's Arab socialism, has given strength to the search for alternatives. In this context, appeals that start from a position based on an appeal to Islamic fundamentals has the attraction of both the familiar and the new.

At the present time, Islamic fundamentalism represents a new approach. By the mid-1960s the intellectual "orthodoxy" of the elites in virtually all Muslim societies had become some form of modernism. Islamic modernist thought, as represented most clearly in Muhammad Abduh and his followers, reflected the effort to show that Islam was could legitimately be thought of as a "modern worldview." Islamic modernism took a variety of forms but was a significant exercise in adapting the Islamic traditions to modern conditions. Western style nationalist attitudes and modern

Western definitions of progress were widely accepted as valid. What some have termed "traditional Islam" had been removed to the periphery of life. A sensitive and informed observer could write in 1959 that "the evidence of the practical impotency of traditional religion in many current affairs in unmistakable," although he was unwilling to predict the end of Islamic influence in the Middle East. (Badeau, 1959, pp. 61-62)

The current resurgence of Islam does not represent a return of "traditional Islam." It is in many ways different from the worldview which was in opposition to Abduh or Western reformers. Current Islamic fundamentalism knows about the modern world and its ways. Many, if not most, of the most active fundamentalists today are modern educated rather than traditional in their backgrounds. They are not illiterate peasants or the poor urban unemployed. Frequently they are people who work in the modern sector of the economy and many are professionals in government or major corporations. They are not simply rejecting the modern in a Luddite fashion. They are reacting to the modern and going beyond it. In this sense, contemporary Islamic fundamentalism is a "post-modern" phenomenon and has many similarities to post-modern movements or moods in other societies.

The identification of contemporary Islamic fundamentalism as a post-modern perspective indicates some of its content and mood. There are many different specific Islamic fundamentalist movements and programs but they do share certain characteristics. They all see the Islamic discursive tradition of which they are a part as being a comprehensive and programatic worldview. It is comprehensive in that it applies to all aspects of life. There is

no separation of religion from politics and economic and social aspects of life are also covered. This is, in the fundamentalist perspective, an affirmation of an inclusive definition of the oneness of God and His absolute sovereignty over all things. It is also a rejection of the modernist ideas of secularism and a secular state and society. These latter are felt to have failed in providing an appropriate and moral social order for humans and must therefore be rejected.

Post-modern Islamic fundamentalism is also programatic. Thinkers regularly affirm that "Islam is a way of life," and as such must present programs which will create functioning Islamic societies. For the Islamic modernists, some of the major issues were trying to integrate reason and faith and the focus was on belief. For the contemporary fundamentalist, belief is an important part of Islam but must be directly related to action. Thus, the issues that are debated are more directly related to specific programs. Rather than "what is the role of reason in Islam?", the contemporary fundamentalist is more likely to ask: "How can Islamic banking principles be implemented in my country?" or "what is the proper role for women in society ?"

Viewed in this way, contemporary Islamic fundamentalism is not a single movement or organization. It is an emerging perspective or mode which is adopted by many different people. As such, it is not the result of some specific conspiracy or single inspiration. It is part of the broader evolution of Islamic society in the global context of the last quarter of the twentieth century. It reflects important developments and

experiences at many different levels of generalization, and it is worth noting some of these.

Clearly, in one sense, Islamic fundamentalism is not an abstract entity, it is a large number of specific people and groups. Each "fundamentalist" has his or her own personal reasons for belief and action, and each individual and movement develops within a particular local context. The course of the Iranian Revolution, for example, is shaped by the specific conditions in Iran. The Iranian Revolution cannot be repeated in its specifics in any other place. It is essential to look for the unique and specific conditions involved in the rise of particular fundamentalist movements. The local dimension is important.

It is also important, however, not to concentrate exclusively upon the particular and lose sight of the broader picture. While the local and unique features of any particular manifestation of Islamic fundamentalism are important, to see them exclusively in isolation is to miss important features of the broader experiences of people in the world of Islam. It may be possible to state, after an analysis of the various political movements of Islamic revival that "the existence of many Muslim ideals was discerned; the practice of political Islam presents no less overwhelming a kaleidoscope. The distinctive pattern that emerges is the lack of pattern." (Kramer, 1980, p. 79) What this shows, however, is that there is diversity within the Islamic resurgence and that it is not a single, coordinated phenomenon. Instead, the common features of the resurgence are found in the traditions of discourse or the emerging paradigms of political action that are becoming dominant. It is not that there is a

single Islamic fundamentalist movement that is sweeping the Islamic world. It is, rather, that Islamic fundamentalism is coming to provide the symbols and concepts for discourse throughout the Islamic world. In the 1950s it was possible to state that "Islam has increasingly become the servant of nationalism." (Badeau, 1959, p. 67) By the 1980s, a good case could be made for the existence of the opposite situation, with nationalism (and other "modernist" concepts) increasingly becoming the servant of the new Islamic dynamism.

The world of Islam, through new styles of communication and through growing interrelationships among Muslims, has a growing sense of communal unity, although this does not often manifest itself in effective political unity. Islamic unity used to be measured by the success or failure of Pan-Islamic movements. However, the state-orientation of the older Pan-Islamic concepts show how tied they were to modernist perspectives. The emerging communal orientation has high political relevence but is not tied to the modernist and Western paradigm of the territorial sovereign state and, in fact, transcends it in ways that are similar to post-modern structures and institutions in other parts of the world.

The regional dimension of Islamic fundamentalism cannot be ignored. What happens to Muslims in Jerusalem or Tehran has an impact upon Muslims in sub-Saharan Africa and southeast Asia. Muslim intellectuals from throughout the Islamic world have formed networks of personal and organizational ties that help to support the growing domination of the fundamentalist mode of

discourse, even though there may be disagreement on the meaning and content of the terms used in that discourse.

At the broadest level, it is also not possible to divorce the emergence of Islamic fundamentalism from major global developments. The emergence of "religiously based" post-modern modes of discourse and movements is not unique to Islam. Post-modern theological traditions have developed significant strength within the Christian world as well. The main lines of this development have been described, in the cases of Catholic Liberation Theology and American Christian Neo-fundamentalism, by Harvey Cox. (Cox, 1984) In Western societies many people have begun to identify the contemporary era as being significantly "post-modern." This involves more than simply further development of "modern" modes. It often involves a direct rejection of forms, styles, and concepts that have been integral to what is traditionally thought of as "modernity." Stephen Toulman stated the issues involved clearly: "We must reconcile ourselves to a paradoxical-sounding thought: namely, the thought that we no longer live in the 'modern' world....Our own natural science...is rapidly engaged in becoming 'postmodern' science: the science of the 'postmodern' world, of 'postnationalist' politics and 'postindustrial' society." (Toulman, 1982, p. 254) Contemporary Islamic fundamentalism is distinctive but it is part of this broader global evolution. It has an impact on other regions and is, in turn, influenced by developments elsewhere. A remarkable number of active Islamic fundamentalists have had significant experience in the post-industrial, post-modern West and this is reflected in their own thought and programs.

ROLE IN REGIONAL DYNAMICS

Islamic fundamentalism has had an important role in the Middle Eastern regional dynamics of conflict. The specific issues for discussion in this analysis will be at the regional level, although it is clear that the local and global levels must never be forgotten. For understanding its regional role, it has been necessary to look first at the nature of Islamic fundamentalism. At the local level, it has some of its force as a result of specific movements but as a factor in the regional dynamics of conflict, it is important more as a new paradigm than as a particular movement.

Disruption of the Established Order. Islamic fundamentalism is often seen as a force which disrupts existing structures and social orders. The image of the Iranian Revolution of 1978-1979 provides much of the background for this current picture of Islamic fundamentalism as a disruptive force. However, for more than a century, Western observers have seen Islamic fundamentalists and revivalists as a threat to established orders. In India, there was the fear of "Wahhabi" revolts against British control and late in the nineteenth century the image of the Sudanese Mahdi was important. There was the so-called "Mad Mullah" of Somaliland and the apprehension about pan-Islamic uprisings in the twentieth century that carried this tradition on. In the minds of many in the West, Ayatollah Khumayni is the heir of the Mahdi and others.

It is clear that Islamic revivalists have been a force within the Islamic world, even before the current resurgence.

However, then as now, their movements tended to be reactions to failures of existing regimes more than the initiators of the disruptions. The failure of Nasserite socialism in Egypt was not the result of fundamentalist disruption. Many believe that it was, in fact, the reverse, that the rise of Islamic fundamentalism in Egypt was a response to the failure of modernist programs, both moderate and radical.

The structures of pre-modern society have been undermined and largely destroyed by the developments of the past two centuries. The institutions which replaced those older structures were based on modernist and Western assumptions. In some places the transition had some success but in many places within the Islamic world, these new institutions remained artificial and not very effective. Originally supported by the armed force of Western imperialism, these structures were significantly weakened when that support was withdrawn. By the 1970s, these "modern" structures were in weakened condition regardless of apparent facades of strength in some places.

Islamic fundamentalism was not the cause of the weakness of these structures but it was a force that could accentuate those weaknesses and mobilize opposition to them. Because the masses had never been fully coverted to modernism, appeals utilizing familiar symbols and concepts could gain broad support. However, it also has the ability to appeal to the elites themselves as these people become more aware of the inherent weaknesses of "modernist" solutions in a "post-modern" world. In this way, Islamic fundamentalism has the ability to disrupt existing weakened social and political structures that are based on

modernist premises. This can be seen most vividly in the case of Iran, but the appeal of various forms of revivalism is also clear to masses and elites alike throughout the Islamic world-- from North Africa (e.g., among the followers of al-Ghanoushi) to Malaysia (in the influence of people like Anwar Ibrahim).

Islamic fundamentalism can become an important force in bringing about the final collapse of existing political or social structures. It provides a visible and readily available standard by which to judge existing systems. The Quranic message of social justice and equality of believers can provide the basis for readily understood criticisms of current policies and practices. Other available critiques are not as comprehensible in the Middle Eastern context and are thus weaker as a force for disruption. Marxist-Leninism, for example, may appeal to some parts of the intellectual elite but is not readily understood by most people.

The fundamentalists also are able to create organizations which can build on existing structures. Mosques and schools and the tradition of lay involvement in Sufi orders and other community activities all provide an organizational base which is difficult for an opposing government to control. As a result, organizationally, Islamic fundamentalism also has a capacity for disruption of existing structures.

The Islamic Alternative. While the destructive capacity of Islamic fundamentalism seems clear, it is less clear to many observers whether or not it has the capacity to create viable new structures. In this regard, it might be helpful to look at two different levels of fundamentalist action: at the governmental

level and at the level of daily life and routine.

When people speak of Islamic fundamentalism as an alternative, they usually are refering to it in opposition. There are a number of situations now, however, where it might be seen as the controlling force. The most longstanding case of a fundamentalist state is Saudi Arabia. Although Saudi leaders face more radical fundamentalists at the present time, it is possible to view Saudi Arabia as an operating fundamentalist state.

Liberals, modernists, and radicals all have "Saudi stories" about contradictions within the society and its way of life. Analysts regularly note the threats to the current government. However, looked at from a broader perspective, the record of the Saudi political system is remarkable. It has made the transition from a small-scale patriarchal shaykhdom to a complex authoritarian kingdom without a major revolution. It survived the death of the founder of the kingdom without a civil war, the ouster of an incompetent king without a coup or revolution, and the assassination of the king who appeared to be the essential axis around which state policy had to flow. Compared with the so-called "modern" states who operated within a more secularist conceptualization, the record of the Saudi political system for stability is remarkable. Even if it were to be overthrown in the late 1980s, the half century following the formal establishment of the kingdom in the 1930s would represent a favorable case for saying that Islamic fundamentalism, at least under certain conditions, does represent a viable solution to the problems of modernizing transformations of at least some forms of Middle Eastern society.

Similar observations can be made about the Islamic republic in Iran. It is clear that even some Muslim fundamentalists who had originally been strong supporters have become discouraged by certain aspects of the contemporary Iranian political system. The Islamic republic under Ayatollah Khumayni does, however, seem to have developed a number of viable solutions to critical issues facing Iran. In a context of major disruption following the 1979 revolution, the government has still been able to organize an effective war effort. Instead of being rapidly defeated by the Iraqi army, the Iranians were able to reverse the initial momentum of the war. Fundamentalism has provided the basis for strong Iranian influence throughout the Middle East. Again, in terms of political stability, the Iranian form of fundamentalism seems to be at least as effective as the Iraqi form of radical socialism. Many outside observers become so caught up in looking at the conflicts and turmoil that they miss the fact that the revolutionary government has survived for almost a decade.

It is clear that fundamentalist programs are not always successful. The experience of the Islamization program of Ja'far Numayri shows that fundamentalist announcements do not insure success or even survival. In 1983, when Numayri initiated his own program of Islamization it was opposed by a broad spectrum of Muslim political opinion in the Sudan. The leader of the largest and most visible Islamic organization in the Sudan, Sadiq al-Mahdi, a former prime minister and leader of the Ansar, had to be imprisoned because of his opposition to Numayri's program. Sadiq al-Mahdi was not opposed in principle to the ideal of Islamizing

Sudanese law and state but he was opposed to the particular program. Numayri imposed his own particular version of Islam in a context where even major Islamic groups had reservations about what he was doing. His Islamization program was a factor in the increasing opposition to his rule, which ultimately led to his overthrow in 1985. Islamization programs do not automatically assure a leader of either mass or elite support and when they are conceived of in ways that are different from the expectations of most of the people, they can become an element of weakness.

There are many different types of fundamentalist programs. Depending upon the local conditions and the particulars of the programs themselves, these programs can either represent a viable solution or a weakness for the existing regime that adopts them.

Islamic fundamentalism is not, however, simply a way of organizing political programs for a state or at the national level. There has also been a visible resurgence of Islamic practice in daily life. This is manifested in many ways, including greater public participation in prayer and the increased wearing of Islamically appropriate clothing. At this level the transformation may have been even more profound than at the visible "national" political level.

The modern transformation of Islamic societies has significantly altered the life style of most people in society. This has helped to strengthen the influence of fundamentalism in daily life. Most people in pre-modern society participated in forms of Islamic life and devotions which have been called "popular" Islam. This has involved practices and customs which have been actively rejected by participants in the revivalist

tradition of Islamic discourse throughout Islamic history. The eighteenth century ancestor of the current king of Saudi Arabia, for example, aimed his purification efforts at what he thought of the polytheistic practices of the masses.

In many areas, as the social structures have been changed by the dynamics of the modern transformation, the old "superstitions" have been undermined. The people in the emerging "modern" sector rejected these popular customs and, in the process of becoming new people, assumed a life style which was more in accord with the literate (and more strictly fundamentalist) Islamic traditions. In this way, for example, as rural areas in the western Sudan became integrated into the market economy, the merchant class that emerged rejected popular "superstititons" and became relatively fundamentalist in the customs of their daily life. (Tully, 1984, pp. 341-342)

I believe that this relatively unobserved consequence of the process of "modernization" created within Islamic societies a significant transformation of mass life style, moving popular religion in the direction of fundamentalism. In that context, it was possible for "popular Islam" of the old society to become a fundamentalist-oriented "populist Islam" in the contemporary era. It is this phenomenon that makes it possible to say that the "fundamental impulse for resurgent Islam comes from the grassroots of society." (Bill, 1984, p. 108)

This dimension of Islamic fundamentalism is relatively hidden from observers who concentrate upon the highly visible political events occurring among the ruling elites. It seems

clear that for many individuals within Islamic societies a more fundamentalist orientation for their daily lives has been a successful solution for many of the problems of living in the contemporary world. These people may not approve of specific programs of state Islamization and they may disagree with the rulings of visible fundamentalist leaders, but they do not, as a result, reject the Islamization of daily life.

No leader can afford to ignore this powerful populist Islamic force. It is this which provides the foundation for the transformation of the terms of debate and the concepts of contemporary discourse in the Islamic world. Outside observers may ask, "Does fundamentalism hold any promise of designing viable solutions to the problems of contemporary Islamic societies ?" It seems to me, however, that the critical question within Islamic societies is somewhat different: "Why should any solution to the problems of contemporary Islamic societies be proposed if they ignore the fundamentalist sensibilities of a growing proportion of the population ?"

Populist and State Fundamentalisms in Islamic countries are major forces to be considered when thinking about the regional dynamics of conflict. They can be both causes of conflicts and means for resolving those conflict. They are not inherently anti-Western nor anti-Soviet as long as the West or the Soviet Union does not act in a way that appears to threaten the possibility of implementing an Islamic way of life. When either becomes identified with an institution or group that emerges as an enemy of Islamic fundamentalist views (as was the case with the identification the the United States with the Shah and the Soviet

Union with the communist regime in Afghanistan), then fundamentalism logically opposes its enemies.

The key is not, however, for outside powers to become identified with particular fundamentalist movements. Instead, the need is for policy makers to become aware of the new idiom of political discourse in the Islamic world. In the 1940s and 1950s, the major idiom of political discourse in much of the Third World was associated with nationalism and self-determination. The United States understood that paradigm and was able to engage in constructive relations with the new states. Western and Soviet leaders are less articulate in the idiom of fundamentalist religious commitment and therefore have greater difficulty in dealing effectively with the Islamic world.

When the mood and spirit is even remotely similar, remarkably constructive things can emerge. A possibly far-fetched symbol of this might be the Camp David accord, which was the result of the negotiations between a "born-again Christian" American president, a "believing president" of Egypt, and a less-than-secularist prime minister of Israel. There are many problems with the evolution of the Camp David agreement, but I do think that the initial agreement was aided by the fact that in the discussions at least some of the worldview style of the three leaders was similar.

I do not necessarily maintain that all of the leaders of the world should be fundamentalists in order to deal with the emerging world of Islam. However, I believe that it is absolutely essential that policy makers understand that the basic mode of

discourse in the Islamic world has changed. Secularism, Westernization, "being like the West," and other similar concepts are no longer persuasive. The real force of Islamic fundamentalism today is not in some particular movement. It is in the fact that it provides the basis for most significant discourse within the contemporary Islamic world. As such, it can be a highly disruptive force for those who ignore it but it may also be an ally of those who are willing to recognize it for what it is and work with it.

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DRAFT

NOT FOR QUOTATION

AN OVERVIEW OF THE MIDDLE EAST CONFLICT

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One main characteristic of Israel's conflict with her neighbours is its symbolic nature, the clash of imagery representation of facts, feelings, rights and identities which need the other side's fear and hostility to *syn ballein*, to throw together. This may be one of the reasons why after almost 100 years of conflictual coexistence, Arabs and Jews continue to show a basic misunderstanding of their reciprocal interests and thus of the feasibility of achieving their political aims whether by forceful or by peaceful means.

My purpose in this paper is to examine the conflict. Let me first mention some general historical facts which have a significant impact on the behaviour of the states of the area. Next I would like to discuss some basic trends in the Jewish Israeli society which make it rather difficult to understand the specific nature and declared aims of modern Jewish nationalism. Finally, I shall attempt to submit a few ideas concerning the possibility of developing new approaches towards a solution of the conflict.

1. Historical Facts

None of the Middle Eastern states - with the possible exception of Egypt - have had any experience of statehood for centuries. The frontiers of modern Palestine, as well as those of Syria, Lebanon, Iraq and Jordan, are the product (as in Africa) of arbitrary European decisions, decisions in which the local population had little to say. These frontiers

encompass today smaller or larger mosaics of populations, each attached to its own particularisms - religious, ethnic, tribal, historic - expressed as usual in a more or less symbolic manner, and as usual in contrast to neighbours, and always in a suspicious mood.

These facts, by themselves, would be sufficient to explain the instability of the area, and the aggressiveness of the foreign policies of certain countries, an aggressiveness used here, as in other parts of the world, as an instrument in the hands of the diverse governments for achieving popular unity and consolidating their legitimacy as "national" governments. Thus the irredenta territories of the Middle East do not differ much from similar territories elsewhere. Between Alsace-Lorraine for the French or Trento and Trieste for the Italians, Alexandretta and the Galilee for Syria or Kuwait for Iraq (at least during the rule of General Abdel Karim Qassim), Jaffa for the Palestinians or Judea and Samaria for Israel, there is a consistent similitude which generates a lot of common political rhetoric and symbolism. Thus one should be surprised not by the protracted violence in the Middle East but by the relative restraint that the peoples of this area exercise in this type of conflict.

Another element common to the history of the Middle East and of Europe, but which developed in a somewhat different manner, is the struggle to fill the vacuum created by the disappearance of a centuries-old imperial authority. The territorial ambitions and the aggressive tendencies of the "successor" states of the Ottoman Empire are not very different from those of the "successor" states to the Hapsburg and Hohenzollern Empires in Europe after World War I. But, contrary to what happened in Europe, in the Middle East, in more than 40 years, the vacuum of imperial power has not provoked a major international conflict, nor has it brought extraregional empires to establish reciprocal zones of influence, as happened on both

sides of the Elbe.

To these common and classic causes of conflict, one must, of course, add sources of tension of a more indigenous and local nature. They are well known, since they are continuously stressed by the interested parties. There is the biblical attachment of the Jews to the Holy Land and its rebuttal by the Arabs, who object to this as the transformation of a religious aspiration into a political right which they consider illegitimate; there is the shadow of the Holocaust, and the determination of the Zionist Movement to make its renewal impossible. There is the refusal of the Arabs to pay for a genocide which they did not commit, whatever view one takes of the collaboration with the Nazis of the Mufti of Jerusalem and of other Arab leaders. At the same time the Arabs have not been able to adapt the traditional expansionist view of Islam to an international situation in which minorities are no longer ready to accept a "Djimmi" status which is a permanent situation of inferiority. There is the European origin of the population of the pre-independence and early days of Israel and the simplistic endorsement of all the Arab states of the identification of this population with carriers and remnants of both Middle Ages Crusaders and modern colonial expansionism. There is the reciprocal Palestinian and Israeli denial, at different times, of the other's right of self-determination as well as of the right to wage war. There is a fundamentally similar, but differently perceived regional Jewish and Arab refugee problem; differently perceived because the Jewish refugees have been settled while the Palestinian ones are still being used and viewed as an instrument of unrest.

These problems and conflicts of the area are of course difficult to solve but not unique in history - past or present. Most existing states were created by force of arms; populations have been uprooted all over the

world; the emergence of new states - Holland, Switzerland, Italy, Czechoslovakia - has created prolonged political and military turbulence, disturbed the existing political and socio-economic ecologies and required long periods of time to normalize regional relations. There is therefore no reason - a priori - to exclude the possibility that a process of adaptation will take place in the Middle East. If one looks at the peace treaty between Egypt and Israel and at the de facto situation of normal trade between Israel and Jordan, one cannot deny that the process of normalization between the "Zionist entity" and its neighbours has made some progress. This progress, for the extremists on both sides, may look temporary and the root conflict appear unchangeable. As I do not share this apocalyptic view, I would like to state briefly my reasons, before turning to a more hopeful analysis of the conflict from the Israeli side. (It would of course be interesting to know if a similar reasoning exists on the other side.)

I do not share the apocalyptic view of the conflict because I do not see how the physical disappearance or the internal dislocation of the Zionist State, through hostile demographic growth or armed force, could be achieved without great Arab suffering. The physical disappearance of Israel has been advocated by many Arab leaders - from the Secretary of the Arab League, Azzam Pasha, at the outbreak of the 1948 war, to the Mufti of Jerusalem, Amin al-Husseini, throughout his long life; from the first PLO Commander, Ahmed Shukeiry, in the 60's to Libyan leader Ghaddafi to date, not to mention Moslem revolutionaries in Iran, Lebanon and elsewhere. The Nazis, too, worked for a Jewish Final Solution with the help of most European public administrations, from France to Russia, and the tacit approval of the allies(-). Arabs or Moslems do not seem to have a better chance than the Germans had. The "Zionist Entity", even if reduced to a

demographic minority within its own borders, would not easily renounce its right to survival and political freedom. Since no-one can expect Israel to be the only vegetarian in a carniverous pack, this will to exist, backed by a nuclear potential, is what makes armed conflict reciprocally self-defeating.

It is in this perspective that I propose to examine some aspects of Israeli political particularism which impinge - positively and negatively - on the core of the conflict.

Israel is, in its own view, officially the state of all the Jews of the world, not the state of its citizens. It therefore has to submit to Jewish particularism, which can roughly be summarized under three headings:

1) The Jews, according to standard definitions, are neither a people nor a nation, and traditionally they have been deeply suspicious of all forms of political independence and state force.

2) The modern Jewish national movement, culminating with Zionism, is to a large extent antithetic to Judaism (like Arab nationalism in relation to Islam).

3) There is no other state whose identity is officially declared to be rooted in the Jewish religion. Since this very particular situation fits a long-standing Jewish tradition of standing apart(1), Israel, as the State of the Jews, finds itself, despite Zionism's declared striving for normalcy, in a unique situation justifying the search for solutions for its problems, befitting this uniqueness.

Let me discuss briefly these three propositions, which may perhaps sound strange to some of you but which are - at least for anyone conversant with Jewish traditions - self-evident truths.

2. Basic Trends in Israel's Jewish Politics

By the standard definition of a nation as a social group sharing a

common history, common territory and historical experiences, common language and religion, obviously the Jews are not a nation. They have none of these things in common, and as far as their religion is concerned, the distance between Orthodox and Liberal Jews today is greater than that between Catholics and Protestants. But even for those who regard the standard definitions as too narrow and who take nationality as a given, Jews in fact belong to many different nations, and hence cannot constitute a nation any more than Catholics or Moslems.

If a nation is defined as a (possibly heterogeneous) social group, the members of which need not speak the same language and need not practice the same religion, but are nevertheless conditioned by long periods of co-existence within the same frontiers and under the same political institutions (as in Switzerland), then again the Jews cannot be called a nation. The model best fitting their particular collective identity is ethnic - that of the enlarged family. This model is not easily acceptable by today's ideology-based states, national or supernational, which regard every form of tribalism as a challenge to their unity, since they see the nation or supernation as a tribe substitute (thus exhibiting their romantic origins, as witnessed, for instance, by Italian Fascism).

This is not the place to discuss the longevity of the contemporary system of ideology-based states. The validity of the uniform national state is being contested by the claims for relative independence of a growing number of non-ideological groups (ethnic or religious) within the nation-state as well as by the emergence of supernational organizations. Whatever the case, the non-national, clannish, tribal character of the Jews is embodied in the Jewish tradition and underlined by many reactions of the Israeli/Jewish society. Israel's civil and religious authorities, against every juridical and political logic, oppose the extradition of criminals

like Albert Nakash, since "a member of the family" should not be handed over to "foreigners" for punishment. Not less important for the cohesion of the extended Jewish family is the idea of separateness ("Am levadad yishkon") which pervades the entire Jewish tradition. This idea is not simply the result of a "ghetto mentality", although persecution did for a long period bar the Jews from gentile society. It was a principle, born in Biblical times; its practical realization was considered a matter of supreme Jewish interest, and its betrayal violently denounced by the Prophets. Jews should "sit under their vines and fig trees"(2); they should not try to imitate the political institutions and behaviour of other peoples, or ally themselves with powerful nations(3) - an idea, by the way, upheld by Israeli Foreign Minister Moshe Sharett in his maiden speech to the U.N. General Assembly in 1949, which led him to coin the term "non-alignment", later adopted by many Third World countries.

Jewish suspicion of the state is also old and rooted in Jewish political culture. Joshua is probably the only recorded case of a victorious military and political leader who willingly dismembered the compact political organization created during the 40 years of the Jews' wandering in the desert(4). The appointment of kings was a later development, carried out in the face of strong opposition(5). Throughout the centuries of the Diaspora, Jews always carefully avoided creating hierarchical institutions, leaving each community to develop its own independent ones, even if these closely resemble each other. The modern state appears distasteful to Judaism because of its claim to total moral autonomy. Modern political ideologies, insofar as they present themselves as systems, i.e. as totalities which operate by virtue of the logic of their parts, are perceived as "abstract idols"(6).

This revulsion of traditional Judaism against abstractions and human

rational values (which, on the contrary, have attracted assimilated Jews since the time of the Enlightenment) was particularly felt in the case of Zionism. As a result, the great majority of European Jews, because they were orthodox, rejected the Jewish national movement(7) as an unJewish phenomenon which aimed to create the first non-sacred community in Jewish history. This position is now echoed by Jewish fundamentalists in Israel.

When dealing with Jewish statehood one should also be aware of the fact that Jewish identity is not conditioned by territory but by the Jewish calendar. A Jew is a Jew because he observes certain dates and a certain way of life - the Sabbath, the Festivals, no less than Kosher food. His being Jewish has nothing to do with his place of domicile. Even the very strong relationship between the Jews and the Promised Land is a relationship of conditioned possession. It lacks the mythology which usually accompanies the relationship of other peoples with their land. The Jews have no motherland; the word "Moledet", meaning Heimat , is a modern adaptation. They are considered by the Bible as the guardians rather than the owners of a Promised Land from which they can be expelled for misconduct(8).

The development of modern Jewish nationalism is not therefore one of the root-ideas of Judaism. It is the result of historical circumstances, a struggle for survival. The essential message of Zionism and Israel (whatever intentions may be attributed to them by outsiders) is that the safe - for the hunters - hunting season of the Jews is over for all concerned - Christians, Moslems, Right, Left and Centre.

Before turning to the anti-pluralistic aspects of the Jewish State, let me clear up one possible misunderstanding of factors relevant to the future of Israel, namely those concerning the approach of Jewish tradition to science and to modernity.

With two notable exceptions(9), all Biblical laws, commandments and precepts are issued without explanations. The position adopted by Jewish tradition on this question is that all divine injunctions - the Sabbath, Kosher food, social and sexual rules of behavior etc. - have a status somewhat similar to laws of nature. Just as one does not question the law of gravity, so a Jew should not question this or that divine law. But the fact that men are born without wings does not prevent them from learning to fly, Icarus notwithstanding. In the same way, Jewish tradition does not forbid the Jews to circumvent, as it were, the divine laws as long as they respect the law.

The result of such a mental attitude is not only an inborn drive for technological innovation, but - at least theoretically - the potential ability of Jewish traditional culture to develop political attitudes at times even more flexible than some of those developed by certain secular political ideologists.

3. National Territory and National Space

Israeli and Palestinian secular nationalisms which have so far reinforced each other, especially their more radical wings, may of course continue to do so and enjoy the sympathy of both Islamic and Jewish fundamentalists. Yet, at least on the Israeli side, there is the potential for change, depending on a growing acceptance of pluralism - including the realization that state and territory are not divinely or ideologically linked (as some secular and religious nationalists would like to believe) and that Judaism as well as the security and economic well-being of Israel are more dependent on abstract elbow room or space to manoeuvre than on territory.

That abstract space to manoeuvre is becoming increasingly more important than concrete territory is already clear in many fields: war,

communications, information flow. It does not reduce the value of concrete territory but it promotes a new type of mentality - a more open and pluralistic mentality - which may or may not reduce the strength of nationalism but certainly sets it in a social, economic and ideological framework different from that in which the idea of the uniform nation state was born and developed in the 19th century. The evolution of this new kind of nation-state is already the subject of a growing body of social and political studies(10) which reject the simplistic interpretation of national identity as a natural, uniform, objective datum. In a post-industrial era, the era of the development of an electronic-based information-flow culture, the resultant supernational political and economic organization has already affected national credos (as is the case with North American pluralism and with the emerging Western European identity).

National and cultural conflicts in the Middle East and elsewhere are certainly not going to disappear overnight. On the contrary, we are witnessing a consolidation of the state against the civil society and to a certain extent one can look at the "Return to Islam" as a reaction of the Arab civil society against the centralized power of the state, even of a state artificially created by European colonialism in the Middle East, in Africa and the Indian subcontinent(11). But insofar as the countries of this area become involved in the process of modernization, they cannot abstract themselves from historical and/or ethnic centrifugal influences. But the two points which I would like to stress in connection with the changes which nationalism is undergoing are connected with the Jews, not with the Arabs, about whom there are people here far more competent to speak than I.

The Jews have for millenia lived more in abstract space and time than

in concrete territory. This is not the place to elaborate on this fact. It will be sufficient to recall that Jewish communal structures, the Pale territories of Eastern Europe, the Mellahs, have been stupendous abstract spaces - culturally and socially very productive ones - evolving on meager territories. Thus the Jewish mentality seems to be particularly apt to understand and exploit the political, economic and military implications of abstract space control while shedding the attachment to concrete territorial identity - which after all is a rather new phenomenon in Jewish history imposed by survival necessities.

The second point is that Jews have always been and will continue to remain a solitary people, as they do not belong, by religion, tribal identity, language or historical experience to any "family of peoples". "Standing apart" is not isolation and it is the very opposite of that status of "pariah" to which so many people in the past and in the present have tried to relegate the Jews and the Zionist state. Solitude for the Jews has always been the natural - not necessarily comfortable - consequence of the sacred, self-elected status institutionalized from earliest Biblical times. Paradoxically, the Zionist movement went against this trend. Pushed by the strong situational logic of the reaction to antisemitism, it developed a strong desire to normalize the Jewish People - an effort which has not been particularly successful, thanks, inter alia, to external pressures. Yet this very controversial state of solitude, if properly understood, could become the basic element for regional coexistence and perhaps for Arab-Israeli cooperation in the future.

4. The Idea of Neutrality

Theoretically - and in fact practically in most traditional groups - particularism favours what anthropologists call face-to-face societies, that is, societies in which the power roles are individual, religion

overlaps nationhood, and the personalization of institutions is strong. There is no doubt that the Israeli society has been moving in that direction, especially since the 1967 war, and that its inability from the outset to separate religion from state and Jewish nationhood from Israeli citizenship has been one of the major political obstacles in the way of the integration of the Israeli Arab population and the separation of roles between the State and the Diaspora.

The question is, therefore, can Israel become pluralistic? I submit that it is possible if Palestine could be cantonized. Cantonization seems to me the only way to combine the reciprocally restricting claims of two societies which are not only opposed through antagonistic nationalisms but which must accomodate the quest for pluralism to the requests for face-to-face social parochialism. Can Israel move towards cantonization? I submit that the move would be easier if Israel were a neutral country.

Neutrality is the opposite of neutralization, a situation which Israel has been fighting for the last 40 years. Neutrality implies three basic conditions: the ability of the neutral state to defend itself (which is why San Marino or Andorra cannot be neutral); the credibility of the peaceful intentions of the neutral state, based on its recognized willingness not to interfere in the affairs of its neighbours; and lastly, the <u>bona fide</u>, international respect for and guarantee of this neutrality by the third parties concerned.

Considering all these requirements and the other problems I have mentioned, Israel's neutrality would not be easy to achieve. Maybe it never will, for reasons for which the Arabs are not without responsibility. I say this without any polemical intention but (a) on the basis of the sad, observable fact that the best ally of Israeli extremism is Arab extremism; and (b) on the basis of the belief that an Israel deprived of its democratic soul will not be an easier prey for its enemies. Yet in spite

of these pessimistic considerations, I believe that the idea of neutrality should not be rejected as utopian. Israel's neighbours have a sound interest in stabilising and containing the role of the Zionist State in the Middle East. One of the reasons for their rejection of Israel is the belief that the State of the Jews may be a permanent source of trouble if left free to act according to selfish interests or on behalf of external forces. Such fears may be allayed, as has been the case elsewhere in the world, through the attribution to Israel, and by Israel's acceptance of an appropriate status of neutrality. Neutrality would be justified not only by reciprocal interests and by the long political Jewish tradition of "standing apart" but also by the situational logic created by recent events. The last two wars in which Israel was involved, as well as the more recent troubles in the occupied territories and among Israeli Arabs, might make at least the discussion of this idea more familiar.

As for the two wars, there is an interesting historical precedent - that of Switzerland and Sweden. In the 16th and 18th centuries respectively, the leaders of these two countries believed (like Israel after the 1967 war) in the unshakeable superiority of their military organization in relation to their neighbours. This belief was shattered for the Swiss at the battle of Marignan in 1515 and for the Swedes at the battle of Poltava in 1709, two feats of arms which eventually turned out to be the starting point for the slow transformation of national aims and political structures of both Switzerland and Sweden, eventually leading to their neutrality.

The Yom Kippur War of 1973 and the Lebanese War in 1982 have in common with Marignan and Poltava the fact that they, too, shattered a parallel belief in Israel. But other equally rooted beliefs or, if you prefer, illusions, have been shattered by the clashes in the West Bank, Gaza, and

other cities in Israel, which to some people look like the beginning of a civil war between those who want to Israelise Palestine and those who want to Palestinise Israel. I do not share this view, and I tend to believe that this popular, local, largely spontaneous uprising may produce some very positive conseqences by shaking the Israeli political establishment out of its immobilism. It is not for me to speculate on the effects that these events might have on the Arab side. What I would like to say, as a concluding reflection, is thaat the situation in the Middle East seems today more ripe than before for a convergence of thoughts and actions towards the future rather than lingering on the resentments of the past.

We live in a world which, whether we like it or not, is growing increasingly interdependent. I believe this much can be understood even by Israel's most resolute enemies.

Egypt and Syria: The Pursuit of National Interest

by Gudrun Krämer, Hamburg University

Over the last decade, the Middle East has witnessed a multiplication of conflicts and regional power centres that has markedly changed the pattern of power relations established in the 1950's and 1960's. The one issue with the potential of unifying the various regimes - the Arab-Israeli conflict over Palestine - has, far from bridging inter-Arab tension and rivalry, tended to give added fuel to it, particularly so since Egypt embarked on its separate peace policy under the aegis of the United States. The Iran-Iraq war as the major new conflict to have emerged has pushed fragmentation even further as the lines of cooperation and hostility do not run parallel to those ruling the Arab-Israeli conflict but rather cut across them. The war in Lebanon, which has long since ceased to be a "civil war", reflects the general state of confusion without, however, creating yet another set of power relations.

Shifts in regional power and influence resulting, first and foremost, from the repercussions of the Iranian revolution and the Iran-Iraq war have notably affected the regional standing of Egypt and Syria, the two main proponents of contrasting strategies in virtually all spheres of policy. What both have in common, though, is the absolute priority of national interest - as defined by the ruling elite. Syria, because of its control over Lebanon and its eccentric stance in the Iran-Iraq war, has come to be generally accepted as a major regional power. At the same time, the "Iranian threat" and the plight of the Palestinians in Lebanon, which was caused by Israel and exacerbated by Syria, have promoted Egypt's reconciliation with the Arab Gulf states and its readmission into the Arab fold.

Both Syria and Egypt have thus benefited from the confrontation with Iran, and they will continue to do so at least as long as it is not definitely expanded beyond the two warring parties. The conflict with Iran and the political model it represents gives Egypt a chance to assert its role as a militarily potent, and at the same time politically "moderate", champion of both Western and Arab security interests, which are being challenged by Iran and fundamentalist opposition groups inspired by, and to varying degrees sponsored by, Iran. To Syria with its risky gamble of power politics it offers another opportunity to enhance its regional profile. Egypt is trying to regain a 'normal' position within the Arab concert of power which need not necessarily amount to regional leadership, but which certainly implies a pivotal role in settling the major regional conflicts. Syria, by contrast, is trying to create for itself a position of hegemony which it has never held before and which it can only hope to assert as long as its principal rivals, Egypt and Iraq, are preoccupied with their domestic crisis and the war, respectively.

Egypt: In Search of Normalcy

There is little new to be said concerning Egypt's foreign and domestic policies since President Husni Mubarak took over in October 1981. Most factual changes to be observed reflect progress or setbacks in implementing the basic policy lines that were defined at the beginning of his rule rather than any new directives or initiatives. This implies, of course, that, contrary to the widespread image of Arab politics as being erratic, if not altogether irrational, Egyptian foreign policy is actually highly calculable, "rationally" adapted to the given conditions in the internal, regional and international spheres that the regime has to come to terms with. The primary objective in both domestic and foreign policy has

been 'normalisation', a general reduction of tension, in order to bridge the gap between the regime and wide segments of the political public which President Sadat's policy course of *infitah* based on close cooperation with the United States and peace with Israel had dangerously widened. By a series of carefully measured steps, Mubarak and his chief aides succeeded in gradually enlarging their scope of action without changing the basic policy framework. Sadat's course was thus cautiously modified, and in certain domains such as relations with the Soviet Union even revised, but it has never been openly challenged, let alone abandoned.

Foreign policy has been much less central to this strategy of consolidation than under Mubarak's predecessors. Both Nasser and Sadat had pursued an activist foreign policy that aimed at increasing Egypt's weight in the regional balance of power and indeed at imposing Egyptian hegemony in the Middle East, in order to attract international attention and financial support. Foreign policy activism thus served to acquire the means needed to carry out the socio-economic policy of the regime and to strengthen its popular support. While their socio-economic policy was different, and the reversal of external alliances virtually complete, the strategy as such with its heavy emphasis on spectacular political moves was the same.

Given the economic crisis at home and the stalemate in Arab-Israeli relations - the favourite stage of image projection in Middle Eastern policy - Mubarak's chances of securing his position through an activist foreign policy are poor. In the face of Israeli strength and Arab disunity, prospects of achieving a breakthrough in favour of the Arab side, which could, at least in hindsight, justify Egypt's "selfish" peace with Israel and close cooperation with the United States, are limited. Mubarak has therefore, from the outset, given priority to domestic affairs. Only with the internal situation

under control and external dependence reduced could Egypt hope to reassume a dynamic role in regional politics. The major possible exception is the Iran-Iraq war, where Egypt could become more heavily engaged in defence of Arab as well as Western interests without provoking strong protest at home and criticism from Israel and the United States. This would, however, require massive military intervention. For the time being, foreign policy is playing a supporting role designed to weaken internal opposition by overcoming the regional isolation Sadat's activism had created.

The aims of generating political legitimacy and promoting economic recovery are, however, difficult to reconcile: *Infitah* implies a high degree of dependence on technology, know-how and capital imported from abroad, notably from the United States. The government could, of course, try to reduce this dependence through a strategy of self-reliance; but even if it was pursued seriously, dependence could not be overcome in the short and medium terms. Nor can it be fully replaced by other sources, the only realistic alternative being the Arab Gulf states. Yet American economic, military and food aid is given with strings attached and linked to close cooperation in the political and military fields. The treaties with Israel must be upheld and military facilities granted to American forces, conditions that not only narrow the scope of action in regional policy, but tend to compromise the regime's claim to political legitimacy as well. Dependence and increased penetration with Western goods and values cannot but provoke sharp criticism at home, and not among Islamic militants only. It is fueled still further by the influence exerted over core concerns of socio-economic policy by international financial institutions such as the IMF, the World Bank or the Club of Paris. This forces the Egyptian government to hold a very delicate balance: The ties to the West must be maintained that serve to ensure the volume of inter-

national assistance and cooperation needed to continue the present economic course. At the same time, internal (as well as external) protest against these ties must be placated which threatens to jeopardize the very objective of securing the survival, and enhancing the legitimacy, of the regime. Caught between conflicting internal and external demands, its margin of manouevre is thus extremely limited.

Since Mubarak's takeover, all foreign policy steps have served one ultimate aim: to reduce tension and normalise relations with the Arab-Islamic world, the non-aligned movement and the Soviet Union. In this endeavour, Egyptian diplomacy with its low-key approach has scored major successes, and it has done so under constantly changing conditions: If the Israeli invasion of Lebanon of June 1982 and the American air strike against Libya of spring 1986 have seriously jeopardized progress, the looming threat of the Iran-Iraq war has considerably advanced it. In this process, relations with the United States at times grew markedly strained, resulting not only from Washington's special relationship with Jerusalem, its policy vis-à-vis Libya and the Iran-Contra affair, but also from strictly bilateral disagreement over arms supplies, the volume and modalities of American aid and the repayment of Egyptian debt. Repeated friction made it quite plain that American Middle Eastern policy is determined by its relations with the Soviet Union, Israel and Iran, and that in case of conflict, Egyptian interests or sensitivities are disregarded, even if this threatens to ultimately damage American standing in the Arab world at large. Sadat's ambition of turning Egypt into a regional bulwark of anticommunism, containing any potential encroachments of the Soviet Union and its alleged regional clients, and of making it as crucial and ultimately indispensable to the United States as Israel was not fulfilled. In the light of these experiences, falling as they did into a period of improving relations between the su-

perpowers themselves, Mubarak abandoned Sadat's approach in favour of normalisation of relations with Moscow in the political and economic spheres, which at the same time improved Egypt's prospects of mediating in the various regional conflicts.

The strategy of acting as the champion of both Western and (conservative) Arab interests in order to enhance Egypt's political weight, however, was not given up. Only the target was exchanged, with Iran taking the place of the Soviet Union, an opponent less likely to antagonise prospective Arab partners and equally objectionable to the United States' government. The threat, both real and imagined, posed by Iran and by pro-Iranian Islamic groupings has been the major element in promoting rapprochement with the Arab Gulf states. If its separatist policy vis-à-vis Israel took Egypt into regional isolation, the repercussions of the Iranian revolution and the Iran-Iraq war helped to overcome it. From the beginning, Egypt has supported Iraq both diplomatically and through the supply of military hardware, training and know-how without, however, getting directly involved on the Iraqi side. Consistent support of Iraq and the other Arab Gulf states combined with support of Palestinian demands paved the way for a resumption of diplomatic ties with most Arab governments that had, by late 1987, factually ended Egypt's regional isolation, even if it was not immediately sanctioned by official readmission to the Arab League and other joint Arab-Islamic organisations. By the same token, the "Front of Steadfastness and Confrontation" formed in 1979 against Egypt's separate peace policy was reduced to Syria, Libya, South Yemen and a number of Palestinian organisations which refuse to resume relations as long as Egypt does not cancel its treaties with Israel and renounce the "method of Camp David" altogether. The hardliners excepted, however, Egyptian

diplomacy has achieved its ultimate aim and all but ended isolation within the Arab-Islamic camp.
The question remains, of course, what to do with normalcy regained, notably with regard to the Arab-Israeli conflict. Here, another tightrope act is required, balancing the demands of the internal opposition as well as the Arab-Palestinian side on the one hand with Israeli claims and American expectations on the other. Relations with Israel are kept at exactly the distance where these conflicting demands can be just about reconciled without openly violating the "spirit of Camp David". The "cold peace" with Israel has accordingly been preserved, though several obstacles to a warming up of relations have been removed under the Israeli cabinet of National Unity formed in September 1984. By the summer of 1985, Israel had largely withdrawn from Lebanon, but continued to occupy a "security zone" in the south and to intervene militarily whenever it regarded this justified by its security needs. While withdrawal met Egyptian conditions for an upgrading of bilateral relations, it was not ordered out of consideration for Egyptian demands, but for strictly internal reasons. The agreement on arbitration of the Taba issue that was finally reached in August 1986 removed another stumbling block. But the condition of the Palestinians in the occupied territories remained unchanged, even during Shimon Peres's term as Prime Minister. The Palestinian revolt and its harsh repression by the Israeli authorities in the winter of 1987/88 once again revealed the impotence of the Egyptian government in restraining the Israeli government and/or the Palestinian resistance. Mubarak's call for a six-month cooling-off period passed unheeded. The state of Egyptian-Israeli relations, therefore, remains precarious, largely depending on Israeli actions vis-à-vis other Arab parties which Egypt can do little to influence.

The unprecedented violence in the occupied territories has roused widespread protests within Egypt, which as always are directed not only against Israel and the separate treaties, but also against the ties with the United States and the general direction of Egyptian socio-economic and foreign policies. Over the last few years, domestic criticism of relations with Israel and the United States has become increasingly outspoken, reflecting the considerable measure of freedom of expression granted under Mubarak. It has mobilised large segments of the student population as well as influential professional associations such as the lawyers', journalists' and doctors' unions and the opposition parties. In the election campaign of April 1987, foreign policy did not play a prominent part. But when it was touched upon, the left-wing and the Islamic opposition made their rejection of Camp David and the normalisation of relations with Israel quite plain. Independent Nasserists, who were not allowed to form a political party and were thus not subject to the restrictions imposed by the revised party law of 1979, openly demanded the abrogation of the Camp David agreement and armed struggle for the liberation of the occupied Arab lands. They rejected not only the Camp David accords, the Reagan initiative and the joint Jordanian-Palestinian resolution of February 1985 that was later cancelled, but even the Arab Fez plan of 1982. The Islamic list, uniting the Socialist Labour Party, the Party of Liberal Socialists, the Muslim Brothers and a number of independent Islamic activists, had to comply with the regulations of the party law and hence to be more restrained and less explicit. But it, too, demanded that the treaties with Israel be suspended. The Islamic press repeatedly called for a *jihad* to liberate the occupied Arab and Islamic lands. Mounting violence in the occupied territories confirmed the government in its sense of urgency in finding a peaceful solution to the Palestine problem. Yet the limits of its influ-

ence are only too obvious, its role being essentially limited to mediation between conflicting, if not irreconcilable, views and claims. In 1984, the year of its rapprochement with the Soviet Union and Jordan, Egypt adopted the concept of an international conference under the aegis of the UN Security Council with the participation of all parties involved in the conflict. The concept of multilateral and bilateral negotiations under an international "umbrella" is sufficiently vague to allow a variety of interpretations, accomodating at least on a formal level the concepts of "moderate" Jordan and Saudi Arabia on the one hand and "radical" Syria and the PLO on the other. It was even accepted by the Israeli Labour Party. But it seems to have little chance of being realised in the foreseeable future.

With regard to content, the Egyptian position is highly flexible, constantly adapting to the changing balance of forces. Cairo does support the Palestinians' right to national self-determination and the PLO's claim to being the sole legitimate representative of the Palestinian people. But it has always shown great flexibility in interpreting these broad principles. Depending on the given political situation, Egyptian proposals have ranged from the establishment of an independent Palestinian state to a federation of the liberated Palestinian territories with Jordan; from direct participation of the PLO in peace negotiation to the delegation of individual members of the Palestinian National Council authorised by the PLO; and from direct negotiations between Jordan, the Palestinians/PLO and Israel to multilateral negotiations within the framework of an international conference under the aegis, or "umbrella", of the UN Security Council.

Within this wide range of options, a few elements only have remained constant: The PLO must be included in all negotiations; it has the right to select the (though not necessarily all) Palestinian representatives in eventual peace negotia-

tions, but it need not necessarily be involved as an organisation; the PLO and Jordan must find a common approach in order to strengthen the Arab position at the negotiation table; the Palestinian right to national self-determination must be reconciled with Israel's right to exist, without anticipating the form and content of national self-determination (state, federation, or "real" autonomy?), or the drawing of borders (withdrawal from occupied/all occupied territory?). All in all a position which, because of its very openness and flexibility, seems to mark Egypt out as the ideal honest broker mediating between the direct parties to the conflict. But compared to its antagonists in Israel, Syria and the Palestinian national movement, Egypt has little leverage to actually implement its proposals.

With regard to national interest, Egyptian diplomacy has, in its quiet way, been remarkably successful. While it was hampered by Israeli policy vis-à-vis Lebanon and the Palestinians, it has been able to make maximum use of the Iranian threat and the shift in the regional power setup resulting from the Iran-Iraq war. But in contrast to the era of Nasser and Sadat, the regional constellation of power is determined by Israel, Iran and, to a lesser extent, by Syria rather than by Egypt. While the size of its population and its military potential still make Egypt one of the central Middle Eastern powers, its government would have to reduce outside dependence and to effectively integrate or, if necessary, marginalise internal opposition before it could hope to regain some kind of regional leadership. An activist foreign policy that actually structures the regional environment rather than trying as best to adapt to it therefore would require that internal conditions be stabilised first. The priorities of the Nasser and early Sadat era have thus been reversed, and Egyptian policy has essentially turned inward.

Syria: In Search of Hegemony

The opposite must be said about Syria, though with some reservation only: Compared to Egypt, Syrian policy appears to be much more complex, ambiguous, and indeed contradictory. Like Nasser before him, Hafiz al-Asad pursues a strategy that seeks to overcome strong internal tension by foreign policy activism. National resources accordingly are to a large extent devoted to military and security matters - with all the risks of economic exhaustion and popular dissatisfaction such an option entails. "Pacified" by a variety of peaceful and violent means, Syria has ceased to be the object of other regional powers and is now trying to impose its own hegemonial designs on its environment. And it is doing so with considerable success, even though internal preconditions do not seem to favour a hegemonial role. Compared to its major rivals, Egypt and Iraq, Syria's population is small and fragmented along ethnico-religious, social and ideological lines; its economic base is rather weak. Being a member of the Alawi minority which at best moves on the fringes of Shiism, Asad attempted to secure his rule by promoting the previously underprivileged and marginalised groups of society which, contrary to widespread conceptions, are by no means limited to heterodox Muslim minorities such as the Alawis, the Druze or the Ismailis. At the same time, ideological principles antagonising influential segments of the population were diluted, the role of the Baᶜth party diminished and rivalling forces on the left-wing spectrum integrated into the political framework. Yet real power was increasingly personalised and concentrated in the hands of Asad himself, who relies on the support of the highly diversified security apparatus controlled by his fellow Alawis.

The perception of the regime as being narrowly Alawi (rather than Baᶜthi, let alone genuinely Syrian), pursuing specific

Alawi designs both at home and abroad can, of course, get extremely dangerous in a climate where any kind of criticism and tension tends to be expressed in religious terms. The (Sunni) Islamic opposition accuses the regime of trying to forge, together with the Shia of Iran and Lebanon, an anti-Sunni axis which threatens to split and weaken not only the Arab world, but Syrian society, too. It therefore questions the regime's Arab as well as its national credentials. In order to counter this charge, Asad has been forced to emphasize Arabism, an endeavour best documented in a hard line facing Israel. Yet Syrian policy is no more determined by pan-Arab motives than is the policy of any other Arab government. It is determined by the elite perception of its own interests which are, of course, presented as national, and indeed Arab, interests.

The only way of explaining Syrian policy with its confusing pattern of shifting alliances is to take as constant variables the rivalry with its Arab neighbours, and the search not only for an independent policy course, but for regional hegemony. It should be stressed that this has little to do with religion or the alleged designs and peculiarities of the Alawis. What it reflects is the struggle of survival of a minority regime that happens to be largely composed of members of one particular religious group. But its motives are political, not religious in nature. With its policy vis-à-vis Iraq, the PLO and Jordan, Syria has considerably deepened Arab fragmentation, although only Arab solidarity could help to realise its declared objectives - Arab rebirth (baᶜth) and a just solution to the Palestine problem.

Syrian relations with the PLO are a good case in point. Syria has supported the Palestinian resistance as long as it served its own interests. And though it endorsed the decision of the Bagdad summit of 1974 to recognize the PLO as the sole legitimate representative of the Palestinian people, it has never

recognized it as an independent political actor. The reasons are obvious enough: Syrian security concerns are directly affected by Palestinian operations on Lebanese soil, and it competes with the PLO in occupying centre stage in the confrontation with Israel, where visibility plays such a vital role.

Even more revealing is the intense rivalry with Iraq (which is, incidentally, amply reciprocated by Iraq and thus not to be credited to Syria alone) and the alliance with Iran resulting from it. The Syro-Iranian alliance is maintained in spite of strong criticism from the Arab brethren countries abroad and the nationalist and Islamic opposition at home. The striving for regional self-assertion seems to take precedence even over considerations of domestic support. The gamble is all the more risky as Syria is unable to restrain, let alone control, its Iranian partner and the latter's regional allies. Cooperation with Iran does not necessarily strengthen Syria's position in Lebanon. Over the last few years it has, quite on the contrary, tended to render it even more difficult. If pro-Iranian groups such as Hizbullah or al-Amal al-Islami have frequently served Syrian purposes, they follow their independent goals, and they are notoriously difficult to control. Their operations against Israeli and foreign targets in Lebanon tend to complicate Syrian relations with outside powers, and to reveal the limits to its control even within its own zone of influence. Developments since the deployment of Syrian troops in West Beyrut in February 1987 have illustrated these dangers perfectly well.

If Syria cannot even control pro-Iranian forces within its own zone of influence in Lebanon, it seems much less able to influence Iranian decision-making regarding the war with Iraq and relations with the Arab Gulf states. Contrary to repeated assertions, Damascus has not been able to prevent Iranian occupation of Arab land - unless the declarations were meant to

exclude Iraqi territory. What it can do, though, is to mediate between Iran and the Arab governments, Iraq probably again excluded. It is here that the main advantage of the Iranian connection has to be sought, a connection which can be explained neither by economic motives alone, for the Arab Gulf states should be able to compensate Syria for any eventual loss of cheap Iranian oil deliveries, nor by the religious affinities allegedly binding together heterodox Alawis and Twelver-Shia Iranians: The tactical alliance with Iran offers the Syrian leadership another opportunity to enhance its weight in the regional power play. Being the result of cool calculation, the situation would have to be entirely reassessed in case the war was definitely expanded beyond its present scope.

The other major area of Syrian power projection is, of course, Lebanon where Syria tries to exert maximum control without actually annexing Lebanese territory. Annexation would require a long-term, large-scale military presence. It would, moreover, risk to carry sectarian violence directly into Syrian society. Control over large parts of Lebanon and the politico-military groups operating there - Lebanese, Palestinians and, to a lesser extent, Iranians - increases Syria's chances of continuing the struggle against Israel by proxy, that is to assert its role as the major, and indeed only, confrontation state without actually getting involved in military confrontation.

What the Syrian government intends to do with added influence and growing international recognition of this influence, is less clear. It does demand to be included in any eventual settlement of the Lebanon and Palestine problems. Any attempt to ignore or outflank Syria provokes massive interference, either in the form of direct political and military pressure or via Syrian allies and clients in the Arab neighbour countries. If Syrian maximum objectives cannot be realised, and

this seems presently to be the case in view of Israeli strength and inter-Arab tension, the aim is at least to frustrate all proposals put forward by rivalling powers, and sponsored by the United States. This applies in particular to the Camp David accords and any other approach involving direct negotiations with Israel such as the joint Palestinian-Jordanian initiative of February 1985.

Syria itself has never submitted a proposal of its own. But it is prepared to participate in a negotiated settlement provided it is concluded from a position of strength, and based on complete Israeli withdrawal from all Arab territories occupied in 1967, including the Golan heights. After the partial military success of 1973, the Syrian government accepted resolutions 242 and 338 of the UN Security Council. It supports the Arab Fez Declaration of September 1982 demanding Israeli withdrawal from all territory occupied in 1967 including Arab (East) Jerusalem and recognition of the national rights of the Palestinian people, interpreted as the establishment of a Palestinian state with (Arab) Jerusalem as its capital. In actual fact, Syrian support for the establishment of an independent Palestinian state, whose government would, for the sake of its own legitimacy, have to minimise outside interference, is as limited as that of Jordan or Egypt. In terms of procedure, Syria insists on an international conference under the aegis of the UN Security Council which must not be reduced to a mere "umbrella" covering direct, bilateral negotiations with Israel. In case of complete Israeli withdrawal from all occupied Arab lands, Syria would be prepared to end the state of war, but not to conclude a peace treaty and to enter into diplomatic and economic relations with Israel as Egypt did in 1981. Israel's existence would thus be recognized as a fact, but it would not be recognized as legitimate.

The hard line vis-à-vis Israel would be more convincing if it was backed by the power needed to make Israel comply with Arab objectives (as interpreted by the Syrian government), or at least to successfully deter it from infringing on Arab rights and territory. Neither of it is happening, though. At present, Syrian power is sufficient to deter weaker Arab parties from pursuing policies which Damascus does not approve of, but not to dictate its terms to Israel. In the long run, Syria aspires at a position of parity, involving not only the military, but also the economic, political and cultural spheres. With Soviet help, Syrian military potential has been widely expanded and modernised. As a result of the extensive military build-up, Syria is thought to be able to successfully defend itself against an Israeli attack, but not to defeat it militarily. If it is to realise its declared long-term objective of eliminating the Zionist entity on Arab soil, Syria still has to cooperate with its chief rivals, Egypt and Iraq, a cooperation which all parties concerned continue to undermine in their pursuit of national, or narrow regime, interest.

The search for parity seems, moreover, to exceed Syria's economic potential. Striving simultaneously for military power, control over Lebanon and economic development as a prerequisite of internal stability and domestic support, the regime seems to have overreached itself. The costs of the military engagement in Lebanon and the rapid expansion of the security apparatus reduce the resources available for investment in socio-economic development. The present economic crisis characterised by rising inflation and the scarcity of basic goods has increased dissatisfaction in all groups and strata of Syrian society. Far from bridging domestic tension, foreign policy activism threatens to further fuel it. The problems with the Syrian strategy are thus obvious enough, and some of the lessons could have been learned from the Nasse-

rist experience before: A strategy centred on foreign policy activism is hinged on continuing success, particularly so when the domestic power base is as weak as the Syrian one. Success, however, is difficult to achieve in a situation that seems to be blocked on all sides, Lebanon, Palestine, and the Gulf. It is therefore, to a large extent, restricted to the ability of frustrating the designs of rivals and opponents. Syrian policy seems to be very much caught in this blocked alley.

As a direct party to the Palestine conflict, Syria has to be included in any settlement if it is to have any chance of being implemented at all. Yet Syria is too strong vis-à-vis its Arab rivals and too weak vis-à-vis Israel to offer serious prospects of advance. Its intransigence in facing Israel successfully deters Arab parties ready for compromise from actually engaging in bi- or multilateral negotiations. At the same time, its economic weakness and the pervading rivalry with Iraq, Egypt and Jordan prevent the formation of a joint Arab front which alone could realise, through political or military means, the declared long-term objectives of Syrian policy. And it is the very continuation of regional conflict that helps to enhance Syria's power in inter-Arab relations. The incentives to come to a political settlement with Israel, therefore, are low: In view of intense inter-Arab rivalry, the regime's Arab credentials, which still seem to be crucial to domestic support, have to rest largely on intransigence vis-à-vis Israel. In spite of its revisionist posture and the Asad-Saladin analogy, Syria thus emerges as one of the regional powers whose interests are rather well, or indeed better, protected by the status-quo: controlled tension short of open warfare.

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THE U.S. ROLE IN THE PERSIAN GULF REGION

by Gary Sick

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It is tempting to regard the policy of a great power simply as the resultant of its national interests. At some abstract level, that is true--or perhaps a truism--but it implies a degree of inevitability that is seldom present in the policy process. The texture of any country's policy is revealed in the uncertainties, misapprehensions, false starts and tergiversations that are characteristic of thoroughly human policymakers as they try to cope with the unexpected twists and turns of circumstances largely beyond their control. A nation's interests may indeed be permanent and immutable, but whether and how to pursue those interests is a function of choice, hence fallible.

Analysis of the interactions between interests and policy must begin with consideration of several prior questions. How did policymakers acquire their perception of interests? Have their perceptions changed over time or with new leadership? How have national leaders attempted to translate their understanding of interests into concrete policies? Have those policies changed in the face of new circumstances? Are the interests of the great power congruent with--or contrary to--the interests of the regional states? Have the policies of the great power succeeded in preserving and furthering its interests?

The interests of the United States in the Persian Gulf region have been very simple and consistent: first, to ensure access by the industrialized world to the vast oil resources of the region; and second, to prevent the Soviet Union from acquiring political or military control over those resources. Other objectives have been expressed by U.S. leaders from time to time, e.g., preserving the stability and independence of the gulf states or containing the threat of Islamic fundamentalism. But those are derivative

concerns growing out of specific circumstances and are implicit in the two grand themes of oil and Soviet containment that have been the constant elements in U.S. policy.

The British Legacy[1]

The United States position in the Persian Gulf is lineally descended from the British, who dominated the region for nearly 150 years before the arrival of their American cousins. The United States inherited not only its mantle of leadership and much of its strategic infrastructure from the British but also its way of thinking about its interests and how to pursue them.

The U.S. preoccupation with preventing the expansion of Soviet influence in the region can be seen as an extension of "The Great Game" as practiced by the British throughout the nineteenth century. The other major concern of U.S. policy--how to ensure access to the oil resources of the region--is in turn reminiscent of British protection of its markets and lines of communication East of Suez. Thus, at least partly as a consequence of this historical evolution, there is a line of continuity in U.S. policy and its perception of national interests in the Persian Gulf region that transcends any administration or political philosophy.[2]

United States interest and involvement in the Persian Gulf began in World War II, when the region became an important supply route for delivery of lend-lease military equipment and other supplies to the Soviet Union. At the

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[1] Some of the following background material was adapted from Gary Sick, "The Evolution of U.S. Strategy Toward the Indian Ocean and Persian Gulf Regions," in Alvin Rubinstein, ed., The Great Game: Rivalry in the Persian Gulf and South Asia, New York: Praeger, 1983, pp. 49-80.

[2] One aspect of U.S. policy, which differs from the British experience, is the constant competition in U.S. policy between oil interests in the Persian Gulf and interest in the security of Israel. The tension between these two competing interests has been a constant and important element in U.S. decisionmaking on Middle East issues that must be acknowledged but cannot be examined in any detail in this paper.

beginning of the war, the British and Soviets deposed Reza Shah, placed his son on the throne, and effectively divided the country between them. The 40,000 troops of the U.S. Middle East Command during those days still represents the largest sustained deployment of U.S. military personnel to the region.

The Tehran Conference of 1943 was the first visit by an American president to the region, and President Franklin Roosevelt's encounter with the young Mohammed Reza Shah Pahlavi sparked the first high-level U.S. interest in regional political developments. Roosevelt later commented that he was "rather thrilled with the idea of using Iran as an example of what we can do by an unselfish American policy."[3] The idealistic impulse behind those words gave rise to an entire school of "development theory" that wound through U.S. policy in Iran and elsewhere for thirty years, until it disintegrated in the turmoil of the Iranian revolution.

The U.S.-Soviet Rivalry

The first direct confrontation between the United States and the Soviet Union in the postwar era, and one of the opening salvos of the cold war, was the dispute over the withdrawal of Soviet forces from northern Iran in 1946. Although this issue was resolved peacefully by U.S. and British diplomatic pressures in the United Nations, backed by overwhelming U.S. global military power and some adept political maneuvering by the Iranian government, the incident made a vivid impression on the U.S. leadership. From that day to this, Iran has been perceived by several generations of U.S. political leaders as the most likely site outside the European theater where an armed clash with the USSR might escalate into a global conflict.

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[3] FDR memorandum to the secretary of state, January 12, 1944. Cited in Bruce R. Kuniholm, The Origins of the Cold War in the Near East, Princeton University Press, 1980, p. 169.

In U.S. strategic planning, the scenario of a Soviet armed attack across Iran toward the Persian Gulf has consistently been used to size American rapid deployment forces and to calculate lift requirements. Reliance on this scenario did not imply that such an attack was regarded as imminent, nor did it lead to the permanent deployment of major forces in the region. Its appeal was that it was not implausible, it involved potential combat against substantial military forces, it raised all the political uncertainties of a third world conflict, and it was located in one of the least accessible places on the globe for U.S. military forces. Hence, it was useful as a stressful scenario to test U.S. military capabilities. Psychologically, however, the familiarity of the Iranian-Persian Gulf scenario meant that U.S. military and government officials perhaps have been more conscious of the Soviet threat in that sector than in other possible trouble spots around the world.

In the 1960s, as the British "long recessional" from empire became manifest, strategic planners in both the United States and England recognized that future capability for power projection in the Indian Ocean area would be hampered by the loss of support facilities as the British withdrew. Therefore, they proposed "stockpiling" some facilities for possible future use. In the Kennedy administration, a study was undertaken to identify "strategic islands" in the Indian Ocean and elsewhere that might be able to serve that purpose. One of the islands was Diego Garcia.

In 1964 the Chagos Archipelago, which included Diego Garcia, was detached from Mauritius and the Seychelles, and in the following year these islands were constituted as the British Indian Ocean Territory (BIOT) by a British Order-in-Council. A U.S.-U.K. executive agreement was signed in 1966 providing for the use of these islands for joint defense purposes.

The strategic rationale for the establishment of BIOT was the perceived need for future support facilities in the context of long-term contingency planning. However, that was insufficient to overcome political opposition in a skeptical U.S. Congress, which was being asked to fund initial construction. Consequently, the executive branch was led to inflate the nature of the political threat by talk of a "power vacuum" in the region and to make the Diego Garcia installation appear to be more significant--and thereby more threatening--than it was in fact.

Construction work on Diego Garcia began in 1971, and by early 1973 the United States had an austere communications station supported by an 8000-foot runway. The perception of expansive U.S. interests had repercussions in the attitudes of the littoral states and, most significantly, in the Soviet Union.

The Naval Rivalry

The British announcement in 1968 of its intent to withdraw its military presence East of Suez by 1971 came at a moment when the USSR was beginning to develop a new maritime policy of power projection in areas far from the Soviet land mass. Almost simultaneously with the British announcement, the USSR began to deploy naval forces to the region on a regular basis. In 1968, 2-4 Soviet combat vessels were maintained in the area, together with supporting auxiliaries, for a total of about 1900 ship-days. By 1969, this level had more than doubled to about 4100 ship-days, and it doubled again by 1972 to about 8800 ship-days. The first Soviet submarine appeared in October 1968, and in August of the same year the first reconnaissance flights by Soviet Bear D aircraft occurred. During the same period, General Secretary Leonid Brezhnev launched a political campaign to squeeze Western presence out of Asia. His call for an Asian collective security arrangement attracted no support in the region, but it was generally interpreted by the Western powers as a trans-

parent effort to play on the nationalist sentiment of the regional states and to add a political dimension to the increased Soviet military presence.

In December 1971, regional and Soviet concerns about U.S. intentions were sharply increased when the carrier USS Enterprise and a Seventh Fleet task force were sent into the Bay of Bengal as a gesture of reassurance to Pakistan during their war with India over Bangladesh. This was the first quasi-operational deployment of U.S. forces into the region since the Second World War. The Soviets responded with a surge deployment of a substantial naval force, including the first deployment of cruise missile submarines to the region.

At the same time, the regional states were undertaking their own effort to prevent the Persian Gulf and Indian Ocean from becoming an arena for superpower military rivalry. A "zone of peace" resolution first passed the UN General Assembly in December 1971 calling for "elimination of any manifestation of great power military presence in the Indian Ocean, conceived in the context of great power rivalry." Both the United States and the Soviet Union abstained, as did most of the major maritime nations of the world.

The Two-Pillar Policy

In 1969 on the island of Guam, President Richard Nixon announced what came to be known as the "Nixon Doctrine," which proposed that the United States support and place greater reliance on regional powers to help protect its interests worldwide, at a time when U.S. forces were stretched thin because of Vietnam. Perhaps the clearest translation of this policy into concrete action was in the Persian Gulf, where the United States had significant national interests but was hampered by public opinion and by military overcommitment from developing a regional security policy. As a consequence,

enhanced ties of security cooperation were forged with Iran and Saudi Arabia--the so-called "two-pillar" policy.

From the beginning, Iran was acknowledged as the predominant of the two "pillars." President Nixon and Henry Kissinger visited Iran in May 1972 and concluded a series of agreements. In return for Iranian support and protection of U.S. interests in the region, the United States agreed to increase the level of its military advisory presence in Iran and to "accede to any of the Shah's requests for arms purchases from us (other than some sophisticated advanced technology armaments and with the very important exception, of course, of any nuclear weapons capability...)."[4] The United States agreed not to "second guess" the shah, and the U.S. intelligence capabilities in Iran were gradually shifted away from Iranian internal politics to focus almost exclusively on the Soviet Union.

During this same meeting, the United States agreed to cooperate with Iran and Israel in a covert action in support of the Kurdish rebels in northern Iraq, with the objective of bringing pressure on the Baathist government of Saddam Hussein and to divert Iraqi forces away from the Arab-Israeli sector. At the end of his discussions with the shah, President Nixon captured the essence of the meeting in just two words. He looked across the table at the shah and said simply, "Protect me."[5]

The October War

By mid-1973, the United States had every reason to be satisfied with its basic strategy. The political transition to independence by the mini-states of the Persian Gulf following the British withdrawal had been more orderly

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[4] Kissinger memorandum to Nixon in 1973, cited in Gary Sick, All Fall Down: America's Tragic Encounter With Iran, New York: Random House, 1985, p. 15.

[5] ibid., p. 14.

than almost anyone would have dared hope. The Iranian seizure of the small islands of Abu Musa and the Tunbs at the mouth of the gulf in late 1971 had been balanced by the retraction of Iranian claims to Bahrain, and initial Arab outrage seemed to subside into acceptance of a fait accompli. The Iraqi threat to Kuwait in March 1973 and a nearly simultaneous upsurge of tension between Saudi Arabia and South Yemen were managed without any need for direct U.S. intervention. Both of the two pillars of U.S. policy, Iran and Saudi Arabia, appeared stable and increasingly self-confident. In its role as protecting power, Iran was providing troops to assist the new sultan of Oman to put down the externally-assisted rebellion in Dhofar Province.

Despite the growing importation of oil, the balance of trade between the United States and the Persian Gulf states strongly favored the United States and was expected to stay that way as the oil producers sought Western technology and products with their increasing oil revenues. The U.S. Middle East Force--an auxiliary command ship and two destroyers--seemed securely established after successful negotiation of a lease with the government of Bahrain, replacing the original British host arrangement.

This tranquillity was broken by the events resulting from the Arab-Israel war of 1973. The oil embargo by Arab states against the United States and certain other countries supporting Israel demonstrated that business and politics in the Persian Gulf could not safely be separated from each other. The resulting panic in the world markets, including massive disruption in U.S. domestic distribution systems, created the impression that the United States was much more vulnerable than had been previously supposed. The threat of possible naval actions against shipping destined for Israel drew attention to the vulnerability of oil shipping lanes through the gulf and the Indian Ocean.

The government of Bahrain demanded that U.S. forces terminate their use of facilities there.[6]

The United States sent a carrier task force into the Arabian Sea in October as part of a global alert of U.S. forces during the war, and maintained a greatly increased naval presence for six months thereafter. Secretary of Defense James Schlesinger subsequently announced that the United States would conduct more frequent and more regular naval deployments to the region, and he requested emergency upgrading of the facility at Diego Garcia. The Soviet Union doubled its warship presence in response to U.S. naval deployments and began development of a major military airfield and missile handling facility at Berbera in Somalia, raising U.S. fears of the imminent introduction of Soviet long-range surveillance and strike aircraft into the region.

Diego Garcia and the Naval Arms Talks

The debate between the administration and the Congress over expansion of Diego Garcia was acrimonious and prolonged. In March 1975, President Ford declared, at congressional insistence, that construction of Diego Garcia was "essential to the national interest of the United States." This was the first high-level policy statement to assert that essential U.S. interests were at stake in the Persian Gulf and Indian Ocean regions. Also at congressional insistence, the Ford administration examined the possibility of naval arms limitations talks with the USSR, concluding that such talks were not warranted. In 1976 work began to equip Diego Garcia with a 12,000-foot runway and replenishment facilities to support a carrier task force for 60 days.

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[6] A new lease, at substantially increased cost, was negotiated with the Government of Bahrain in 1975.

The Carter administration continued the policies of its predecessors with respect to force deployments, but unlike President Ford, Carter chose to pursue the possibility of naval arms limitations talks with the USSR. A framework for such talks had been developed in 1976 in response to congressional prodding, and formal talks began in Moscow in June 1977, followed by sessions in Washington and Bern, Switzerland.

Some progress was made on technical issues, but the key dilemma that emerged from the discussions was the inability of an essentially naval agreement to deal with the more basic issues of regional intervention. This problem was dramatized by the Soviet and Cuban intervention in favor of the Marxist regime in Ethiopia. The talks broke down in early 1978 and remained moribund until the coup de grace was delivered--as it was to other arms-control initiatives--by the Soviet invasion of Afghanistan in December 1979. Moreover, the Soviets lost their key bargaining chip--the sizable air base that they had been building in Somalia--when they sided with Ethiopia against Somalia.

Although the discussions with the Soviets about naval arms limitations produced no agreement, they did provide a useful opportunity for the two sides to discuss in some detail their military activities and objectives in the region. Thus, it became clear to the U.S. negotiators that one of the key Soviet interests in the region was to defend against anticipated deployments of U.S. ballistic missile submarines pointed at the USSR across its southern underbelly. The Soviet side, in turn, was able to conclude from these talks that such U.S. ballistic missile deployments were unlikely due to technological developments. In retrospect, it is also apparent that these talks took place at the very time that a debate about the use of naval forces for power projection in distant areas had begun inside the Soviet Union. That debate

resulted in the downplaying of such a mission for the Soviet Navy in the Mediterranean Sea and Indian Ocean.[7]

Perhaps for all of these reasons, the Soviet naval presence in the northwest quadrant of the Indian Ocean has remained essentially static from the late 1970s until the present. The Soviets have not surged forces into the area in response to repeated large U.S. naval deployments to the Arabian Sea, nor even during the invasion of Afghanistan. Contrary to the fears of the mid-1970s, it now appears that the USSR does not regard the Persian Gulf region as an arena of naval rivalry with the United States.

Oil

Oil in commercial quantity was first discovered in the Middle East by an Australian, William D'Arcy, in 1908 at Masjid-i-Suleiman at the head of the Persian Gulf in Iran. The first shipload of oil from that field left Abadan and passed through the Strait of Hormuz in 1912. Most of the other major oil fields in Iraq, the Eastern Province of Saudi Arabia and the Arab principalities of the Gulf were located and developed by European and U.S. companies beginning in the 1930s. However, the importance of Persian Gulf oil in international politics did not emerge until after World War II.

Initially, the vast oil reserves of the Persian Gulf were viewed as important primarily for commercial and financial reasons. The exploration for oil, as well as its extraction, refining, shipment and marketing were under the control of a small number of giant oil companies--the so-called Seven Sisters--which held concessionary rights; and it was often difficult to distinguish between U.S. interests in Saudi Arabia, for example, and the interests of the Arabian-American Oil Company (ARAMCO).

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[7] For a useful discussion of this debate and its outcome, see Francis Fukuyama, "Soviet Civil-Military Relations and the Power Projection Mission," Rand Report R-3504-AF, April 1987.

The enormous profits generated by the oil companies were crucial to the financial health of a number of governments, and some of the most dramatic political developments in the region were directly related to these lucrative operations. Thus, the U.S. covert action in 1953, which overthrew Premier Mohammed Mossadegh and restored the shah to the throne, was inspired by the British after Mossadegh had nationalized the Anglo-Iranian Oil Company. Although the "countercoup" was justified within the U.S. government as preventing a possible Soviet takeover of Iran, it was not entirely incidental that the action resulted in a new operating consortium in which U.S. companies acquired a 40% interest.

OPEC

The Organization of Oil Exporting Countries (OPEC) was originally formed in 1960 to protect producing countries from price fluctuations established by the oil companies. In the early 1970s, when the industrialized world was becoming increasingly dependent on oil as an energy source, OPEC was instrumental in asserting the rights of producer countries to greater participation in the operation of the industry. It was extremely successful. Over the past 15 years, the Gulf states have assumed primary decisionmaking power over oil, and the role of the companies has increasingly become that of a service industry. The equity interest of the international oil companies in Middle East crude oil production, which nearly equalled that of the host governments at the beginning of the 1970s, had declined to approximately 5% by 1980.

This fundamental shift reflected the new realities of the world oil market. From the end of World War II until the mid-1960s, the United States was the largest oil producer in the world and was therefore able to exercise dominant influence on the international oil market. However, U.S. production peaked in the early 1970s and then began to decline, while gulf production

soared. By 1979 Saudi production substantially exceeded total U.S. production, and the gulf region was producing nearly three times as much oil as the United States.

As worldwide demand for oil increased, the gulf states, with their massive oil reserves, were in a position to assert greater independent leverage over pricing and production. This new power was vigorously demonstrated in the wake of the October 1973 Arab-Israel war when the gulf states ordered production cutbacks and imposed a partial oil boycott. This disruption of normal supply patterns and the resulting fears of a global oil shortage permitted OPEC to quadruple the price of oil, from the $2-3 range to nearly $12 a barrel. Further upward pressure was created by the disruptions of the Iranian revolution in 1978-79, and OPEC followed the spot market to establish a price of about $32 a barrel by mid-1980.

Thus, in one tumultuous decade the entire production and pricing system of international oil was transformed, as was the perception of U.S. and western interests in the Persian Gulf. The cartel of western oil companies was broken and replaced by a producers' organization able to exploit upward pressures to the benefit of its members. The role of the United States as key producer and oil exporter was supplanted by the gulf states in general and Saudi Arabia in particular. The strategic dependency of the industrialized states on the oil of the Persian Gulf became manifestly apparent. And the earlier perception of oil as a matter of primarily commercial interest was replaced by a perception of oil as a strategic, political concern.

The U.S. Response

The United States responded to this series of reversals and shattering change by political and strategic improvisation. After the oil shock of 1973-74, Secretary of Defense James Schlesinger pointedly noted that the United

States possessed the necessary military capability to respond if the oil weapon was used to cripple the industrialized world. In November 1974, the carrier USS Constellation broke off from routine exercises in the Arabian Sea and conducted air operations during a 36-hour circumnavigation of the Persian Gulf--the only time a U.S. carrier has ever entered the constricted waters of the gulf. This was followed the next month by a Business Week interview with Secretary of State Kissinger in which he declared that, in the event of actual "strangulation" of western economies, the United States could not exclude the use of force. There was talk in the media of a U.S. invasion of the gulf,[8] and the United States raised its level of naval presence in the region, sending alternating deployments of carrier and surface ship task forces to the region every four months. If the object of these maneuvers was to get the undivided attention of the gulf rulers, they certainly succeeded.

Kissinger's brilliant negotiation of Israeli disengagement from the Sinai in 1974-75 led Anwar Sadat to surprise everyone by abrogating Egypt's treaty with the Soviet Union and moving closer to the United States. This event, plus the reopening of the Suez Canal in 1975, helped create an "anchor to windward" for U.S. Arab policy and greatly increased U.S. capability to insert forces into the region on short notice. The political process of reconciliation with Egypt was intensified and extended by President Carter, whose extraordinary personal diplomacy culminated in the 1978 Camp David Accords and, in 1979, the first peace treaty between an Arab state and Israel.

The Sultan of Oman visited Washington in 1975 and agreed to permit U.S. reconnaissance aircraft to operate from Masirah Island off the Omani coast in return for U.S. sale of TOW missiles and other military equipment to Oman.

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[8] See, for example, Robert Tucker, "Oil: The Issue of American Intervention," Commentary, March 1975 and subsequent rejoinders.

Access to limited military support facilities near the mouth of the Persian Gulf meant that U.S. air surveillance could be sustained on a more regular basis than was possible when operating from Diego Garcia, some 2500 miles away. The United States also increased its sales of arms to Saudi Arabia and other gulf states, over strenuous objections from Israel, to enhance its political ties and to sop up some of the excess oil profits piling up in the oil states.

The Iranian Revolution

At the same time the United States was gaining a new partner in Egypt, it was losing one in Iran. The sudden and total collapse of the shah's regime in Iran at the end of 1978 effectively demolished a decade of U.S. strategy in the Persian Gulf region. Without Iran, the Nixon Doctrine was invalidated, and the United States was left strategically naked, with no safety net.

This sense of imminent concern was magnified in February 1979 by reports of an incipient invasion of North Yemen by its avowedly Marxist neighbor to the south. This event, coming in the wake of the Marxist coup in Afghanistan in April 1978, the conclusion of the Ethiopian-Soviet treaty in November 1978, the fall of the shah and the assassination of U.S. Ambassador Adolph Dubs in Kabul in February 1979, created the impression that the United States had lost all capacity to influence regional events. That impression was strengthened when Turkey and Pakistan followed Iran in withdrawing from the Central Treaty Organization in March.

THe U.S. government responded to the Yemen crisis with a series of measures intended to reassure American friends in the region and to demonstrate U.S. resolve. A carrier task force was dispatched to the Arabian Sea, establishing a new baseline of constant U.S. military presence for years to come. An emergency package of military aid was rushed to Yemen, and AWACS early

warning aircraft were deployed to Saudi Arabia for joint training and to bolster Saudi air defenses.

Over the remainder of 1979, the United States undertook a systematic effort to develop a new "strategic framework" for the Persian Gulf. By the end of 1979, the outlines of a strategy had been sketched in, including initial identification of U.S. forces for a rapid deployment force, operational planning for an increased U.S. military presence, including the permanent presence of a carrier in or near the Arabian Sea, and preliminary discussions with Oman, Kenya and Somalia about possible use of facilities.

Nevertheless, when the U.S. embassy in Tehran was attacked in November, a high level review of U.S. military capabilities drew the sobering conclusion that U.S. ability to project military power in the region--beyond a show of force--was extremely limited. In late November, when there were serious fears that the U.S. hostages were in danger of being killed, a second aircraft carrier was sent to the area and two additional destroyers were assigned to the Middle East Force. Thus, when the next great drama of the region occurred, the United States already had substantial military forces on the scene.

The Invasion of Afghanistan

The Soviet invasion of Afghanistan just before Christmas in 1979 can be explained variously in terms of Soviet interests, perceptions or strategy. On the U.S. side, however, the result was rather simple. The invasion aroused latent fears of Soviet expansionism that are never very far beneath the surface of U.S. foreign policy.

On this occasion, as in the past, analysts and pundits recalled Molotov's draft amendment to the pact proposed by German Foreign Minister Ribbentropp in 1940 indicating that the center of Soviets aspirations was "the area south of Batum and Baku in the general direction of the Persian Gulf."

Similarly, it was remembered that Article VI of the Irano-Soviet Treaty of 1921 sanctioned Soviet intervention in Iran in the event of hostile forces operating there.[9] These two documents are often cited as evidence that the Soviet Union continues to pursue a drive for warm water ports that dates back to the days of the czars.

This image of a Soviet drive to the Persian Gulf and Indian Ocean dominated analysis in both the media and among government officials. The geography of Afghanistan was examined, not so much to discover how difficult it might be for the USSR to extend its sway in such a hostile terrain, but rather to demonstrate that air bases constructed in southern and western Afghanistan could extend Soviet air power to the Persian Gulf and Arabian Sea. In short, the Soviet invasion was widely perceived not as a political gambit to preserve a Soviet position in Afghanistan but as an initial step toward more lucrative targets at a time when U.S. power and influence were severely impaired.

The practical effect of the Soviet invasion was to terminate the efforts of the Carter administration to seek mutual accommodation with the Soviet Union, including support for the SALT II treaty. It undercut the consistent efforts of Secretary of State Vance to pursue a low-key negotiating approach with the USSR and persuaded President Carter to rely more heavily on the advice of his hawkish advisers, particularly Zbigniew Brzezinski.

The Carter Doctrine and the Birth of the RDJTF

This policy shift was articulated by Carter in his State of the Union address of January 23, 1980, where he stated that "Any attempt by any outside force to gain control of the Persian Gulf region will be regarded as an

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[9] This article, which was originally aimed at Russian counterrevolutionary forces, was invoked by the USSR in its occupation of Iran at the beginning of World War II. Although Iran has repeatedly declared this article void, the Soviet Union has never renounced it.

assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force." This declaration, which quickly came to be known as the Carter Doctrine, bore a remarkable resemblance to the classic statement of British policy by Lord Lansdowne in 1903, when he said the United Kingdom would "regard the establishment of a naval base, or of a fortified port, in the Persian Gulf by any other power as a very grave menace to British interests," an act that would be resisted "with all the means at our disposal."[10] The statement clearly established the United States as the protector power of the region and effectively completed the transfer of policy responsibility in the Persian Gulf from the British to the Americans.

When Carter made this statement, it reflected U.S. intentions rather than capabilities. Despite the planning that had been conducted over the previous year, the United States was poorly equipped to respond to a major Soviet military challenge in the Persian Gulf region. Over the following year, a number of additional steps were taken, including the formal establishment of a rapid deployment joint task force (RDJTF), deployment of seven prepositioning ships to Diego Garcia, requests to Congress to purchase eight fast roll-on, roll-off ships that could reach the Suez Canal from the U.S. east coast in 11 to 12 days, exercise deployment of some RDJTF forces to Egypt and other countries in the area, and positioning tactical air forces and combat lift for rapid deployment to the area. Access agreements were signed with Oman, Kenya and Somalia, and talks were initiated with Pakistan on countering the Soviet intervention. An amphibious ready group with 1800 Marines was sent to the

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[10] Cited in J.C. Hurewitz, The Persian Gulf After Iran's Revolution, Foreign Policy Association Headline Series 244, April 1979, p. 22.

Arabian Sea, and AWACS aircraft were deployed to Saudi Arabia to enhance air defenses in the gulf after the outbreak of the Iran-Iraq war.

Despite these efforts, by the time the Reagan administration arrived in Washington in January 1981, it would have been accurate to say that the U.S. security structure in the Persian Gulf region was more symbol than reality--at least as measured in purely military capacity.[11] Nevertheless, it was equally apparent that the developments of 1980 marked a major threshold in the evolution of U.S. strategy and a new conviction that this region represented a major strategic zone of U.S. vital interests, demanding both sustained attention at the highest levels of U.S. policymaking and direct U.S. engagement in support of specifically U.S. interests. That was without precedent.

The Central Command

The Reagan administration adopted the Carter Doctrine and over the following seven years succeeded in putting more substantial military power and organization behind its words. The RDJTF was reorganized in 1983 as a unified command known as the Central Command, based at MacDill Air Force Base in Tampa, Florida, with earmarked forces totalling some 230,000 military personnel from the four services. Its basic mission reflected the two themes that had wound through U.S. regional policy from the very beginning: "to assure continued access to Persian Gulf oil and to prevent the Soviets from acquiring political-military control directly or through proxies."

Its area of responsibility includes East Africa from Egypt to Kenya, the eastern Arab states excluding those on the eastern Mediterranean, as far east as Pakistan. This area, which has always been the "back yard" of U.S. mili-

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[11] Former Secretary of Defense James Schlesinger drew attention to this fact in an article questioning whether the RDJTF was rapid, deployable, or even a force. See "Rapid(?) Deployment(?) Force(?)," Washington Post, September 24, 1980.

tary commands in the Pacific and Europe, with forces "loaned" from and reporting to their individual headquarters, has now been consolidated under a single operational commander with a single chain of command. Military-to-military relationships have been established with many of the countries in the region, and coordination and some prepositioning of materiel have proceeded discreetly.

From the beginning of the RDJTF during the Carter administration, it has been recognized that military force might be able to deter or contain a Soviet thrust southward, but it was less able to deal with the political turmoil and instability of the regional states. That fact remains true. Given a reasonable amount of warning, CENTCOM today could probably prevent the USSR from taking the Iranian oil fields in the southern part of the country, though it would probably have to cede the northern part of the country to a determined Soviet advance. The forces available to CENTCOM are also valuable instruments for the United States in pursuing its diplomatic objectives in the area. They will not, however, prevent the Soviets from making their own diplomatic intrusions into the gulf, nor will they provide in themselves any guarantee against internal political dissent or instability within the gulf states.

That fact is critical, since the real problem for the United States and other powers with interests in the region has always been more political than military. The Soviet Union has more than four divisions in Afghanistan and another 28 divisions ranged along the Soviet southern frontier that could be used in a military offensive. However, despite the fears generated by the invasion of Afghanistan, there is little credible evidence that the USSR is planning any further intervention to the south, at least in the near term. On the contrary, the Soviets have been bloodied in Afghanistan and seem to be

more interested in disentangling themselves from a costly and untenable situation than in pressing further toward the Persian Gulf or the Indian Ocean.

Regional Politics and U.S. Interests

Despite the shadow of Soviet military power just north of Iran and Turkey, all of the recent threats to oil supplies and to regional stability have come not from the USSR but from indigenous political developments within the region. The most dangerous of these threats has been the Iran-Iraq war, which Iraq launched with a massive invasion in September 1980. Iran drove Iraqi troops back to the frontier by 1982 and then attempted to push across the border. Although Iran succeeded in taking the Fao Peninsula in 1986, the war has been essentially a stalemate for nearly six years.

At the beginning of the war, the United States asserted its neutrality, though it tended to tilt toward Iraq. In 1985-86, in an abortive effort to free the U.S. hostages in Lebanon, the United States and Israel undertook a series of secret contacts and substantial arms transfers to Iran which effectively shifted U.S. policy--at least at the covert level--toward Iran. When the revelation of these arrangements created consternation and threatened U.S. relations with the friendly oil-producing states of the gulf, the United States reversed field sharply and adopted a pro-Iraqi position.

The Tanker War

During much of the war, the United States and many other powers took a hands-off posture, on the grounds that they could have little effect on the outcome of the conflict and since it was having relatively little impact on oil supplies. That began to change in 1985-86 when Iran began to retaliate for Iraqi air attacks against its shipping in the gulf by using mines and small armed boats against neutral shipping enroute to Kuwait and Saudi Arabia.

In late 1986, Kuwait asked both the United States and the Soviet Union to place Kuwaiti tankers under their flag and provide protection. The Soviet Union agreed to reflag 3 Kuwaiti tankers, and the United States quickly followed suit by reflagging eleven. The United States moved a substantial number of naval ships into or near the gulf and began escorting tanker convoys to and from Kuwait. Iran's indiscriminate use of mines led other NATO navies (France, Great Britain, Italy, Belgium and the Netherlands) to send minesweepers and other escort ships to the gulf to protect international shipping. By the end of 1987 the convoy operation appeared to have settled into a nervous routine, and the United States was considering some reductions in its naval forces.

International Diplomacy and the Iran-Iraq War

"If the Iran-Iraq war does not come to an end officially in 1988, it will at least be practically over." This judgment, so contrary to the prevailing image of the war as a conflict without end, was expressed not by an armchair observer from afar but by Crown Prince Abdallah of Saudi Arabia, who had just completed a round of consultations about the war in the major Arab capitals followed by a summit meeting of Arab Gulf states.[12] His view is still very much a minority perspective, but there is growing evidence that this seemingly interminable war may be winding down at last.

One year ago, Iran was engaged in a massive offensive, "Karbala V," designed to break through the formidable Iraqi defenses around the southern city of Basra. That offensive, which had been in preparation for an entire year, was arguably the best-prepared, best-armed and most skillfully conducted operation in the long history of this brutal conflict. In the preceding year,

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[12] Interview with the Arab Times, cited in Foreign Broadcast Information Service, Daily Report: Near East and South Asia, January 11, 1988.

Iran had succeeded in acquiring new arms and spare parts from the United States and Israel as a result of the Iran-contra affair, in addition to military supplies from China and a number of other sources. The Iranian military, after more than six years of battle, had achieved a new level of competence and professionalism, and Iran's political leadership was prepared to commit the full resources of the country in the pursuit of a decisive victory that would topple the hated regime of President Saddam Hussein in Iraq.

It failed. Iraqi defensive lines held firm against the onslaught. Iraq now celebrates its successful resistance as the "Great Day" of battle, while Iran was forced to reconsider its entire military strategy. The Iranian leadership had to ask themselves whether one more offensive was likely to succeed where this supreme effort had failed.

In the end, Iran chose quietly to adopt a new approach. In June 1987 Mohsen Rezaie, the military commander of Iran's Revolutionary Guards, announced in a little-noticed interview that Iran's military plans for the coming year would involve not a massive single offensive as in the past but a "series of limited operations and a series of bigger ones....We have plans to organize, train and arm popular forces inside Iraq....This is the new front."[13]

This new strategy, which was subsequently espoused by all key Iranian leaders, had two practical consequences. First, Iran began to arm and train Kurdish forces for sustained guerrilla operations with Revolutionary Guards in northern Iraq. Second, Iran failed to put in place the infrastructure and meticulous planning required for a major new offensive against Basra in the winter of 1987-88.

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[13] Interview with Keyhan newspaper, June 29, 1987, cited in Foreign Broadcast Information Service, Daily Report: Near East and South Asia, July 7, 1987.

The new strategy had implications for Iran's diplomatic strategy as well. On July 20, 1987, the United Nations Security Council unanimously voted a binding resolution calling for an end to the war. It was an open secret in the UN that this resolution was intended to lend support to Iraq and to punish Iran. The first paragraph of Resolution 598 demands an immediate cease-fire and withdrawal of forces prior to negotiation of outstanding issues between the warring parties. Since Iran was the only party holding substantial territory outside its own borders--the Fao Peninsula that had been taken in February 1986--this meant that Iran was expected to relinquish its major bargaining lever before negotiations started. It was therefore anticipated that Iran would reject the resolution, thereby triggering a second resolution to impose an embargo.

To the surprise of many, Iran did not reject the resolution. Instead, Iran fixed on paragraph six of the resolution which provided for an impartial commission to determine who started the war. If such a commission were established, Iranian officials told UN Secretary General Javier Perez de Cuellar, they would be prepared to observe an informal cease-fire while the panel conducted its investigation.[14] Iran and most other observers believe that Iraq initiated the war in September 1980 with its massive invasion into the Iranian province of Khuzestan, though Iraq insists the attack was provoked.

Iran has chafed at the initial failure of the Security Council to identify Iraq as the aggressor in 1980 and its failure to call for the withdrawal of Iraqi forces. The commission would, in Iranian eyes, rectify this situation and lay the basis for Iranian claims for war reparations. Iraq, needless

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[14] The confidential "Statement by the Secretary-General on his Mission to Iran and Iraq at Security Council Consultations on 16 September 1987" was published in full by the Kuwait News Agency on September 19, 1987. See Foreign Broadcast Information Service, Daily Report: Near East and South Asia, September 19, 1987.

to say, has stiffly resisted Iran's diplomatic efforts, insisting that Resolution 598 must be implemented strictly in the order of the paragraphs as originally written.

This negotiating process came to an abrupt halt in late 1987, with a measured exchange of military blows between the United States and Iran in the Gulf. The escalatory cycle began on September 21 with the U.S. attack on an Iranian minelaying ship and ended essentially in a draw with the Iranian missile attack on an oil-loading platform in Kuwaiti waters on October 22. During that period, Iran hardened its negotiating position and hastily announced a mobilization of popular forces for a possible new winter offensive.

By the end of December, tempers had cooled. Iran, perhaps realizing that an unprepared offensive would be futile, let it be known that it was prepared to call off its attack, and talks began with the Arab states of the Gulf. It now appears that this will be the first winter in the entire history of the war in which there will be no large military offensive on either side.

In fact, the ground war over the past year has been confined to occasional skirmishes of little strategic significance. Iran is devoting most of its attention to small scale guerrilla operations in Kurdish areas of northern Iraq, while Iraq concentrates on missile attacks against Iranian oil shipping. It would be only a slight exaggeration to say that a fitful and tacit cease-fire has emerged along the main war fronts while the principal focus of the fighting has moved to the shipping lanes of the Persian Gulf.

This brief analysis suggests that Crown Prince Abdallah's comments about a practical end to the war in 1988 may be more than wishful thinking. The Iran-Iraq war, at least for the time being, appears to have settled into a jockeying match by the two warring parties about the order in which the terms

of Resolution 598 are to be implemented. That would not seem to be an insuperable problem for creative international diplomacy. The Secretary General has already tabled--and the Security Council has endorsed--a nine-point plan that could provide the basis for a compromise. At a minimum, the prospects for fruitful negotiations would appear sufficiently promising to justify a new visit to the region, either by UNSG Perez de Cuellar or by a special representative that he could appoint, just as he has done with the Afghanistan talks.

Some Observations

One of the most startling lessons to be drawn from the turbulence of the past two decades in the gulf has been the relative stability of the oil trade even in the face of massive political and military disturbances. It is worth recalling that, in a period of less than ten years, the following events have occurred:

-- The shah's regime collapsed and was replaced by a radical, anti-western, theocratic regime, thereby removing the principal pillar of U.S. Persian Gulf policy;

-- The Arab states of the Persian Gulf were threatened by a wave of Islamic fundamentalism, including an attempted coup in Bahrain and two major attacks at the holy places in Mecca;

-- U.S. diplomatic personnel were taken hostage in Tehran and held for 444 days, including an abortive attempt by the United States to rescue them by military force;

-- The Soviet Union sent more than 100,000 troops into Afghanistan, its first military intervention in the region since World War II;

-- A vicious war broke out between Iran and Iraq, two of the most important oil producers in the gulf;

-- The war eventually spread from the land to attacks on tanker traffic in the gulf, including the widespread use of mines;

-- Missile attacks and terrorist bombings were conducted against Kuwait; and

-- NATO navies sent more than 80 ships to the gulf.

If anyone had predicted this series of events in 1978, it would have been reasonable to expect a dramatic reduction of the flow of oil from the gulf, massive disruptions of supply and huge increases in the price of oil. In reality, the flow of oil from the gulf has continued at a remarkably steady rate, international oil markets managed to deal with the crises with little or no serious interruption of supplies, by the end of 1987 there was a glut of oil in world markets, and oil prices, after a sharp increase, returned to a point not far above where they began ten years ago. It must be added that this benign interpretation of events is more apparent in retrospect than it was at the time. The psychological reactions to these events produced sharp swings in prices and raised fears of an oil shortage that translated into long gas lines in the United States. Nevertheless, with benefit of hindsight, we have learned that the structure of oil production and marketing in the gulf is considerably more robust than previously supposed.

The Soviet Union, which might have been expected to benefit from these troubling events, has made only marginal progress in its political relationships with the gulf states. On the military side, its intervention in Afghanistan is increasingly regarded--by the Soviets and others--as a failure, and the trend today appears to be toward disengagement rather than further adventures.

None of this is cause for complacency. Quite the contrary. The world has discovered just how unpredictable and dangerous events in that part of the

world can be. But as we acknowledge the dangers, we would also be wise to bear in mind the fact that the political and economic structures of the gulf have proven themselves to be unexpectedly sturdy.

One unexpected product of the Iran-Iraq war was the creation of the Gulf Cooperation Council in 1981, establishing a forum for the six Arab gulf states to coordinate their political, economic and security policies. In its first seven years of existence, the GCC has emerged as an important mechanism to promote stability and cooperation among the gulf states.

On the oil front, the war has encouraged accelerated construction of a series of oil pipelines from the gulf to the Mediterranean and Red Sea. By the end of 1987, these lines were capable of transporting half of the approximately 9 million barrels per day of oil produced in the Persian Gulf. By the end of 1989, pipeline capacity is expected to increase to nearly two-thirds of current Gulf production.[15] This development has substantially reduced the dangers of a closure of the Strait of Hormuz by providing alternative outlets.

In terms of great power interests, the events of the past decade have altered perceptions, expectations and policy implementation. To the extent that great power presence provided some timely reassurance to beleaguered, friendly governments in the gulf, it probably contributed to a positive outcome. But the record of the great powers is so replete with examples of clumsiness, miscalculation, shortsightedness and even perverse defiance of their own self-interest that it would be a mistake to attribute to them greater importance than they deserve.

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[15] See, for example, The Economist, January 30, 1988, p. 34. Significantly, Iran remains totally dependent on sea transport through the Strait of Hormuz, though it is actively considering construction of a pipeline from its southern oil field to the port of Iskenderun in Turkey.

In the final analysis, western interests have been and will be protected not by fleets and troops but by the congruence of those interests with the objectives of the regional states themselves. The gulf states wish to sell their oil and avoid the domination of their powerful neighbor to the north. That reality provides the basis of a sensible and successful policy and endows it with a substantial margin for error.

We have needed that margin in the past. No doubt we will again.

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THE SOVIET UNION IN THE MIDDLE EAST

Regional Involvement and Implications for the Superpowers' Relationship

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Contents

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I General outline

The Soviet Union has become fascinating and fashionable again. After years of stagnation a new dynamic "young" leader has set about to modernize Soviet society and economy by "revolutionary means" (in his own words) and to conduct foreign policy by principles of "new thinking", based on the notion of interdependence. - This, very briefly, is the new image Secretary General Michail I. Gorbachev was able to create in the West. And indeed, as opinion polls, statements, and travels of former so-called Western hard-liners to Moscow prove, the Western reaction was quick and considerable.

The popular fascination with "perestrojka", "glasnost", and "new thinking", however, should not confuse our own clear thinking and proper analysis. Even if we concede efforts towards a qualitatively new approach in internal politics (the result of which nobody can know today), we still have to ask: what does this mean for Soviet foreign policy? New rhetoric, the use of "Western-made" slogans (such as "interdependence", "security partnership" or "common responsibility") is surely not enough to prove a new behaviour. On the other hand, what have really been the characteristics of the "old" Soviet behaviour in foreign policy in general and towards a region like the Middle East in particular?

It is not easy to answer all these questions comprehensively in **one** paper. Regardless of all new initiatives and activities, it seems to me that there is a basic continuity in Soviet policy towards the Middle East for a number of reasons. The Soviet Union, bordering three Middle Eastern countries and the Black Sea, has always understood itself as a power with

"legitimate rights" in the vast area stretching from the straits of Gibraltar to the straits of Hormus. Whether there has ever been a "Russian masterplan" for reaching the "warm waters", as the British claimed in the late 19th century and some people still continue to argue today, is very questionable. Nevertheless, the geographic proximity is an undisputable fact, and one which influences the politics of Middle Eastern countries as well as of other world powers.

Ideology, another traditionally important element in Soviet policy, has in general not played a similar important role either. With the exception of countries such as Iran and Afghanistan where communist parties loyal to Moscow have exerted a considerable influence during certain times, communism in the Arab-Muslim world has never become a true source of political power. On the contrary, the Soviet leadership is facing the contradictions (Marxists would call them "antagonistic") between socialist ideology and Islam within its own borders (especially amongst the 50 million inhabitants of the three southern republics Tadzhikistan, Turkmenistan, and Uzbekistan).

Because of its specific conditions, explained in chapter 2, the Middle East has always attracted foreign powers. From the Soviet perspective the presence of the British and later the Americans was reason enough to seek access to strategically important countries in the region (such as Egypt or South Yemen). Moreover, the vast oil resources of the Middle East allowed many rulers to pay for Soviet-made weapons in cash. The desire for hard currency in the form of "petrodollars" has therefore been an important fact which explains why Moscow was willing to sell such a large amount of weapons to countries

such as Libya or Iraq. (In the cases of Syria and Iraq today, it was Saudi Arabia and other members of the Gulf Cooperation Council which footed the bill.) To be sure, in the 1980's with the drastic fall of oil prices and the economic recession in the oil-rich countries the Soviet chance to participate in the "re-cycling of petrodollars" has been considerably diminished.

Having mentioned these factors of continuity, I should also like to stress the factors of change. Under Gorbachev a new flexibility, a more skillful use of the resources and options available to the Soviet Union has been introduced. The following examples, concerning the Middle East, seem to me the most important ones:

- Moscow, stressing the need to solve regional conflicts, has attributed a more prominent role to the United Nations in general and to international peace-keeping in particular. (The most convincing indication was of course that it has actually paid its debts for the UN peace-keeping forces in October 1987!)
- The Soviet Union, not only sustaining its contacts with close Middle Eastern allies, increased its range of diplomatic activities considerably and managed to improve relationships with several important countries: diplomatic links with Egypt have been re-established; a political dialogue has been cautiously promoted with Israel; links with oil-rich Arab Gulf states (Kuwait, United Arab Emirates, and Oman) have been established or expanded; moreover, Moscow has tried quite hard to nourish contacts both with Iran and Iraq, aiming possibly at an "arbiter's role" in their war.
- Finally, there has been more and more evidence that the

Soviet leadership wants to get militarily out of Afghanistan. In February 1988 the question remains, under which conditions and for which price it would have to pay.

Having summarized these new elements of flexibility and initiative, I should like to point out that there is a rather new qualitative attitude towards the Third World in general and towards the Middle East in particular. Since the early 1980's the disillusionment with partners in the developing world has grown. Former hopes of the 1970's that the increase of Soviet power might facilitate the world-wide expansion of Socialism have been bitterly disappointed. The support of allies such as Cuba, Vietnam, Ethiopia, Angola, South Yemen, and others has turned out primarily as a drain of resources. This disillusionment is older than Gorbachev's access to power. It can be traced already in the writings of prominent officials dealing with the Third World some years earlier.[1]

Today Moscow is completely aware of the truth that by "muddling through" the Soviet Union can no longer preserve its status as superpower in the next century. Therefore, curbing the "arms race", getting out of Third World conflicts, and promoting a better Soviet image in the world is all desperately needed to enable the consolidation of the Soviet Union's basis of power, which is the economic performance at home.

To be sure, despite all kind of diplomatic activities, the Soviet Union today does not regard the Middle East as a very high priority in comparison with other challenges stemming from the United States, Western Europe, China, and perhaps even Japan. For Moscow the only exceptions are the Middle

[1] See for example Galia Golan, "Moscow and Third World national liberation movements: The Soviet role", in: Journal of International Affairs, vol. 40, no. 2, Winter/ Spring 1987, pp. 303-323; esp. p. 305 f.

Eastern countries bordering the Soviet Union. Putting NATO member Turkey aside, these are Iran and Afghanistan which, for geopolitical reasons and the traditional Soviet obsession with security, continue to be of highest concern.

II Soviet involvement in the Middle East

A few observations on the "Middle Eastern game" are necessary to demonstrate the basic reasons why the Soviet Union, such as the United States, France, and other powers were able to gain presence and a certain influence in this region.

Since the slow decline of the Ottoman Empire, the Middle East has remained, cum grano salis, a "no man's land". No single power, be it from in- or outside, managed to gain absolute predominance by squeezing out its rivals. In terms of the East-West-conflict there has never been any clear demarcation of "spheres of influence". Only Turkey and Israel (as well as Iran under the Shah's rule) - distinct outsiders in the Arab-Muslim world - have become close allies of the United States. The rest of the region remained what it had been for two or three centuries: an area for the opportunist to gain presence and influence.

The Soviet Union engaged in Middle Eastern developments as a function of its imperial rivalry with Western powers, at the same time tending to misunderstand the significance of the intra-regional developments. This long-range strategy did not fit well with the "rules" of the Middle East:[2]

[2] For a comprehensive analysis see L. Carl Brown, International Politics and the Middle East, Princeton 1984.

- Political actions in this region are short-ranged, quite often aiming at a "fait accompli".
- For lack of a longer perspective, "counterpunching" is preferred.
- Third parties and mediators are preferred to conduct delicate political operations.
- The mentality of "zero-sum-game" prevails, confirming thereby the status quo.

Under these conditions politics in the Middle East is a seemingly endless competition of different regional powers in shifting alliances to decide one or the other of the several endemic conflicts:

- the Arab/Palestinian-Israeli confrontation
- religious-ethnic controversies (such as the Lebanese crisis or the Kurdish rebellion)
- conflicts over borders and predominance such as the Iran-Iraq war (which is of course, from Tehran's perspective, also a revolutionary war).

These conflicts have always provided the gateway for outside powers. The irony of the "Middle Eastern game", however, is that world powers - claiming the arbiter's role and their desire to "bring peace to the area" - nilly-willy became - and to some extent inseparably - involved in that "game". Thus, with time it became difficult to decide whether a respective power was exerting influence or was in fact being used by its Middle Eastern partner. One could give several examples of this complicated relationship, such as France and the Lebanese Christians, the United States and Israel, or the Soviet Union and Egypt.

Since 1955, when Egypt's President Gamal Abdul Nasser

started dealing with the Soviet Union, there was no lack of "invitations" to Moscow to play a role in Middle Eastern affairs. Moscow had each time the difficult decision which ally would better serve Soviet interests: the Arab neighbours of Israel or the Zionist state; Somalia or Ethiopia; Iraq or Iran; Syria or the PLO; the PR Yemen or Oman and so on. As there were, with only few exceptions, no influential communist parties, the ideological factor did not rank high. Under Middle Eastern circumstances Soviet policy was more an exercise of trial and error, as several shifting relationships well demonstrate.

Seen from Moscow's point of view, the significance of the Middle East has always been basically twofold:

1. The immediate neighbours Turkey, Iran and Afghanistan enjoyed continued high priority. Already in the early 1920's the young Soviet regime, still fighting a civil war, brought about "friendly relations of good neighbourhood" (as the Soviet slogan always has been) by actively supporting Turkish and Persian nationalism and developing economic cooperation with all three countries. However, this tradition did not hinder Josip V. Stalin after WW II to demand considerable territorial or economic concessions from his southern neighbours. (The consequence, however, was the first U.S. containment of Soviet power in the region, following the Truman doctrine.)

2. For a long time the Soviet Union had had only minor contacts with the Arab world. In favouring the United Nations' partition plan of 1947, which preceded the proclamation of Israel, Moscow played the same game as the former colonial powers of "divide et impera": The particion of Palestine

(which was, as Moscow pointed out, only the second-best option after the establishment of an Arab-Israeli bi-national state proved to be impossible) enabled the Soviet Union to block an Arab-British alliance and to seek a foothold in the dormant Jewish state, of which most leaders had a Russian or East European background. However, as Soviet expectations of a close relationship with a "socialist Israel" did not materialize, Moscow regarded Arab nationalism as the best partner to counter the increasing U.S. presence in the region.

The basis of the Soviet-Arab "marriage of convenience", however, was small and unstable. Whereas Nasser and the leaders of Syria and Iraq pressed for Soviet weapons and nuclear deterrence to be able to destroy Israel, Moscow tried to use the cooperation to weaken Western influence and at the same time to expand socialism by nurturing local communist parties or other pro-Soviet groups (e.g. in the military establishment of the countries concerned). The expectations of both sides failed: Moscow did not enable the Arab nationalists to destroy the Zionist state, because it still favoured Israel's existence.

It is worth-while stressing at this point that the Soviet Union's relationship with Israel has never been a "normal" one. The 2-3 million Jews still living in the Soviet Union continue to create a specific connection not only with the Jewish state but also with the Jewish population of the United States and its influential pressure groups, the so-called "Jewish lobby". The issue of Jewish emigration is therefore not only a delicate internal problem for the Soviet leadership but also an option, a useful "bargaining chip", primarily for influencing American attitudes towards the Soviet Union. (To

illustrate this argument, one could easily cite figures and demonstrate how Jewish emigration increased whilst Moscow was working hard improving relations with Washington!).

Beyond that, Moscow was never ready to risk an overall confrontation with Israel's major ally since 1967, the United States. This intricately close relationship, one could call it a symbiosis today, could never be matched by the Soviet political, economic or cultural relations with the Arab world. Therefore, one has to speak of a qualitative difference between the American-Israeli and the Soviet-Arab relationship. It is not by chance that Moscow's relations with Arab leaders have become strained in periods of Arab-Israeli confrontations.

On the other hand, Nasser and the other Arab leaders, in suppressing local communist groups, made also very clear that they sought Soviet weapons and economic aid but no ideology which might threaten their own rule. It was therefore obvious that the Soviet Union had to face serious setbacks, e.g. in Sudan (1971) and Iraq (in the late 1970's), and a humilating repulsion from Egypt under Anwar as-Sadat (1972/1976).

There is a third basic aspect of the Soviet involvement in the Middle East which has nothing to do with the regional problems as such but rather with the superpowers' relationship. As the Soviet leadership sees itself in a historic competition with "imperialism" and U.S. power, a certain military presence of the Soviet Union has always been regarded as a necessity. The dominating American profile in the Mediterranean obviously promoted Moscow to look for partners in the Arab world, willing to grant any military facilities (ports,

airfields etc.). The Soviet problem was always that its partners, having fought Western colonialism, jealously guarded their sovereignty and were unwilling to leave military facilities free of charge. Moscow, too, was not willing to identify completely with its regional partner's interests because it then risked confronting other countries in the area. Consequently, Algeria, Libya, Syria, and Egypt did not provide the Soviet military with permanent bases but with certain privileges, always subject to their approval. South Yemen, isolated and very much dependent on Soviet aid, may be seen as the only exception where Moscow managed to obtain a relatively free hand.

III Soviet Middle Eastern policy under Gorbachev

The year 1982 may be regarded as a watershed in Middle Eastern affairs for several reasons. In April Israel, fulfilling the peace treaty with Egypt, withdrew from the Sinai. Having consolidated peace with the mightiest Arab country, the government of Menachem Begin and Ariel Sharon directed its efforts to the core of the Israeli-Palestinian conflict and invaded Lebanon in order to destroy the PLO. Despite heavy losses and a final retreat from most parts of Lebanon, Israel succeeded in weakening the PLO considerably.

Although there was a renewed Israeli-Arab military confrontation, no third "oil crisis" occured in the 1980's. On the contrary: the situation on the oil market, with a surplus of oil and declining prices had changed completely, putting a stop to the use of this raw material as a "political weapon". Although this situation will not be permanent, the Western

governments for the time being saw no necessity for a comprehensive peace effort: the Western multinational Peacekeeping Force was withdrawn from Beirut in 1984 and, despite several declarations (such as President Reagan's of 1 September 1982), there was no further serious effort in solving the Palestinian problem.

Thirdly, in 1982 Iraq's offensive had lost all momentum and Iran was gradually getting an upper hand in the battlefield of the "Gulf War". The Arab world became more preoccupied with the threat stemming from the Islamic revolution than with any other problem.

Compared to the Middle Eastern crises of the 1960s and 1970s, the Soviet Union showed a remarkable restraint in all these cases. The Israeli-Syrian confrontation was contained without direct interference of the superpowers. Only when Israel set about to attack the Syrian missiles, recently delivered by the Soviet Union, Moscow unmistakably gave a "red light", deterring Israel from any major attack against Syrian territory. In the intensifying confrontation between the United States and Muammar al-Qadhafis Libya, Moscow carefully avoided any clash with the Americans. In the Iran-Iraq war both superpowers kept away from any direct confrontation and, despite some rhetoric, worked effectively along similar lines.

Of course, during all this time, Moscow was trying hard to suppress the Mujahedins' resistance in Afghanistan and to press for a settlement of the crisis in and around Afghanistan, which would serve basic Soviet interests: a "friendly" government in Kabul and the hindrance of any influential foreign power in that country.

Today, none of these crises have been settled. Nevertheless

in the major ones Moscow's diplomats have shown remarkable activity during the last three years, demonstrating a hitherto unknown flexibility and shrewdness. It remains to be seen whether these new overtures are more than just a tactical adjustment to opportunities offered by the dynamics of regional and international politics.[3]

1. The Israeli-Palestinian Conflict[4]

Compared with the early 1980's, when Moscow enjoyed close relations only with the "radicals" in the Near East, such as Syria and the PLO, Soviet diplomacy has achieved some impressive gains. Despite certain strains the relationship with Jordan has improved, relations with Egypt are approaching "normalization", and with Israel they are in a delicate process of approximation.

In the Soviet-Jordanian relationship were some problems such as the imprisonment of Jordanian communist leaders in spring 1986. Moscow also had some reason for suspicion that King Hussein might grasp the "Jordanian option" offered to him by the Reagan administration and Israeli Prime Minister Peres. Since the termination of the Arafat-Hussein accord in April

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3 For a rather cautious assessment see Galia Golan, "Gorbachev's Middle East strategy", in: Foreign Affairs, vol. 66, No. 1, Fall 1987, pp. 41-57.

4 This term is deliberately used to express the essence of this conflict and to indicate that, with the exception of Jordan and Syria, the Arab states for the time being do no longer play a major role. As the recent Palestinian revolt in the occupied territories demonstrates, the conflict has become more and more the major problem of "Eretz Israel". The latest events have proven such "pessimists" as Meron Benvenisti right who are arguing that the conflict has "shrunk" again to the original confrontation between the two peoples in Palestine.

1986 by the King of Jordan, Moscow was happy to see the Jordanians demanding again an international conference under the auspices of the five permanent members of the UN Security Council, which meant the full participation of the Soviet Union in any peace process. Realizing Hussein's problems with U.S. Congress, Moscow was ready to deliver some of the weapons the Americans had refused.

The recent improvement in Soviet-Egyptian relations - the agreement on the liquidation of Egyptian debts and the Soviet readiness to deliver military spare-parts in spring 1987 - fits well in the picture of the new, "business-like" approach. Moscow skilfully used Egypt's desillusionment with the United States, which wanted to apply stricter terms on its economic aid to Cairo, and responded favourably to the Egyptian leadership which wanted to demonstrate more flexibility. To be sure, in the foreseeable future a dramatic Egyptian "shift in alliances" seems highly improbable. It is only the old "Middle Eastern game" that Cairo and Moscow are trying to play at the moment.

Since 1982 the PLO has been severely weakened, first of all by Israel's invasion in Lebanon and then by Assad's efforts to oust chairman Arafat and to bring the whole organization under Syrian control. Moscow obviously did not want to choose sides between its two major partners. However, all efforts to bring about a "reconciliation" between the two leaders failed. The Soviet Union's support of Arafat was not unrestricted, always suspecting a rapprochement between the PLO and the United States. As there was no convincing personal alternative, Moscow - like all the others - had to deal further with Arafat. Moscow worked hard for a reconciliation of the major groups

within the PLO - the Fatah, Hawathmeh's "Peoples Democratic Front" (PDFLP), and Habash's "Popular Front" (PFLP). This was finally achieved during the 18th National Council's meeting in Algier (April 1987). Arafat had to pay a price for it, which was the formal abrogation of his accord with King Hussein and a more privileged role of the small Palestinian Communist Party within the PLO.

It was more than a coincidence that Syria's President Assad was paying an official visit to Moscow just at the time when the PLO's "reconciliation meeting" took place. Being aware of Syria's continuing dependence on Soviet military aid and demonstrating a new "openness" also in foreign policy, Secretary General Gorbachev was remarkably blunt in his published statements towards the Syrian leader. The Soviet Union, he stressed, was not only favouring a "just peace" between Israel and its Arab partners but was also acknowledging Israel's "right of peace and secured existence". Moreover, the "lack of diplomatic relations" between the Soviet Union and Israel - he stressed - was "not normal". Although he assured Assad that the Soviet Union would maintain Syria's defense capabilities on a "proper level",[5] it was obvious from these words and the weapons actually sent to Syria, that Moscow did not agree with Damascus' determination to achieve "strategic parity" with Israel. There were additional issues - such as Syria's policy in Lebanon, relations with Arafat's PLO, and with Iraq - which demonstrated that the Soviet relationship with Syria was not an easy one and not more than a carefully defined alliance of purpose.

[5] See Pravda, April 25, 1987.

Gorbachev's blunt words about Israel in April 1987 were only a confirmation of a visible development since July 1985, when the ambassadors of Israel and the Soviet Union had "privately" met in Paris. Since this meeting Soviet and Israeli officials - up to the level of the foreign ministers - have met on various occasions. Poland and Hungary, serving as "outriders", resumed diplomatic relations with Israel, if only on the lowest level, indicating thereby not only their own specific interests,[6] but also a changing attitude in Moscow. Given the "special relationship" between Israel and the Soviet Union, as described above, the whole process of "de-freezing", including new elements in Moscow's emigration policy, was definitely one component of the Soviet leadership's efforts to bring about a qualitative improvement in Soviet-American relations.[7]

The Soviet "peace diplomacy" for the Near East was in this respect means and purpose at the same time: a broad dialogue with the Americans on nuclear arms, human rights, and regional crises could re-vitalize the old option of superpowers' collaboration. (It is worth-while mentioning in this respect that

6 Both leaderships sought for goodwill and relief in their precarious economic situation in Washington: Poland to terminate the U.S. sanctions, Hungary to solve the country's indebtedness.

7 The skillful use of the "Jewish factor" in influencing U.S. decision-makers may well be one consequence of the new personalities, Gorbachev had brought into leading positions in Moscow's foreign policy apparatus: Anatolii Dobrynin (having served for more than two decades as Soviet ambassador in Washington and since March 1986 working now in the international department of the central party Secretariat) and Aleksandr Yakovlev (former Soviet ambassador in Canada, then director of IMEMO, and since January 1987 full member of the most powerful body, the Politbureau, responsible for propaganda).

the UN partition plan of 1947 remains one of those rare examples where Moscow and Washington agreed on one of the "Third World" problems. Elements of such a cooperation had been activated in 1967 (UN SC Res. 242), 1973 (UN SC Res. 338), and especially in October 1977, when an American president was ready for some time to grant a truly equal role to the Soviet Union in a future peace process.)

In pursuing a dialogue with Syria, Jordan, and the PLO and renewing contacts with Egypt and now also with Israel, Moscow was obviously working toward a situation in which the project of an international conference would also be of interest to an American president. The Soviet dialogue with Israel's labour leader, Shimon Peres, was clearly no failure. However, as Peres was not able to "deliver" his own peace initiative at home and his main rival, Itzhak Shamir, doggedly opposed it, Moscow had to wait like the others. From the Soviet point of view it was logical that it created a linkage between the renewal of diplomatic relations with Israel and the convening of the international conference and Israel's readiness to a territorial compromise. As far as the real outcome of such a conference is concerned, Soviet spokesmen were remarkably vague.[8]

On the diplomatic front, the Soviet Union looks impressingly good today: it is the only major power which has real access to the most important Arab leaders, including the PLO, and a certain leverage towards Israel. In reality, however, it

[8] In this respect it is important to note that Moscow is not solely demanding an independent Palestinian state but is also mentioning a Palestinian-Jordanian Federation or Confederation; see for example Alexander Sotow, "Palästinas Weg", in: Neue Zeit, No. 48, November 1987, pp. 18-21; 21.

is still the Jewish state which holds most of the cards. Without its readiness to agree to a territorial compromise with the Palestinians and to negotiate with the PLO, nothing will happen. Moreover, the recent radicalization in the occupied territories, the outburst of a spontaneous "fundamentalistic" rebellion (which has created also some problems for the traditional Palestinian authorities and spokesmen), has demonstrated how difficult it has become to deal with the existing realities by diplomatic procedures. In this respect Moscow does not look better than all the other powers.

2. The Lebanese crisis

In the Lebanese crisis since 1982 Moscow has pursued several aims. First of all, it tried to frustrate the American-led peace-keeping operation because, in Soviet eyes, it meant a new "imperialistic military foothold" in the Middle East. This had to be achieved without directly confronting the Americans. Given Syria's staunch resistance against any Western-dominated pacification of Lebanon, it was enough for the Soviet Union to compensate the Syrians for their military losses against Israel and to back their intransigence. On the other hand, Moscow was not willing to leave Syria's president Asad a completely free hand in Lebanon. After the Western peace-keeping force's retreat, Soviet diplomats displayed some activity in Beirut. Yet, this was no easy undertaking, as the kidnapping and killing of Soviet diplomats - obviously by one of the militant Islamic groups - demonstrated.

Lebanon remained an unpleasant terrain for every outside power. Facing the eventuality of a second "Islamic Republic", as Shiite groups (Hezbollah and others) claimed, Moscow

obviously regarded the Syrian domination as a lesser evil and endorsed the advance of the Syrian army to Beirut in late February 1987.

3. The Iran-Iraq War

The growing radicalization of Lebanon's Shiites was only one indication what might happen in the Middle East if the war between Iran and Iraq continued and if the Islamic Republic would get an upper hand. Although the Soviet leadership, for obvious reasons, had welcomed the expulsion of the Americans from Iran, it feared that the United States could use the continuing war to expand its military presence in the Gulf. (The intensive military cooperation between the United States and members of the Gulf Cooperation Council, such as Saudi Arabia and Oman, was regarded as clear evidence.) Moreover, the "Gulf war" created a dilemma for Soviet policy: although linked to Iraq by a treaty of friendship and cooperation, Moscow had not been able to prevent Iraq's leader, Saddam Husain, from launching the massive attack against Iran in September 1980. (There have been certain indications that other states, Saudi Arabia and France in particular, knew much better about Iraqi intentions and did not try to hold back the Iraqi leader.) Consequently, as long as Iraq was in the offensive, the Soviet Union discontinued its military supply.

The other reason for the certain tilt in favour of Iran was that Moscow, taking advantage of the international isolation of the Islamic Republic, tried hard in establishing close relations with Tehran. Quite obviously, the Soviet leadership was hoping at that time to be able to influence the further

development of the revolution with the eventuality that a "second stage" could bring the communist Tudeh party into power.

However, Khomeiny managed to consolidate his power by suppressing his internal rivals, including the Tudeh party, and by starting a counteroffensive against Iraq. The Soviet Union, trying to keep the military balance and to sustain Iraqi morale, resumed its arms deliveries to Iraq as from autumn 1981 and was ready to deliver large amounts of rather modern weapon systems. On the other hand, Moscow quite obviously "tolerated" the arms deliveries of its allies or partners (Poland, Czechoslovakia, and especially North Corea) to Iran.

In summer 1986 the "tanker war" had reached a new stage of escalation. To put additional pressure on Tehran, whose forces had been on the verge of a break-through at Iraq's defense-line around Basra, Bagdad had increased its attacks against Iranian oil installations and tankers. Tehran responded by attacking also ships transporting oil for Kuwait and Saudi Arabia. This time the United States decided that it had to increase considerably its naval presence in and around the Gulf. The last step in the process of internationalization of the war was Kuwait's request to the permanent members of the UN Security Council to protect its fleet against the Iranian attacks.[9]

Whereas it took Washington several weeks to come to a decision (apart from other reasons it was dissatisfied that Kuwait had also asked the Soviet Union), Moscow's reaction was

[9] Hanns W. Maull, "Die Internationalisierung des Golf-Krieges", in: Europa-Archiv, vol. 42, no. 19, 1987, p. 533-542.

relatively quick and discrete. An official declaration of the Soviet government, issued on January 8, 1987, stressed that the war was "threatening the international sea-lanes in the Persian Gulf"; trading vessels and tankers "not belonging to the states involved in this conflict were attacked".[10] It was within this context that Moscow declared itself ready to protect the shipping of Kuwaiti oil.[11]

Interestingly enough, just at that time the Saudi Arabian oil minister paid an official visit to Moscow on January 21/22 and was obviously not only talking about oil prices and the recent OPEC decisions, as the Kuwaiti ambassador in Moscow participated in the discussion with Soviet Foreign Minister Shevardnadze. A further indication of the intensive dialogue between the Soviet Union and Kuwait was the announcement on February 15 of a 150 million U.S. dollar credit Kuwaiti banks were granting the Vneshtorgbank in Moscow.[12]

Obviously this was the price Moscow demanded and received for its readiness to lease three tankers for three years and to escort them by Soviet navy vessels "if necessary".[13]

The Iranian reactions were negative, as could be expected. In addition to critical comments from Tehran, the Soviet trading vessel 'Ivan Koroteev' was damaged by rocket and machine gun fire on May 6 and the Soviet oil tanker 'Marshal Chuykov'

10 Pravda, January 9, 1987.

11 American officials have mentioned a Gorbachev letter to Kuwait's Emir some time in January (International Herald Tribune, January 24, 1987). There is, however, no evidence in Soviet sources.

12 Deutsche Welle, Monitor-Dienst Nahost, No. 33, 1987, citing KUNA, Kuwait.

13 See Neue Zürcher Zeitung, April 15, 1987 and AFP, April 14, 1987.

was heavily damaged some 35 miles off Kuwait by mines ten days later.[14]

The Soviet reactions were prudent: Moscow did not accuse anybody in public and was therefore not "forced to retaliate". Three more minesweepers were just brought in the Gulf joining the two frigates already dispatched at the end of 1986, to protect the three leased tankers. Some direct communications must have additionaly taken place between Moscow and Tehran, as since then no more incidents have been reported.

With the American decision to put eleven Kuwaiti tankers under American flag and to protect them with comprehensive naval forces which actually happened only after the Iraqi attack against the frigate 'Stark' on May 17, the situation in the Gulf changed considerably: the American commitment was so strong that the Soviet role somehow became 'forgotten'. Facing a major "American threat", Tehran was no longer interested in any confrontation with Moscow. At the same time, Moscow had managed through skillful diplomacy, measured risk-taking, and good luck to obtain additional credit from Kuwait and its allies. The Soviet Union did indeed show its flag in the Gulf and was able to preserve its working relationship with Tehran.

Not so much by their words but by deeds Moscow and Washington demonstrated that they had a common interest: preventing a spill-over of hostilities on the commercial sea traffic. Without this concrete common interest and the feeling of urgency the UN Security Council's resolution No. 598 of July 20, 1987

[14] See Tehran Times, May 10, 1987, citing TASS, and Deutsche Welle, Monitor-Dienst Nahost, No. 93, 1987, citing TASS.

would definitely not have materialized. Parallel to their cooperation in peace diplomacy, however, the American-Soviet rivalry in the Gulf continued. If there was one constant interest of the United States in the post-war era, then it was the desire to "keep the Soviets out of the Persian Gulf". Washington's strong military presence, the biggest armada since Vietnam, was of course aimed at convincing everybody that it was the United States which was in control of the situation.

Moscow, on the other hand, was aiming at an international legitimization of its role and saw the United Nations as a useful vehicle. Interestingly enough, the new leadership under Gorbachev had somehow 're-invented' the UN's usefulness in international crisis diplomacy: among other Third World crises Moscow was advocating an international peace conference for the Arab-Israeli conflict, was looking for a way out of Afghanistan through UN mediation, and regarded a UN mandate for a "peace-keeping fleet" in the Gulf as the best umbrella to support its privileged role besides the United States and the other permanent members of the Security Council. To convince those who might doubt Moscow's seriousness, the Soviet Union actually paid, for the first time, for the UN peace-keeping activities in October 1987.[15]

Whilst most of the Gulf countries (probably with the exception of Iraq) watched the increase of American military power with mixed feelings, apprehension or fury (as the Iranian leadership), Moscow saw itself in the privileged

[15] See New York Times, October 16, 1987, reporting the Soviet announcement of the previous day to pay all its debts of 197 mio. US Dollars.

position to act as a kind of mediator and to please everybody in the region by advocating a peace-keeping role for the UN. The Soviet diplomats were of course clever enough to create a linkage between the "retreat of all foreign powers from the Gulf" and the establishment of a UN peace-keeping force.

Since autumn 1987, when it became evident that Tehran was not impressed by the UN's activities and determined to continue the war, the major powers were engaged in a controversy how to proceed. Whereas the United States and Great Britain strongly demanded a follow-up resolution, including the threat of sanctions against Iran, the Soviet Union insisted on its own linkage. This gave Moscow time to pursue direct talks with the belligerents, taking advantage of the fact that Tehran saw Moscow now as an important partner to gain time for itself. The Soviet leadership obviously still hoped that there might arise a situation in which Moscow could use its privileged access to both Bagdad and Tehran. (A historical precedent can be seen in the peace agreement between India and Pakistan, which Moscow was able to forge in Tashkent in 1966!). To promote its efforts, Soviet diplomacy worked hard for a reconciliation between Syria and Iraq, the two Baath regimes. If it had been successful, Iran might have been almost completely isolated in the Middle East and perhaps more willing to accept a compromise. The fact that the King of Jordan was aiming at the same goal was welcomed by Moscow because it brought the Soviet Union and the Arab "mainstream countries" (comprising Egypt, Jordan, and the members of the Gulf Cooperation Council) together in an additional important issue of the Middle East. In the beginning of 1988, however, there was no evidence that these efforts had produced any results. Being aware of

the fact that it was enjoying a superior position to Washington on the "diplomatic front", the Soviet leadership might well have calculated that it could reserve a future cooperation with the United States on the Gulf war as an important element of a "big bargain", for example ending the Soviet predicament in Afghanistan.

One should mention, however, that the Soviet shrewed tactics was not always welcomed in the Arab world. In autumn 1987 there was some openly pronounced criticism, not only from Iraq but also from Jordan and members of the Gulf Cooperation Council, that Moscow was not willing to impose sanctions against Iran. By means of various high-level talks, including the official visit of King Hussein of Jordan to Moscow in December 1987, the Soviet leadership tried hard to convince the Arabs of its resolution to put an end to the Gulf war and was thereby able to calm that criticism.

In any case, whoever may be responsible for it, the long-awaited Iranian winter offensive on the land did not take place (at least not until the beginning of February 1988, when this paper was finished). Although the main explanation for it will have to be found inside Iran, the continuing dialogue between Moscow and Tehran may also have played a certain role, although it would be difficult to prove it. Since autumn 1986 there has been a certain progress in Soviet-Iranian trade relations, obviously reflecting the determination on both sides to create incentives for future cooperation. Given the threat of economic sanctions against Iran, the Soviet traffic connections could of course offer some relief to Tehran. However, the bilateral meetings up to the level of the foreign ministers have not removed the major political problems in the

relationship. If one follows the series of visits and statements, one gets the impression of a persistent battle of wills: The Soviet Union is still the major weapons supplier of Iraq; Iran has continuously criticized the Soviet intervention in Afghanistan and is actually supporting some of the Mujahidins against the Red Army.

The biggest problem, however, seems to be the bilateral security relationship. It was only in November 1987 that Iranian and Soviet officials confirmed bilateral negotiations taking place on the validity of the treaty of 1921.[16] In the articles 5 and 6 this treaty is granting the Soviet Union a right to dispatch armed forces to Iran if a third party intervenes militarily in the country. Although the Shah in 1959 and the Islamic Republic in October 1979 had unilaterally abrogated this treaty,[17] Moscow has never officially responded. It obviously still regards this treaty as a legal justification of its special security interests in an important part of its own Southern periphery - a claim which necessarily collides with the Islamic Republic's determination to be "neither East nor West" and not to be subjected to a second-class security status vis-a-vis the Soviet Union. It seems unlikely that the Soviet leadership would give in to the Iranian demands under present circumstances, and it might well be that it regards these talks as a useful "stick" (whereas the trade would be the "carrots") to exert a certain pressure on Tehran.

16 See Le Monde, November 21, 1987, and Radio Amman, cited in Deutsche Welle, Monitor-Dienst Nahost, No. 225, 1987.

17 See Shahram Chubin, Soviet policy towards Iran and the Gulf, London 1980 (IISS, Adelphi Paper No. 157), p. 11.

4. The Soviet Intervention in Afghanistan

The Afghan crisis is a particular problem with implications far beyond the Soviet policy in the Middle East. It has to be understood, first of all, within the context of Soviet military interventions in bordering countries during the post-war era. The fact that it has been the first comprehensive mission of the Red Army into a Third World country has given to this intervention a specific significance; this may contribute to the explanation of the grave international repercussions resulting from it. One should also keep in mind that - from Moscow's point of view - this country is of particular importance given the fact that the Soviet-Afghan border is separating people of the same language, religion, and cultural background (as, for example, the Tadshiks). In this respect it is also an internal problem with considerable consequences for the Russian domination of the Southern Muslim Republics of the Soviet Union.

Secondly, the regional implications of this conflict - involving Asian powers such as Pakistan, China, and India - go definitely beyond any Middle Eastern context.[18] Nevertheless, the most obvious regional link between our subject - Soviet Middle Eastern policy - and the Afghan problem is certainly the neighbouring Islamic Republic of Iran, granting a certain assistance to some of the Mujahidin groups. Moreover, the involvement of Arab and Islamic powers in the international assistance of the Afghan resistance (such as Egypt, Iran, and

[18] See Dieter Braun/Karlernst Ziem, Afghanistan: Sowjetische Machtpolitik - Islamische Selbstbestimmung, Baden-Baden 1988 (Foundation Science and Policy, Ebenhausen), a study which is particularly interesting because of its analysis of the internal and regional aspects of the conflict.

Saudi Arabia) is a clear indication of the fact that Moscow has created a conflict with the whole Arab-Islamic world. (Given the "rules of the game" in this world, one should not expect wholehearted hostility, as the recently improved relations of Cairo and Riyadh with Moscow well demonstrate!)

When analyzing the history of the Soviet intervention, there is obviously a close connection with the Islamic Revolution in Iran and the breakdown of the American-dominated security structure in the Persian Gulf region. It was because of this coincidence that the American reactions on the events of late December 1979 were so alarmed and - to Moscow's astonishment - so far-reaching and lasting: Afghanistan became the death-blow for the superpowers' detente of the 1970's. Together with the 444-days hostage crisis in Tehran it caused the fundamental change in American public opinion which finally brought President Reagan into power. From Moscow's perspective the Afghan problem is therefore very closely linked to the relationship with the United States, all the more after the American president in delivering Stinger-missiles to the Mujahidins has proven that he is able to let the Soviet Union "bleed" until it actually withdraws.

In military terms it has clearly turned out that neither side can win the war in Afghanistan. Even if the Red Army would triple its engagement it could not destroy the Mujahidins. Given the difficult terrain it would be hardly possible to completely stop their weapons supply. Moreover, considerably increasing the military engagement would not only multiply the Soviet human and material losses but also evoke intolerable regional and international reactions - especially in a situation in which Moscow is working hard for a relaxation of

tensions not only with Washington but also with Beijing! The resistance movement, on the other hand, cannot defeat the Red Army as long as Moscow is determined to stay; it can only make life for it unpleasant and burdensome. The war has developed under these conditions to a battle of will in which not mere fighting power but morale and perseverance will be decisive. Since 1987 there have been several indications that the Red Army's and the Kabul regime's steadfastness is on the wane.

As far as the Soviet Union is concerned, the most significant change has taken place in Moscow: the new leadership under Gorbachev, after some initial preparations under Andropov, has revised the Soviet policy priorities and is clearly trying hard to cut down its costly foreign commitments. "Glasnost", limited and fluctuating as it is, has nevertheless led to a hitherto unknown frankness and criticism in Soviet media concerning the "Afghan campaign".[19] Since Gorbachev's statement before the 27th Party Congress in February 1986, calling Afghanistan a "bleeding wound",[20] the leadership's line of argumentation has altered indeed. Today it is doing its utmost to convince the Soviet public and world opinion that it is determined to find a way out of this involvement. Moscow's "peace diplomacy" especially within the United Nations has become rather forthcoming and optimistic in the last weeks: the period of a Soviet military retreat has been cut down to

19 See, as one of the latest examples, Pravda, January 31, 1988: In an article with the title "Do not forget the common sense" some problems within the Soviet Army are discussed. In "half of the letters" Pravda receives, the article mentions, the question is posed: "When does the war in Afghanistan end?"

20 See Pravda, February 26, 1987.

10 months, and even a possible deadline for its beginning (May 15, 1988) has been put forward.[21]

This remarkable optimism, however, should not confuse our understanding that the Soviet leadership is still making the military retreat dependent on key problems yet to be solved: For Moscow the main obstacle is the Mujahidins' resistance. In trying to obtain an American commitment for stopping the military supply, Moscow clearly works towards their elimination as a future political power in Afghanistan. This leads directly to the key question, who gets the political power in a future Afghanistan without Soviet troops? Whereas Moscow and Kabul are still working towards a "distribution" of power in a provisional government with a good chance for the communists to preserve their "leading role", the United States and probably also Pakistan are demanding guarantees for a "real self-determination" of the Afghan people. The different Mujahidin groups are rejecting any cooperation with "Communists and Atheists".[22]

Confronted with these problems, the Soviet leadership has obviously tried hard to create a favourable milieu with its "peace initiative" in which it could extract major concessions from its adversaries. In the case of this initiative failing, Moscow could still justify its pertinacity and put the blame on the others. One of the basic difficulties of the reconciliation efforts seems to be that the various Mujahidin groups could not be included. Given the determined "fundamentalistic"

21 See Pravda, February 9, 1988.

22 See the program of the most important resistance groups on the formation of a government, published on January 31, 1988 (see the short summary in Neue Zürcher Zeitung, February 2, 1988).

approach of some of these groups it is very questionable if they could ever be integrated into a political solution based on a broader consensus between different ideologies and interests within the Afghan society.

From a more overall outlook, however, this is not only a Soviet but also an American problem: as long as Washington is determined to support the Mujahidins in order to force the Soviet Union to retreat, it can relatively easily profit from the Soviet predicament, regardless of the ideological orientation of the resistance groups. As soon as the two superpowers agree on a basic framework for ending the conflict, Washington would probably not only receive criticism from the region for having participated in a "superpowers' diktat" but would also be forced to distance itself from those Mujahidins not willing to cooperate. Having stopped its military supply, Washington would have lost its most effective and probably only instrument for exerting some influence. There would also be heavy consequences for the American-Pakistani relationship which cannot be discussed here. The attitude of the Islamic Republic of Iran would be an additional problem both for Moscow and Washington.

To sum up: even if the two superpowers could reach an agreement guaranteeing the "neutralization" of Afghanistan, considerable problems would remain, stemming from the internal situation in Afghanistan and possibly also from various regional powers. If one may use here a historical analogy: Afghanistan of 1988 is definitely not the Austria of 1955!

Despite its specific geographic and geopolitical context this aspect of the Afghan conflict is very similar to the basic problem of the Middle East in international relations:

because solid internal structures are lacking in many cases and because regional politics are a never ending formation and dissolution of partnerships, stability is not feasible. As far as the Soviet Union is concerned, the real question to the new leadership in Moscow is whether it will feel self-confident enough at home that it can live with the continuing instability and uncertainty along its southern border. That military power is no panacea for such a basic problem, Afghanistan has hopefully demonstrated clearly enough.

IV Concluding remarks: Soviet Policy, the Superpowers' Relationship, and the Regional Dimension

With its decision to intervene militarily in Afghanistan Soviet policy in the Third World had reached a definite turning point. Under its new leaders, first Andropov and then Gorbachev, the Soviet Union has begun drawing consequences from its obvious over-extension and over-commitments abroad, which it could no longer sustain. The basic change, which has taken place, is that the last decade's optimism and bold expectations of a steady increase of Soviet power and global influence has given way to a much more cautious and even pessimistic outlook for the coming years. Throughout the 1980's Moscow was particularly cautious - especially in the Middle East - not to risk any dangerous confrontation with the United States and to avoid costly commitments towards allies and partners in the region.

This does not mean, however, that the Soviet Union has somehow disappeared in the region or that Moscow's policy has become passive. On the contrary: Under a new leadership Soviet

diplomacy has developed a much more skillful approach towards the key actors and problems of the region. Today none of the basic conflicts could be solved without Moscow's participation or at least its acquiescence.

From Moscow's point of view it was not the region's importance as such which prompted the Soviet diplomatic moves (although the policy towards the neighbouring countries of Iran and Afghanistan had always a special importance) - it was more a reflex of the global adversary's interest in the Middle East. After President Reagan had started calling regional conflicts a central issue in the superpowers' relationship already in January 1984,[23] the new Soviet leadership obviously understood that a certain restraint or even a cooperative approach might help to improve the general relationship with Washington. Given Moscow's fixation on the problems of nuclear and space-based weapons, questions of 'secondary importance' may have been regarded as useful to provide a certain incentive. It is in this context that the official contacts with Jewish organizations and the tete-à-tete with Israel have to be understood.

The American-Soviet cooperation in containing the Gulf war had a double advantage for Moscow: in drafting UN SC Res. 598 the Soviet Union had gained an equal position vis-a-vis Washington and at the same time could use it to bolster a new image among American public opinion and policy decision-makers. The continued cooperation in the framework of the United Nations could not only help the Soviet Union to get out of

23 See United States Information Service, Special Edition, January 16, 1984.

Afghanistan under tolerable conditions, it could also provide a means of regaining a prominent role in the peace diplomacy of the Arab-Israeli conflict. In all these three major conflicts, however, Washington was not ready to legitimize the Soviet claims or to give Moscow a cheap way out of its own predicament.

Superficially looked at, the chances during the last 15 years for a superpower cooperation on regional crises - or a "diktat", as some observers have already claimed[24] - have rarely been better than today. Without going too much into detail (which would necessitate another paper!) only two basic caveats should be mentioned here: Neither for President Reagan nor for Secretary General Gorbachev does the Middle East rank very high. Reagan, in his last year and already heavily fighting against the "lame duck syndrome", is more interested in nuclear weapons and, if anything, in Nicaragua. Gorbachev, thinking already of a new president in the White House, will also concentrate on strategic arms and will try to wriggle out as much as he can in the remaining months. Election years in the United States are definitely not the time for new grand projects in international relations.

Secondly, one should not forget the "rules of the game" in the Middle East. As pointed out in chapter II, international politics in this region are characterized by a specific feature: Major breakthroughs in any direction rarely occur, and if they do, they will not last very long. Even if the two superpowers, together with Western Europe and others, were

[24] See for example Jean-Pierre Gauthier, "Superpuissances: Yalta en Orient", in: Arabies, No. 14, February 1988, pp. 21-23.

determined to cooperate or even to impose solutions, their determination would be obstructed by local forces and the dynamics of regional politics. In each of the major conflicts the superpowers, as everybody else, remain dependent on the consent of those forces who hold the key for progress - be it the Likud in Israel, the leaders of the Islamic Republic in Iran, or the different political forces in and around Afghanistan.

DRAFT

(11)

The Middle East: Alliance Cooperation and Conflict

Hanns W.Maull

The history of Alliance cooperation and conflict in and over the Middle East seems but a microcosm of NATO's perennial paradox: never has an alliance been declared seriously, even terminally ill so often and with such persistence, only to endure and survive in remarkably good shape. Similarly, the history of discord between Western allies over the Middle East is long and venerable and even predates World War II and the foundation of the state of Israel[1]. The more famous episodes of the postwar era include harsh differences over the French and British Suez adventure, a clash between Washington and European allies over US policy during the October War in 1973, different strategies towards dealing with dependence on oil from the Middle East and OPEC countries in 1974, and a parting of ways in policies towards the Israeli-Arab conflict in 1979/1980, when Europe felt it necessary to distance itself from Israeli-Egyptian peace agreements and pursue an alternative path towards a "comprehensive settlement" through the Venice Declaration of June 13, 1980[2].

Those instances of discord - and the list could easily be expanded - produced headlines. Yet they probably obscure more important structural elements of Alliance cooperation and cohesion in its policies towards the Middle East. In other words, just as with NATO itself, the really remarkable fact is probably not the long list of disagreements but the persistent ability to cooperate effectively. "Effective" cooperation means, as William B.Quandt has suggested, not necessarily identical positions and joint action but simply the avoidance of policies which operate at cross-purposes and the pursuit of a division of labour, bringing into play respective assets and resources[3]. Starting from this

assumption, this paper tries to address three questions: what have been the roots of past disagreements between the US and her European allies? How have the conditions shaping Alliance cooperation and conflict in the Middle East been changing recently? And what are the problems likely to face the West in the future?

I. The Sources of Past Conflicts: Different Interests, Different Roles

There have been repeated instances of discord in the Alliance about Middle East policies; sometimes, the allies were working at cross-purposes. It would be wrong, however, to see the line of disagreement running primarily through the Atlantic - Western European countries were as much in discord with each other than with the United States. Thus, the discussion of "American" versus "European" policies contain a hefty dose of oversimplification. This should be kept in mind throughout the following analysis. Discord between Europen and America (and within Europe) has, however, been the exception - the rule has been the pursuit of basically compatible and mutually reinforcing policies. This reflects the structure of Western interests in the region, which can be summarised with four words: oil, strategic stability, Israel and commmerce. In a broad sense, those interests coincide for all members of the Western Alliance. On closer inspection, however, important nuances and even divergencies emerge. They reflect structural differences in interests and different perceptions of objectives and appropriate strategies which in turn seem rooted in divergent role expectations.

Table 1 tries to estimate the relative importance of different interests for the US, Western European countries and the Soviet Union and thus to put into relief divergencies and complementarities - admittedly in a somewhat crude fashion.

Table 1: The Relative Importance of Interests in the Middle East

	Western Alliance		Soviet Union
	US	W.Europe	
secure access to oil	++	++	0
avoid East-West confrontation	++	++	++
global strategic stability	++	+	++
regional stability	++	++	?
support of Israel	++	+/0	-/0
foster trade	+	++	0/+

++ = high priority + = priority 0 = low priority
= opposed

The points to be made here are

- oil import dependence differs statistically between the US and Western Europe as a whole (though not for all Western European countries)(see Table 2). This probably makes little difference in actual vulnerability to major oil supply disruptions, however - something which is often misunderstood in the US.

- Trade with the Middle East is more important for Western Europe than for the Middle East; this applies not only to imports from the region (primarily oil) but to exports, as well (see Table 4). Oil and commercial interests represent areas of potential competition between Europe and the US for the same resources: identical or converging interests may thus produce conflict as well as cooperation, and have done so in the past [4].

- Strategic stability today operationally clearly plays a more important role in US Middle East policies than in those of Western Europe. Here, European assessments of threats and appropriate policies to reduce them have often differed from those of the United States. The same also is true with

regard to support for and policies towards Israel: while both the US and Europe hold up Israel's right to exist in secure border, the willingness to back Israeli policies and provide material support has been markedly different ((see data on development and military assistance).

- Finally, the structure of interests in the Middle East between the West and the Soviet Union shows two rather different profiles. Competitive interests between East and West reside primarily in the area of global strategic stability[5]. A factor making for cooperation between East and West is the common desire to avoid a dangerous East-West confrontation over the Middle East. Competition over oil and commerce is limited by the relatively low importance of those interests for the Soviet Union[6].

Table 2: Oil Import Reliance of Western Europe and the US

	USA				Western Europe			
	1950	1970	1980	2000	1950	1970	1980	2000
Oil imports as % of oil consumption	6.4	25.3	30.4	ca.55	96.0	101.4	86.6	ca.60
Oil imports as % of energy consumption	1.9	10.6	18.2	ca.20	9.1	59.3	46.1	ca.30
% share of Gulf in total oil imports	n.a.	131	28	n.a.	n.a.	681	59	n.a.

1 = 1973

Sources: Comité Professionel du Pétrole; BP; OECD; US Department of Energy

Much more relevant to the actual disagreements between the United States and Western Europe in the Middle East than structurally different interests are different perceptions about threats and stakes, objectives and appropriate policies. An important variable to explain those perceptual differences seem to be role expectations[7].

It is commonplace to describe the international dimension of Middle Eastern politics in the postwar era as one marked by the erosion of the presence and influence of the old European Great Powers (Britain and France) by their declining strength, by the tide of nationalism and the expansion of Superpower influence. Both the terms "Great Power" and "Superpower" suggest, of course, specific role expectations by those actors themselves and others, and it seems that those expectations - and differences between them - explain much of the discord within the Alliance over the M. .dle East.

The US has throughout the postwar period defined herself as a Superpower, and has been seen by her European allies as such. Expectations associated with this role have been the containment of Soviet expansionism and generally the protection of Western political and economic interests in the Middle East. Although this has been by and large uncontroversial, the allies often clearly had different expectations about "consultations" by Washington. The convergence not only of interests but also of role expectations from the Superpower America probably provides a key to understanding the prevalence of cooperation over discord within the Alliance's Middle East policies. More problematical has been Europe's role - both in terms of expectations by the US and by the European themselves. A survey of Atlantic cooperation and conflict over the Middle East suggests at least four different types of roles for "Europe" (a term which itself suggests a particular role):

1) The "European alternative" (i.e., acting <u>against</u> US policy). This role assumes from a European point of view a) that European interests differ from those of the US, b) that American policy is unfree or wrong or does not reflect

European interests adequately, and c) that Europe (or a specific European country or countries) can provide an alternative approach to guarding its interests. From the US point of view, divergent European policies are seen as spoiling and disturbing American attempts to realise the wider concerns of the alliance, hence as disloyal and short-sighted.

Divergent European policies may be national (as France's policies in Algeria until 1961 or vis-a-vis Israel from 1967 onward, or initial reactions in Europe during the oil crisis of 1973 which essentially followed the hallowed principle "sauve qui peut"), multinational (as the Franco-British invasion of the Suez Canal zone in coordination with Israel in 1956) or European Community (such as the European Council's Venice initiative of 1980 and generally the declarations of European Political Cooperation).

The trouble with such divergent policies has over time become obvious[8]. European countries have neither individually nor jointly been willing and able to muster the resources required to shape events independently and thus provide an alternative to the US in the Middle East - and often, they have had considerable difficulties agreeing on a common approach. Those "alternatives" have therefore never looked very convincing, and America's European allies were thus time and again confronted with the same experience: they had to fall in line with US policy faute de mieux. Often, disagreement in the Alliance thus eventually led to productive compromises and a tacit division of labour - as in 1974/5, when the Alliance embarked on a dual track approach towards reducing its energy vulnerability by establishing the International Energy and, in parallel, the European-

Arab Dialogue and other forms of multilateral cooperation with the newly powerful oil producers. The European experience in those instances often could be described as a coming to grips with the unpleasant reality of a status as junior partner in a hegemonial alliance. But the hegemon by and large was benign and the arrangement by and large very beneficial to the Europeans; this helped to sweeten the pill.

2) "Partner" (i.e., acting with Washington). This role has sometimes been the result of a redefinition of Europe's policies after the limits to her "Great Power" ambitions had become obvious, but there are also examples were Europeans always defined their roles in terms of cooperation with the United States, based on the assumptions that Alliance interests were compatible, that cooperation held advantages and could be made effective, and that there was a need to "share the burden". Examples for this include European cooperation in three-(e.g. the Tripartite Agreement of 1950) or four-power arrangements (e.g., diplomatic efforts after the 1967 war towards a resolution of tensions in the Israeli-Arab conflict, European participation in the multilateral forces on the Sinai and in Lebanon in 1982/3 and European contributions to the policing of the Gulf since 1986.

The problems with this role have primarily been related to issues of effectiveness and coordination. Even US-European cooperation has not always been successful in shaping developments in the region in accordance with defined strategies and objectives. Thus, the objectives of the Tripartite Agreement were rendered obsolete by Egypt's arms deal with Czechoslovakia; the four-power diplomacy of 1967-9 eventual-

ly was abandoned in favour of a bilateral American-Soviet approach[9]. Even the combined resources of the Western Alliance were sometimes insufficient to achieve the desired influence over events - witness the desastrous results of the joint European-American peace force in Lebanon[10]. Ineffective policies obviously strain cooperation and consultations - and the Europeans probably remembered the hasty retreat of Washington from Lebanon in 1984 when they were confronted with insistent but ill-defined demands for support of US naval activities in the Gulf in 1987[11].

3) "Proxy" (i.e, Europeans acting <u>for</u> Washington). Key assumptions in this role are that a) that the US does not have a policy or faces specific constraints and deficiencies in resources, and b) that Europe can and will provide a substitute policy. Examples for this include the British role in the Gulf until 1981 and European arms sales to Iraq and other Arab states such as Jordan[12] Kuwait, and Saudi Arabia where Congressional opposition may constrain US ability to supply arms. While problems with this role may again arise out of the limited resources and leverage available to Europe, this can also be an asset: European no longer bear the stigma of the outside power suspected of trying to exercise undue influence and may sometimes be preferred partners precisely because of their weaknesses and limitations. Thus, Saudi Arabia turned to help from France in its operation against the Mecca revolt in 1979 - cooperation with French special forces was simply more discreet and politically less embarrassing at home.

4) "Attorney", "hostage" (i.e., Europeans acting <u>in</u> Washington (or Arab capitals)). Key assumptions behind this role are a) that European governments have some influence over

decision-making in the US (in the Middle East), and b) that they are willing to use it - or amenable to persuasion or pressure. Examples here include the use of the Arab oil weapon in 1973 against European countries as a means to put indirect pressure on Washington and European calls for an international peace conference. This role may in principle be played vis-a-vis regionals actors (the Arab world, Iran, the PLO) or vis-a-vis Washington, either independently or at Arab behest. It would consist in strengthening forces favourably disposed towards conflict resolution (i.e., "moderate Arabs"; the "doves" in Washington or Jerusalem) and co-opting uncommitted actors (the PLO; the US Government) to a peace process.

The problems with this role appear at least in part again related to Europe's limited resources and influence and her strong interdependencies both with the US and with the Middle East. These limitations are an integral part of this set of role expectations: Europe does not presume, and is not presumed, to have an independent capacity to shape events. This circumscribes European credibility in Washington [13], but also in the Middle East. To what extent European influence in Washington may or may not have influenced US Middle East policies in the past is an interesting but difficult question; superficial evidence suggests that it may have been no more than marginal.

To summarize: past European-American discord over the Middle East have been the exception rather than the norm; basically, cooperation has prevailed. Whether is always has been successful is, of course, another matter. Still, it is hard to see any example where a successful defense of Western interests and objectives

was prevented by Alliance disagreements.

Alliance discord and frictions over the Middle East have arisen no doubt in part over disagreements about appropriate policy responses to the threat of Soviet expansionism, to the Israeli-Arab conflict (comprehensive vs. partial solutions, step-by-step vs. international conference), as well as about the most suitable means to achieve desired objectives (use of force, of economic sanctions). Such disagreements could be taken as natural, given the intractability and complexity of challenges confronting the West in the region. Clearly, however, policy preferences have been shaped as much by factors within the US and Western Europe respectively as by those in the region itself: policies have been shaped not only by the problems in the Middle East (and different assessments as to how to deal with them) but also by what international relations theory calls the "domestic setting" of foreign policy.

In this context, three elements seem of particular relevance: diverging or competing interests, diverging role expectations, and finally differences in the politics of foreign-policy making. The principal problem seems to have been uncertainty about Europe's role within the Alliance and in the Middle East. Ambitions out of line with reality - but also unreasonable expectations about unquestioning loyalty and uncritical support[14] - did cause frictions and, at times, diminished the effectiveness of Western policies in the region. European policies veered between the pursuit of Great Power illusions in their traditional or their European Community versions on the one hand and (junior) partnership on the other - with the "reality principle" clearly on the side of the latter.

While different role expectations and perceptions may have lost in salience recently, the domestic politics of foreign-policy

making have probably become more important. In Western Europe, foreign policy-making has traditionally been relatively insulated from domestic politics - and this bureaucratic shell around foreign policy has been supplemented by efforts to develop a common European policy which has helped to overcome specific domestic constraints (this is perhaps most evident in the case of West Germany, which developed a rather pro-Arab foreign policy behind the European Policy Coordination process[15]. On the other hand, commercial considerations seem to have gained salience: the s rch for export markets and assured oil supplies has arguably produced a "cooperative reflex" irrespective of political merits, and thus at times a partial abdication of policy.

The process of US foreign policy making in the Middle East (as in general) seems even more open to domestic pressures. Partly, this reflects the different political systems, which gives Congress (as opposed to European parliaments) an effective say in foreign policy making. Concerns about the use of force abroad can thus been translated into legislative constraints on the Executive, although the War Powers Act has so far proven only of limited relevance to Middle East policy[16]. More important has been the rise of the pro-Israeli lobby in Washington, which has weakened the Administration's ability and willingness to pursue policies considered undesirable by the government of Israel - e.g., the supply of arms to conservative Arab states[17].

II. Recent Changes

Cooperation has thus had an undeservedly bad press - is has probably worked as well as could realistically be expected. Whether such cooperation can be effective, however, is not only a question of its internal dynamics - e.g., are policies pursued

within the Alliance contradictory or compatible? - but also of circumstances in the Middle East and in international relations in general. Broadly speaking, it seems that Alliance cooperation in the Middle East may have been facilitated by recent developments, while trends have at the same time been working against the effectiveness of such cooperation.

On the first point, past disagreements about the Middle East were in fact, as Janice Gross Stein has pointed out, primarily disagreements about the Alliance itself. As European countries have - individually and as a Community - experienced the limits of their power and influence in the Middle East, they have adopted more realistic policies. Moreover, Europe will for some time continue to be absorbed with issues of internal organization [18].

Secondly, the importance and leverage of the Middle East has declined in economic and commercial terms. The Gulf region supplied 59 per cent of world exports in 1973 and 55 per cent in 1980; in 1986, this share has shrunk to 41 per cent. Gulf countries'oil revenues declined from a peak of $ 171 bill. in 1981 to about $ 46 bill. in 1987; for Saudi Arabia, the change was even more dramatic (revenues fell from $ 113 bill. to 22 bill. in 1987). Exports to the region have also declined, although somewhat less dramatically. This has removed much of the leverage the Middle Eastern countries were credited with in the 1970s.

A third new element may well be a change in Soviet policies towards the Middle East. It seems as if the new leadership may be willing to pursue more constructive policies in the Middle East in order to remove obstacles in the central task of finding a modus vivendi with the West in order to gain breathing space for revitalising the Soviet economy [19]. This could remove an important factor of past disagreements within the Alliance over the Middle

East - the tension between imperatives of global containment vs. those of European détente in the 1970s had become intertwined with Western European and American approaches to Middle Eastern problems - witness the frictions over the October war in 1973 or the differences over appropriate reactions to the Soviet invasion of Afghanistan.

The United States and Western European countries have in recent years also shared a seemingly reassuring experience: the irrelevance of failure. Neither the Reagan Plan nor Western policies in Lebanon, neither the Venice Declaration nor subsequent diplomatic initiatives were much successful in the Israeli-Arab theatre - and in the Gulf war, the US and Western Europe seemed to be on the sidelines from the beginning. In spite of the at best limited successes of Western policies in the region, the negative consequences have been minor: there has been no new Israeli-Arab war, oil continued to flow from the Gulf, the Soviet position in the region showed no marked improvements. The search for regional structures of order and stability thus more and more lost momentum - until events in 1986 and 1987 began to shake that complacency: first, the Gulf war escalated at sea and on land, then unrest erupted in the Gaza strip and on the West Bank. Thus, the West was once more confronting the question whether "benign neglect" of the major Middle Eastern conflicts was enough.

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III. Prospects for the Future

Conventional wisdom now has it that Western dependence on the Middle East will again expand in the 1990s as a result of declining oil production in North America and the North Sea (see Table 1); since this is also likely to spell higher oil prices, the absolute and relative growth of import values from the Middle

East seems destined to expand rather sharply - with the likely consequence of renewed problems of trade imbalances and recycling. In that respect, the future may well look rather like the 1970s.

Superpower competition over the Middle East, on the other hand, could well lose its past intensity: both the United States and the Soviet Union now suffer from the symptoms of "hegemony erosion" in economic and political terms, and are thus likely to concentrate on retrenchment and consolidation rather than on adventurism a la Afghanistan. Moreover, Superpower objectives in th Gulf region seem by and large compatible as long as fundamentalism poses a serious challenge to the interests of both East and West[21]. There is, to be sure, still considerable potential for a crisis in East-West relations over the Middle East (with the Israeli-Syrian rivalry as the perhaps most dangerous element), but on balance the East-West conflict seems likely to lose its past importance in shaping Superpower policies towards the region[22]. From the Western point of view, this implies that the critical threats to allied interests will in the future even more be related to scenarios of local or regional turmoil and upheaval - another Israeli-Arab war with dangerous possibilities for drawing the two blocs into confrontation; a geographic widening of the Gulf war; chaos and civil war or radical revolution in key producer countries.

The causes for such upheavals are deeply rooted in domestic structures in the region. They may be summed up in two words: the Israeli-Palestinian conflict and the lack of legitimacy of political systems in the Arab world. The competing claims of Jews and Palestinians for the same territory have always been the core of the Israeli-Arab conflict; Arab states have become involved to show pan-Arab solidarity - and to tap Panarabism, a powerful

source of identity and popular mobilisation, in order to bolster their fragile political credentials at home.

Yet playing this Israeli card was a dangerous game: since Arab governments were unwilling to sacrifice narrow national and parochial interests and combine forces effectively, they were unable to resolve the Israeli-Palestinian conflict. The relationship between foreign policy and domestic legitimacy then operated in the reverse. Thus, the first Israeli-Arab war in 1948 led to the fall of the discredited old oligarchies; later, the Panarabist p n to resolve thus dilemma pursued by Gamal Abdel Nasser from 1955 to 1967 ended with the desastrous defeat in the June war.

The 1970s were dominated by pragmatic alignments reflecting primarily national preoccupations: progress in the Israeli-Arab conflict became a necessary precondition to withdraw from it, rather than an end in itself. When efforts to secure firm progress towards a settlement which would be acceptable to the majority of the Palestinians as well as to a majority of governments in the Arab world met with Israeli intransigence, Egypt (and later Iraq) withdrew from the conflict, anyway. For many Arab states, however, this cannot be a viable option since the Palestinian question has become an internal issue for them not only in the sense of strengthening or eroding legitimacy, but more directly through a sizeable Palestinian presence in their societies. This is true of Jordan, but also of Kuwait, Saudi Arabia and the UAE. The state of Lebanon has already been destroyed by this.

The Israeli-Arab conflict has thus accentuated and exacerbated the tenuous legitimacy of political structures in the Arab world. Heterogeneity and segmentation of societies have made the process of nation-building difficult from the beginning; rapid socio-economic changes with their potentially highly destabilizing

implications have complicated the task further. Traditional political structures which blocked an effective response to those challenges were pushed aside in many parts of the Arab world; others managed to adapt, develop and survive, although they were pushed onto the defensive vis-a-vis the new political systems espousing "socialist" approaches to development and nation-building under the leadership of the military. But with the defeat of Nasser and the growing economic problems of this approach, "Arab socialism" in its various forms began in turn to lose credibility and momentum, to be replaced by a pro-Western, pragmatic approach towards development as the predominant orientation of the 1970s. The coincidence of these cycles with those sketched above in the Israeli-Arab confrontation is hardly accidental.

While European models of development were thus tried out in local variations of pro-Western capitalist and pro-Soviet socialist thoughts (with huge deviations, it is true, from their original versions), there was always also an entirely different response to the challenges of superior Western organisation and technology - Islamic fundamentalism, which existed in the Arab world long before Khomeini came to power in Iran[23]. Islamic fundamentalism offers an identity recalling the past glory of the Arab world and rejecting Western models; it also claims to offer solutions to problems of mismanagement, corruption and underdevelopment.

It is in this sense that the Iranian revolution implies a profound challenge to political structures and their legitimization in the Arab world[24]. And from this perspective, it is hardly surprising that Khomeini's revolution has been focusing on one of the most glaring failures of the Arab world - the failure to defeat Israel. The interaction between the two major sources of trouble in the Middle East, the Palestinian problem and the tenuous legitimacy of political structures, has been re-accentu-

ated with a vengeance.

The Iranian revolution is thus one of the two principal sources on instability in the Middle East. How dangerous a threat it will pose will depend on the ability of the Arab world to develop alternative sources of political legitimacy - through successful economic and social management (made that much harder by the dramatic decline in real oil income in the 1980s), through mobilising state-centered or Pan-Arab nationalism or co-opting Arab fundamentalism (which may well be turned against Iranian fundamentalism). The other important source of instability is Israel. Israel's domestic political structures, too, have begun to look tenuous. In the longer term, Israel will either have to withdraw from the occupied territories, from her identity as a Jewish state, or from democracy.

The parallels between Israel and South Africa have by now been drawn at nauseam. A less noticed question arising out of the development of South Africa is to what extent Israel, too, might turn towards regional destabilisation as a means to cope with domestic threats. The Israeli invasion of Lebanon in 1982 and her policies in the Iran-Iraq war may well be seen as portents for such a development. Israel's Lebanon policy has not only been futile, however, in coping with the problems of Palestinian nationalism - it has also brought her in direct confrontation with Islamic fundamentalism, thus fanning the conflagration of Palestinian nationalism and Islam.

IV. Western Responses

Given this troubling picture of rising Western vulnerability and continuing serious risks of upheaval, what strategies and policies should the West pursue? Broadly speaking, there seems to be

the alternative between a minimalist approach of conflict containment, and a maximalist strategy of trying to develop structures of order and stability within the region. The first type of strategy has been followed since 1980; it is based on the premise that conflict and upheavals are endemic in the Middle East, that political efforts to resolve conflicts are not promising, that the impact of regional conflicts on critical Western interests (such as an adequate supply of oil and the prevention of Soviet encroachment) need not always be directly dangerous, and, finally, that military force (the Rapid Deployment Force) may have to be used if vital Western interests were to be threatened.

The second strategy was last pursued in the period 1973 to 1979. Its key assumption is that regional developments could easily undermine vital Western interests and even world peace[25], while an activist policy might not only reduce those risks but also produce additional benefits. This strategy strives to reduce and channel regional conflicts through active US mediation in negotiations (implying an "even-handed" approach), thereby strengthening moderate, pro-Western and status-quo forces and weakening radical and pro-Soviet elements. Another element is development assistance and economic aid to overcome problems of underdevelopment.

This strategy worked well from 1973 to 1978: the momentum towards a peace settlement strengthened moderate Arab forces and thus solidified the axis Cairo - Riyad - Teheran. The euphoria created by dramatically higher oil revenues and the expectations about a rapid solution to problems of underdevelopment and backwardness they aroused; the new sense of self-confidence after the honorable performance of Egypt and Syria in the war and the huge success of the oil weapon - all these factors combined to help

promote a climate of moderation, realism and pragmatism. The synergies produced by this conjunction of international, regional and domestic trends were still insufficient, however, to produce a breakthrough in the Israeli-Palestinian conflict, and domestic developments in Israel and Iran finally destroyed this structure: Israeli intransigence undermined efforts to keep Camp David open for a wider peace process and thus decisively weakened Egypt, while the Iranian revolution swept away the domestic underpinnings of US policy in the Gulf.

S ce 1980, the United States and her allies were thus thrown back on a strategy of conflict containment. In the case of the Israeli invasion of Lebanon, the US government initially seemed to condone an effort to substantially change the status quo but then put strong pressure on Jerusalem when the confrontation with Syria threatened to get out of control[26]. Several European allies then cooperated in the Multinational Force in Lebanon to allow evacuation of the PLO and intercede in the fighting. When Washington tried to impose a political settlement on Lebanon, however, the situation quickly deteriorated, with desastrous consequences for the American and French contingents.

In the Gulf war, the United States - which at the outbreak of the war had diplomatic relations with neither Iran nor Iraq, and was in the midst of the 444 day hostage drama in Teheran - initially focused on preventing the figthing from spilling over into the tanker traffic and on reassuring her conservative allies on the Arabian Peninsula. At the same time, however, containment of the Soviet Union continued to be an important objective, which led to a rather pro-Iranian tilt in Washington's "neutrality" until 1982. As the war turned against Iraq and Iran went on the strategic counterattack (crossing into Iraq in July 1982), Wasington

shifted its support and tilted its neutrality the other way - as did the Soviet Union at about the same time[27].

France, of course, had already thrown her support behind Iraq, one of her most important customers for arms before and during the war. Eventually, the challenge posed by the Iranian revolution was contained through a layered wall of containment. Its first and most important line of defense was Iraq; this crucial front was bolstered by large credits and logistic support from the Gulf Co-operation Council members Kuwait and Saudi Arabia. A third layer consisted in political, logistic and token military support f. m Jordan and Egypt. Iraq's huge arms needs were met by the Soviet Union and France, while Germany and Britain tried to protect their commercial and political ties with Iran. French and Soviet arms supplies for Iraq may well have played a key role in the critical year 1982, when the Iraqi front threatened to break under Iranian counterattacks: the French Superetendard and Exocets provided the means for an Iraqi counterstrategy at sea, while Soviet deliveries of tanks, artillery and aircraft may have helped to stabilise the situation on land. But neither France nor the Soviet Union (nor, for that matter, the GCC states or the US) could resist the temptation to seek a rapprochement with Iran - to free hostages, as a reinsurance, to appease, or to keep the door open for future opportunities and prevent others from benefitting.

A second critical point in the Gulf war came with the Iranian successes in 1986 on the Fao peninsula and the attacks on Basrah from Dec.24, 1986. Again, the Iraqi front held - just; again, Iraq escalated the tanker war in the hope to draw the Superpowers into the conflict and thus force Iran to the negotiating table. This time, this strategy worked, albeit indirectly: Kuwait, whose tankers were targeted by Iran in her retaliatory attacks at sea,

in November 1986 (shortly after the first leaks about US arms sales to Iran) appealed to the permanent members of the UN Security Council for naval protection. Alarmed by Soviet offers to Kuwait, the US government decided in February and March 1987 to offer American portection to Kuwaiti tankers - the beginning of the reflagging operation[28].

This decision - a major step towards internationalisation of the Gulf war, which forced the US into an open-ended military commitment and raised her stakes in an early settlement - was taken without consultations of the European allies (or Congress, for that matter). The reflagging operation was undertaken as the sole responsibility of the US - and hardly could have been otherwise, as US naval protection was extended only to American (i.e., ex-Kuwaiti) ships. Demands for involvement of US allies seem to have arisen first in Congress; a few days later, on May 26, 1987, Secretary Weinberger appealed for allied support during a NATO meeting in Brussels. A similar request was made by the President at the Venice Summit in early June.

The initial response of the allies was negative. Germany and Japan claimed constitutional constraints which prevented them from participation in naval escort operations in the Gulf[29]. Britain, which had maintained a small naval task force in the Gulf since its beginning, and in the first five months of 1987 alone had conducted over 100 escort operations[30], and France, (with her naval presence based in Djibuti) were both reluctant to associate themselves with the American operation but fully supported the UN Security Council initiative to secure a ceasefire. Then, a mine damaged the "Bridgeton" on her way to Kuwait under American escort on July 24. Deficiencies in US minesweeping capabilities in the Gulf became glaringly obvious - but even so,

pleas for help were initially turned down by Germany, France, Italy, the Netherlands and even by Margaret Thatcher's Britain. The principal reasons seem to have been concerns about escalation and a desire to keep naval operations separate. While a joint naval force with the US was thus excluded (it would have sat uneasily on the declared objectives of protection ships flying respective national flags, anyway), several European countries began to take parallel action. France was the first to fall in line with US policy - on July 30, she decided to dispatch an aircraft carrier group to the region. As further mines surfaced, Britain and France reversed their initial policies and sent minesweepers to the Gulf. The UK also began to lobby her European allies for similar steps - which caused some sharp exchanges between London and Den Haag and Rome (which the Foreign Office Minister David Mellor had accused of "escapism"). Eventually, the Netherlands, Belgium and Italy followed suit[31].

The naval escort and minesweeping operations in the Gulf at the time of writing seem to provide a reasonably successful example of allied cooperation. To be sure, there were the usual disagreements and frictions - and not only across the Atlantic, but also within Europe and within the US, where Congressional reluctance neatly mirrored European concerns. There was also substantial American pressure. Yet cooperation and coordination have taken place: at its peak, Western presence in and around the Gulf amounted to about 80 naval units, with the numbers split about equally between the US and Western European navies. Their presence so far succeeded in containing the attacks on Kuwaiti tankers (though not the tanker war as such) and prevent a further escalation. What is noteworthy about this operation is that European governments (with the exception of Bonn) seemed somewhat more cautious but ultimately as willing as the United States to deploy

naval forces to protect their oil interests. The frequently voiced criticism that European countries have lost their nerve with regard to the role of power in international relations[32] in this light does not seem very persuasive.

The dispatch of naval and peacekeeping forces thus has been one instrument of the West's minimal strategy of conflict containment; a second have been arms transfers. Here, European countries have played an important supportive function in supplying arms to pro-Western countries which Washington could no longer arm as desired because of Israeli and pro-Israeli opposition (see Table 3). The figures show that European countries are able to supply a large share of total arms imports and important numbers of advanced weapon systems such as fighter aircraft (Mirage, Tornado). Their reasons for doing so, however, are primarily commercial which may increase the danger that their arms export policies could be destabilising as well as stabilising.

Table 3: Arms Imports of Selected Middle Eastern Countries, 1978-85 (mill.current $)

	Total Imports A:	Total Imports B:	of which: (%) USA A:	USA B:	SU A:	SU B:	four major European c. A:	four major European c. B:	others A:	others B:
	1978-82	1981-85								
Iran	6,700	6,435	46	-	15	6	15	2	24	92
Iraq	13,600	23,925	-	-	47	31	18	27	35	42
GCC	12,050	18,290	33	37	(negl.)		55	43	12	20
Egypt	4,200	7,120	36	41	(negl.)		46	28	18	31
Jordan	2,400	3,805	35	22	4	14	61	60	-	4

Source: US Arms Control and Disarmament Agency

Conflict containment in the Gulf has thus worked so far. But efforts at a more ambitious strategy, however, have failed so far - in the Israeli-Arab conflict as well as in the Gulf. Diplomacy has not been able to secure settlements, and the instrument of

economic sanctions has not yet been invoked in a systematic and coordinated manner[33]. The reasons are not hard to detect: lack of leverage over regional actors (Israel, Iran); domestic constraints (the pro-Israeli lobby in the US; vulnerability to threats of hostage-takers); lack of political will to develop and pursue an integral Western policy.

To develop new structures of order in the Middle East, the West would have to work on three levels: international, regional and domestic. The international level would probably have to involve understandings with the Soviet Union, as well as within the West, about the possible outline of solutions for either of the two major conflicts. On the domestic level, the West would have to be able to offer realistic prospects of overcoming socio-economic problems of development - an offer which would require very substantial resources and new ideas for economic policy management. On the regional level, settlements of the Israeli-Arab and the Iranian-Iraqi conflicts would require effective mediation and firm guarantees for eventual compromise solutions. This again might involve substantial economic and political costs. Even so, the chances for success for such initiatives would appear to de end heavily on domestic changes in the two principal protagonists, Israel and Iran. Taken all together, this seems a tall crder indeed.

A less ambitious strategy therefore seems not only more likely, but perhaps also more advisable - a strategy which would concentrate on conflict and damage containment. It would include measures to keep Western economies protected against sudden oil supply disruptions through stockpiling and other emergency preparations; it would use naval deployments, arms exports and diplomatic initiatives and economic sanctions with limited risks and costs to contain regional conflicts; and it would encourage

domestic forces in Israel and Iran which promise to facilitate accomodation and compromise. Such a strategy would involve risks - the risks of another Middle Eastern explosion causing havoc with Western economies or threatening world peace. But perhaps the challenge to Western policies is to reduce their exposure to those risks, to keep a safe distance from the tiger, rather than to try to ride it.

Table 4: Trade With the Middle East, US and European Community (12)

a) US Trade with the Middle East ($ mill.)

Exports:	1975	1980	1985	Imports:	1975	1980	1985
World	107,592	220,783	213,146		96,902	244,871	345,276
Near East Asia	8,263	11,900	9,7o9		5,4o1	18,672	6,267
(in per cent)	(7.7)	(5.4)	(4.6)		(5.6)	(7.6)	(1.8)
Iran	3,244	23	74		1,398	458	725
Iraq	310	724	427		19	460	474
Saudi Arabia	1,5o2	5,768	4,474		2,623	12,648	1,907

Source: US Dept.of Commerce

b) European Community (12) Trade with the Middle East (mill.ECU)

Imports: [a]	1960	1970	1980	1986
World	28,999	61,823	282,532	334,564
Mediterranean	1,935	5,800	23,552	28,311
(in %)	(6.7)	(9.4)	(8.3)	(8.5)
GCC	1,470	3,418	39,281	12,379
(in %)	(5.1)	(5.5)	(13.9)	(3.7)
Iran	473	929	3,601	2,965
Iraq	667	816	9,640	3,418
Israel	107	337	1,660	2,500
ad memoriam:				
SA	5,920	13,425	47,735	56,643
in %	(20.4)	(21.7)	(16.9)	(16.9))

Exports: [a]	1960	1970	1980	1986
World	33,492	54,178	216,670	341,934
Mediterranean:	3,264	5,566	28,964	36,326
in %)	(9.7)	(10.3)	(13.4)	(10.6)
GCC	222	703	12,860	14,781
in %)	(0.7)	(1.3)	(5.9)	(4.3)
ran	330	730	2,373	3,738
raq	154	171	4,029	2,807
srael	204	679	1,719	4,290
ad memoriam:				
SA	3,480	9,773	27,760	75,151
in %)	(10.4)	(18.0)	(12.8)	(22.0))

ource: EuroStat

Notes:

1

London and Washington were repeatedly at odds during the last part of the British mandate period in Palestine, and American oil companies - with the backing of the US State Department - were trying to muscle their way into the British-dominated Gulf region already during the 1920s. Cf. George W.Stocking, Middle East Oil, Nashville: Vanderbilt UP 1979, p.53 and Louis Turner, Oil Companies and Governments, London: Oxford UP 1980, pp.27ff)

2

On Transatlantic disagreements about the Middle East, see generally A.M.Garfinkle, Western Europe's Middle East Diplomacy and the United States, Philadelphia 1983; Stephen L.Spiegel (ed), The Middle East and the Western Alliance, London: Allen & Unwin 1982; Harvey Sicherman, Europe's Role in the Middle East: Illusion and Realities, in: Orbis, Winter 1985, pp. 803 - 828; Robert J.Lieber, The Oil Decade, New York: Praeger 1983. On European Middle East policies see Bernard Reich and Patrick Coquillon, Europe, in: ????; Rüdiger Robert, Die Nah- und Mittelostpolitik der Europäischen Gemeinschaft, in: Udo Steinbach/Rüdiger Robert (eds), Der Nahe und Mittlere Osten, Vol.I, Opladen: Lekse & Budrich 1988, pp. 789 - 803; Hanns W.Maull, The Strategy of Avoidance, in: J.C.Hurewitz, Oil, The Arab-Isreli Dispute and the Industrial World: Horizons of Crisis, Boulder, Col.: Westview, pp. 110 - 137)).

3

William B.Quandt, The Western Alliance in the Middle East, in: Spiegel (ed), op.cit. (1982), pp. 9 - 16 (13)

4

See, e.g., the surge of competing "bilateralism" after the first oil price explosion in 1973/4. Committee on Energy and Natural Resources, US Senate, Access to Oil, Washington:GPO 1977; Lieber, op.cit.)

5

Note, however, that there may also be overlaps here. For example, Islamic fundamentalism threatens both Soviet and Western interests in the Middle East and their respective r Golfregion. See Hanns W.Maull, Die Supermächte in der Golfregion, in: R. Hamann (ed), Die "Süddimension" des Ost-West-Konfliktes, Baden-Baden: Nomos 1986, pp.151-72

6

On the issue of future Soviet oil imports, see Jonathan P.Stern, Soviet Oil and Gas Exports to the West, London 1987 (= Policy Studies Institute/ Royal Institute of International Affairs Joint Energy Programme, Energy Papers No.21)

7

for the use of the sociological concept of roles (= norms and expectations for patterns of behaviour, as formulated by actors and their social environment) in international relations see K.J.Holsti, National Role Conception in the Study of Foreign Policy, in. International Studies Quarterly, No.14/1970, pp. 233-309

8

See,e.g., Quandt, op.cit., and Janice Gross Stein, Alice in Wonderland: The North Atlantic Alliance and the Arab-Israeli Dispute, both in: S.L.Spiegel (ed), op.cit.(1982) and Christopher Coker, Western Europe, in: R.S.Litwak/Samuel F.Wells (eds), Superpower Competition in the Third World, Cambridge, Mass.: Ballinger 1987

See Gross Stein, op.cit., pp.51f and Henry A.Kissinger, Memoiren , Bd. I (= White House Years), Munich: Goldmann 1981, Ch. X)

10

For a detailed analysis, see Harvey Sicherman, Europe's Role in the Middle East: Illusions and Realities, in: Orbis, Winter 1985, pp.803 - 828

11

Cf.National Security Policy Implications of United States Operations in the Persian Gulf, Report of the Defense Policy Panel and the Investigations Subcommittee, Committee on Armed Services, House of Representatives, July 1987, Washington: US GPO 1987, pp. 37ff

12

Cf. recent sales of French Mirage aircraft to Jordan: Jordan could not hope to receive comparable aircraft from the US but was threatened by Washington with consequences for spare supplies for the Jordanian HAWK air-defense system if she were to turn to the Soviet Union: NZZ, Feb.7-8, 1988

13

Cf. US reaction to European "pleading" during the oil weapon episode in 1973 or persistent British efforts to push for an international conference in the aftermath of Camp David: Sicherman, op.cit., pp.815f

14

Quandt, in: Spiegel (ed), op.cit.(1982), p.13

15

Cf.Maull, in: Hurewitz (ed), op.cit.and Dominique Moisi, Europe and the Middle East, in: Spiegel (ed), op.cit.(1982),pp.18-32

16

See Christopher Madison, A Reflagged Policy, in: National Journal, Nov.28, 1987, pp.3026ff

17

See generally Cheryl A.Rubenberg, Israel and the American National Interest, Champaign: Univ.of Illinois Press 1986, esp. Ch.8. For an analysis of thie impact of the pro-Israeli lobby on arms sales projects to GCC states see Shahram Chubin, The Role of Outside Powers, London: Gower 1982, pp. 44ff (= IISS Security in the Persian Gulf No.4) and Anthony H.Cordesman, The Gulf and the Search for Strategic Stability, London: Mansell 1984, esp.pp. 331ff))

18

Revealingly, the last European Summit, which was to address the unrest in the Israeli-occupied territories, did not find the time to do so: all efforts had to be concentrated on a resolution to internal problems such as agricultural policy and the budget)) and European security.

19

See Galia Golan, Gorbatchev's Middle East Strategy, in: Foreign Affairs, Fall 1987, pp.41-57

20

See William B. Quandt, The Arab-Israeli Conflict: Implications for Mediterranean Security, Paper delivered at the 29th Annual IISS Conference, Barcelona, Sept. 10 - 13,1987, p.17

21

Hanns W.Maull, The Internationalisation of the Gulf War, in: SAIS Review, Summer 1988 (forthcoming) and Barry Rubin, Drowning in the Gulf, in: Foreign Policy, Winter 1987/88, pp. 120-134.

22
Cf. Quandt, op.cit. (1987)

23
See Emmanuel Sivan, Radical Islam, New Haven: Yale UP 1985; Malise Ruthven, Islam in the World, Harmondsworth: Penguin 1984; idem, Islamic Politics in the Middle East and North Africa, in: Europa Publications (ed), The Middle East and North Africa, 1988, London: Europa 1987, pp. 138 - 151

24
Cf. Rouhollah K. Ramazani, Revolutionary Iran, Baltimore: Johns Hopkins UP 1987 and Johannes Reissner, Iran - Irak: Kriegsziele und Kriegsideologien, Ebenhausen: Stiftung Wissenschaft und Politik 1987, pp.64ff

25
Richard Nixon in 1969 presented the Middle East as a "powder keg" which US policy had to defuse quickly. His preference for an activist policy was based on recognition of possible American gains it could provide vis-a-vis the Soviet Union's position in the region. He later on changed his position and settled on a minimalist strategy - which was then blown to pieces when the powder keg exploded in the October war. See Stephen L.Spiegel, The Other Israeli-Arab Conflict, Chicago: University of Chicago Press, Ch.6, esp.p. 182 and Kissinger, op.cit., Ch.X

26
The text of the letter by Ronald Reagan to Menachem Begin may be found in Quandt, op.cit (1987)

27
Maull, op.cit. (1986, 1988)

28
International Herald Tribune, Aug. 24, 1987; Rubin, op.cit.; Defense Policy Panel .., US Congress, op.cit.

29
Both positions are in fact political rather than constitutional: minesweeping operations or even naval escort operations seem legally compatible with actions of collective self-defense, which are legitimised by the UN Charta to which both Japan and the FRG have subscribed. The domestic political situation in both countries severely circumscribes their ability to participate in such operations, however. For the legal situation in Germany, see Die Welt, June 12, 1987

30
International Herald Tribune, July 9, 1987

31
John Peterson, Europe and the Crisis in the Gulf, in: Europe, Nov.1987, pp.24ff

32
See, for example, Coker, op.cit.

33
There have beeen some efforts to use Western economic leverage - such as the EC's insistence with Israel that exports from the West Bank and Gaza should enter the Community under a separate trading regime, French efforts to dissuade oil companies from buying Iranian oil or the boycott of Iranian oil decided by Washington in 1987. There has, of course, also been "Operation Staunch" - the US effort to bloc arms sales to Iran.

THE RISE OF ISLAMIC FUNDAMENTALISM

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The Rise of Islamic Fundamentalism

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Islamic fundamentalism is as old as Islam itself. Throughout Islamic history, fundamentalism has been the movement that acted against what was perceived as the loosening of ethical values and the deviation of governments from true Islamic laws. In doing so, fundamentalism has usually tended to resent social change and oppose governments which did not hold Islam in high esteem.

The term Islamic fundamentalism, as it has come to be known in recent times, means an attempt to induce Muslim societies to return to the true teachings of Islam. Such a return is meant to be both a means to build a pure Islamic society and a vehicle to effect the desired socio-economic and political changes. Impoverished and illiterate Muslims in particular perceive fundamentalism as a perfect alternative to other systems in which they have little or no stake at all.

This paper will attempt to review the history of the new wave of Islamic fundamentalism, which began about one hundred years ago. It will also try to identify its major causes and evaluate its future prospects. Since other religions have also experienced fundamentalism, the paper will try to look beyond the Islamic world in order to investigate some of the movement's implications

and hopefully place it in its right historical context.

Historical Background

The revival of the current wave of fundamentalism can be traced back to the Al-Salafiyya movement, founded in Egypt by Muhammad Abduh (1849-1905) and [redacted] influenced intellectually by the Islamic reformer Jamal El-Din Al-Afghani (1839-1897). Both men, deeply disturbed by the encroachment of the European powers on the Islamic countries, started their movements at Al-Azhar University in Cairo. The message which they preached was that Muslim societies faced the threat of complete cultural and political domination by imperialist Europe (1). To preserve their Islamic identity and resume contribution to world civilization, Al-Afghani and Abduh maintained, Muslim societies needed to reform themselves and stem the tide of political and social disintegration. Thus, from the start, fundamentalism was a reaction to foreign encroachment, political disunity, moral degeneration, and Islamic decline.

The Salafiyya doctrine of Islamic reform was based on the conviction that Islam served the dual role of religion and state and was thus capable of reconstructing the solidarity, cohesiveness, and vitality that characterized Muslim societies during the first five centuries of Islamic civilization. The movement appealed to Muslims everywhere to use the accomplishments of the first Muslim generation as a model through which the legitimacy and effectiveness of contemporary practices and institutions could be reexamined and evaluated (2).

Despite the fact that these new ideas found a wide and receptive audience, they achieved neither the revival of Islam nor the end of Western encroachment. The continuation of Turkish rule over most of the Arab world and the increasing interaction between the West and most Islamic countries, particularly Egypt, Turkey, and Iran, gave rise to nationalism and other secular ideas such as the separation of state and religion.

As a result, the second generation of Islamic reformers moved toward nationalism and began to advocate selective emulation of contemporary Western models as a basis for changing the existing social, political, and economic structures. Borrowing from Europe during this phase, however, "was necessitated by considerations of power, first in terms of military organization and later in terms of administrative and political reforms. These were, in large part, measures of self-defense which were considered compatible with both the Sharia, Islamic law, and the interest of the community." (3)

The end of World War I was marked by the dismantling of the Turkish Empire and the division of the Arab world among the victorious European allies. The upsurge of nationalism in Turkey in the wake of its defeat induced the new Turkish leadership to concentrate on building a modern state based on the Western model of democracy and capitalism. Arabs, on the other hand, were forced by the circumstances to change their priorities, as their attempt to introduce liberal democracy to a unified Arab world was frustrated by the provisions of the post-war settlement.

The imposed division of the Arab national homeland into zones

of foreign influence shattered the Arabs' sense of national integrity. "The shock was even more traumatic when they realized that their aspirations of complete independence were no longer attainable. Under these conditions, the cautious Arab quest for a modern political process no longer concentrated on the system of government, but on two precepts that initially determined the nature of the Arab national struggle: Arab independence and the unity of the Arab homeland." (4)

Other Muslim countries such as Iran and Afghanistan were also engaged in reforms based on the Western model. Pakistan and Indonesia, which became independent states after the end of World War II, used religion as a vehicle to mobilize the masses and gain national independence. Each Islamic country was going its own way using Islam, nationalism, and the Western model to reconstruct its own society and build a modern state. After attaining independence, Arab countries followed the same path. Thus, the post-World War II era witnessed the formalization of the fragmentation of the Islamic world and, as a consequence, Islamic unity became something of the past.

Although the Arabic language, the language of the Quran, was instrumental in creating a common denominator among the Muslim people, it did not alter the reality that the component regions of the Islamic world were different in many other aspects. Each had a special history, usually dating back to the great civilizations of the pre-Islamic era. There were also differences in geography, language, local customs and traditions, and socio-economic and cultural orientation (5).

Ultimately, nationalism, which was more concerned with foreign domination and more inclined to emulate Western institutions of government, became the principal political force dominating the lives of most Islamic countries. The Islamic legacy and ideals, however, continued to be cherished and used as an inspirational force in both the fighting for complete national independence and the preservation of national identity. Arab nationalists, for example, tend to think of Islam as a national heritage and to view the great cultural and scientific achievements of the Islamic civilization during the Middle Ages as a product of the Arab genius. In contrast, the Muslim masses continue to think of Islam not only as a treasure of the past but also as the body of knowledge that engulfs their lives and determines their future.

On the other hand, foreign domination and the national struggle for political and economic independence has had a profound impact on the Muslim people, especially the intelligentsia. Increased interaction with the West and the utilization of modern science and technology in the quest for achieving national goals served to transform the intelligentsia's view of itself and its relation to the traditional Islamic leadership. The quest for national independence and modernization consequently caused the role of Islam in shaping the socio-political and educational aspects of the future to recede.

However, the emergence of Jewish Zionism, which threatened and ultimately conquered Palestine, posed a serious challenge to both Islam and Arab nationalism. While the partition of Palestine in

1948 and the occupation of the West Bank and Gaza in 1967 denied most Palestinians the right to live in their homeland, the occupation of Jerusalem brought the Islamic holy places of the Dome of the Rock and the Al-Aqsa Mosque under the control of a foreign, non-Muslim power. The question of Palestine and the commitment to liberate Jerusalem became very important issues in the lives of most Muslims everywhere. They motivated the Arab masses and inspired the believers. Meanwhile, the commitment to liberate Jerusalem provided most Islamic and Arab regimes with a new source of legitimacy.

The Reemergence of Islamic Fundamentalism

By the mid-1960's it became evident that the ideas that led the nationalist regimes and the ideals that motivated the masses to support them had failed to achieve their objectives. Internally, the changes instituted by nationalist governments had served to undermine the basis of the traditional Muslim society, while denying the masses the opportunity to participate in the shaping of their own future. Externally, foreign domination continued to exert more pressure while Israel was growing stronger and more arrogant and adventurous. Other changes were also seen as posing a serious threat to the cohesiveness and moral values of Muslim society in general and Arab society in particular.

The sudden influx of wealth which the oil boom generated served to accelerate the process of social change in most Islamic countries and thus to accentuate the disintegration of traditional life. Urbanization, modernization, and the introduction of

foreign labor and Western consumer goods created a sense of fear, suspicion, alienation, and loss of direction. The concentration of wealth and power in the hands of a small group of merchants and ruling families, and, at times, the emergence of a military elite, added to the malaise. People, who were supposed to enjoy the trust of the masses and shoulder the political and economic responsibilities, tended to abuse power, suppress criticism and make fortunes through shadowy practices. In some cases, they even became accomplices and active partners in promoting corruption and committing criminal acts. The collaboration of some Islamic governments with the West, which had assumed the responsibility for the establishment and maintenance of Israel, was seen by the majority of the masses as a means to facilitating the implementation of Western designs in the Muslim world and to preserving the existing regimes which had failed their constituencies and religion.

In the wake of the Arab defeat at the hands of Israel in 1967 it was conceded that the existing systems of government and political thought had not only failed but also led to the distortion of Islamic thought and values. Nationalism, which had replaced the old Islamic institutions for more than 50 years, had failed to solve the political and economic problems that continued to persist and deepen. In addition, it had also failed to provide specific answers to questions of legitimacy, political succession, economic development, political freedom, and social justice. In fact, legitimacy and social justice became words devoid of any meaningful interpretation. The abolishment of the Caliphal

sovereignty with the dismantling of the Turkish Empire at the end of World War I, and the failure to establish the principle of popular sovereignty in its place, laid the claim to legitimacy open to challenge from any group that could muster enough power, regardless of convictions, objectives, or popular support.

After the Arab defeat, the ruling elite took to avoiding responsibility by an outright denial of the true nature of the defeat and to rejecting accountability through long-winded assertions of inculpability. The claim of innocence on the part of the intellectuals who were either supporters or members of the establishment, and the fear of governmental retaliation on the part of the others, turned the intellectuals' silence into an irresponsible passivity. Thus, no responses to the defeat were provided and no programs to overcome the new dilemma were formulated. Issues of great popular concern were neither debated nor addressed.

In the Muslim world today there exists no true public opinion which could seriously influence political action or determine public policy. The only real effective agencies of political control are the three major organized forces of the state: the army, the administrative bureaucracy, and the secret service. "The bureaucracy gradually came to represent the permanent apparatus by which political power was bolstered and through which it was exercised; and the army the instrument through which political power was seized and maintained." (6) The secret service gradually emerged as an effective tool of repression by which acts of well-intended dissent and opposition were either

silenced or eliminated. Thus, most Islamic countries became police states whose major goal was to retain power and maintain stability at all costs.

Police states, by their very nature, are incapable of detecting social change until reality is overtaken by crisis. Even when the crisis finally arrived in the form of the 1967 defeat, Arab governments felt overwhelmed by events they could not foresee. Insecure and inept, they sought neither the sanction of the religious leadership nor the cooperation of the intelligentsia. In addition, they tended to suppress dissent and deny both these groups the benefits of the social and material change which followed the oil boom a few years later. As a result, other forces had to take the initiative and assume the leadership role since the existing leadership had been rendered weak and vulnerable by the events of the crisis.

These forces concluded that the true Islam must be rejuvenated as a living religion and a viable institutional framework. This was viewed by the faithful as a duty that had long been neglected or impeded by the ruling class and a task that must be undertaken if the Muslim world was ever to regain its capability to face outside challenges and threats, perceived as emanating from Western hegemony, Israeli expansionism, and communism. The secular intelligentsia, frustrated and marginalized by the existing system, became either an active proponent of change for the sake of change, or a passive and bewildered minority having nothing to lose and nothing to gain by getting involved. Since it did not share the fundamentalist

movement's vision, it failed to support it; and because it rejected the existing order, it could not oppose the forces which were trying to change it. In fact, support for fundamentalism by the intelligentsia would have been construed as hypocrisy, and opposition to it would have been interpreted as defense of the status quo.

Fundamentalism, as noted earlier, has long been present as an underlying force that helped preserve Islamic identity and traditions. Therefore, its current resurgence should be viewed in the light of the circumstances that motivated the faithful to become more active and to seek the establishment of an "Islamic Society." Saad Eddin Ibrahim identified those circumstances in the form of six crises: (7)

A personal crisis reflected in the fact that most active fundamentalists are young people suffering from an identity crisis, and hence are vulnerable to dogmatism;

A societal crisis reflected in the fact that what makes Islamic societies unique is being eroded, and what is being imported from the West in terms of cultural values is alien to Islam and its cherished traditions;

A political crisis reflected in the absence of genuine political participation by the people, and in a feeling that the rulers are not acting in the best interest of the community but rather in their own best interests and, oftentimes, in the interests of their foreign benefactors;

A social crisis reflected in the fact that the distribution of wealth and power was inequitable, and the tremendous income

generated by oil exports was spreading social and political corruption and causing moral decay;

An economic crisis reflected in the failure of society to perform credibly in terms of economic development;

A national crisis resulting from humiliation by foreign powers, particularly Israel which continues to occupy Jerusalem and deny the Palestinians their legitimate rights.

In addition to the above, two other crises must be noted:

An ideological crisis reflected in the failure of secular nationalism to articulate a popular program for socio-political and economic change and to create the appropriate institutions to implement it; and

An international crisis reflected in the fact that both the free enterprise system and the Communist system, the two major ideologies competing for world domination, have failed to live up to expectations; and, in the pursuit of "national interests," superpower competition has contributed to deepening political instability and economic stagnation in most Third World countries.

In its relations to the Muslim world in general and the Arab region in particular, the West has followed a policy based solely on the strategic importance of the region, and thus it ignored its history, its people, and the aspirations they nurtured. For the West, the management of strategy and resources, as the latest involvement in the Gulf War has vividly demonstrated, prevails over the understanding of national dignity. To preserve perceived interests, Western policy makers used manipulation, coercion, and at times military force either directly or by proxy to suppress

Arab aspirations and distort the Muslim image.

In the wake of the Arab defeat of 1967 and the failure of the incumbent regimes in the Islamic countries to face the challenges posed by it, it was concluded that an alternative must be sought and activated. Islamic fundamentalism claims to provide that alternative and to offer a clear ideology that can deal with existing dangers and face foreign threats. And because Israel continues to enjoy the support of the West in general, the Arab defeat was viewed as a continuation of the traditional confrontation between Islam and Western civilization. Consequently, it became only natural that the new fundamentalist movement adopted an anti-establishment, anti-West, and anti-Israel stand.

The humiliation of the defeat injured the pride of the Arab nation, and nations whose pride is injured tend to get angry and seek revenge. Thus the defeat and its consequences provided the right combination of circumstances for the revival of religious fundamentalism and the proliferation of political radicalism. And in view of the Arab regimes' inability to bridge the gap between reality and aspirations action became imperative and confrontation inevitable.

While most Muslims everywhere tend to believe in fundamentalism, only a small minority go beyond belief and engage in acts to change the existing order and to make it conform to its vision. Therefore, "fundamentalism and radicalism is not a monolithic entity." (8) Radical acts and positions, which a small minority has often exhibited, do not reflect a strategy for the

fundamentalist movement, and thus must be viewed only as a loud and sometimes desperate political statement. It is a statement made by an angry minority on behalf of an oppressed majority whose grievances and aspirations have long been ignored and neglected.

In Iran, and later on in Lebanon, the Western social and political challenge was so powerful and pervasive that it generated a strong and uncompromising response. The Iranian response was motivated by a cultural challenge that threatened the Islamic identity of the nation and eroded the leadership role of the clergy. The Lebanese response, which was precipitated by the Israeli invasion of Lebanon in 1982, came as a result of the age-old policy of deprivation of and discrimination against the poor by the West and the Lebanese class of the rich and powerful. In fact, almost all radical acts committed by the fundamentalist movement came in the wake of the Israeli invasion of Lebanon and sought to take revenge on those foreign powers which had constantly backed the privileged Lebanese class and repeatedly humiliated the Arab world. In most Islamic countries today, fundamentalism is the movement most appealing to the politically oppressed, the economically exploited, the socially frustrated, and most of all to those in search of a cultural identity.

Objectives and Prospects

During the last two hundred years, Islamic civilization underwent a period of awakening exemplified by the following fundamentalist movements: the Wahhabi movement in Saudi Arabia, the Sanousi in Libya, the Mahdiyya in Sudan, the Ahmadiyya in

India, the Muslim Brotherhood in Egypt, Khomeinism in Iran, and the Amal movement in Lebanon. All of these movements have arisen as a result of what had been perceived to be the need to stem the tide of moral deterioration and political disintegration in the Muslim world. And that could be achieved, the fundamentalist leadership maintained, through the building of a new Islamic society in which the Sharia is strictly observed and all Muslims are bound together as brethren.

The basic creed of Islam is that God (Allah) is the source of all truth and that His very words were revealed to his prophet Muhammad in the Quran. The Sharia comprises a code of ethics, a code of religious and civil practices, a system of law, and a form of political and economic organization (9). It calls upon all Muslims to adhere to it, to defend their religion, and to spread the word of God among other nations and to help establish justice on earth. Thus, Islam is not merely a set of religious beliefs but also a way of life that tends to regulate the individual's behavior and govern his relationships to God, to his neighbors, to his community, and to the world at large.

On the other hand, Islamic fundamentalism is a vision that derives its inspiration from the qualities of the Islamic society which the Prophet Muhammad and his immediate successors had established. Fundamentalist movements are social and political movements whose primary aim is the realization of this vision whose components are many and remain ill-defined. As Norton said, the fundamentalist movement today is a multifaceted admixture of parties and societies with a correspondingly diverse collection of

goals, programs, motives, and even religious views. What ties members of this movement together is not a party discipline or a formal association but a shared religious and political state of mind (10).

While fundamentalism is a deeply-rooted conviction based on religious beliefs, radicalism, is a political behavior dictated by the circumstances. Though the former may be open for reinterpretation, it could not be altered or even modified. In contrast, the later is always subject to change as circumstances change. Radicalism, as previously explained, is an act of desperation to draw attention to and underline accumulated grievances. In fact, the resort to violence as a political tactic has always been considered a means that justifies its own ends by the ideologically-oriented marginal forces of change in every society throughout history.

The Arab defeat in 1967 shocked the Arab masses and caused the loss of confidence in public institutions. Suspicion of foreigners and passion to maintain Arab identity forced the masses to look inward. And inward they found Islam, which had the answers to the much asked questions. "It offered no strange slogans or complicated alien ideology, no reliance on an outside force that compromised their independence." (11) And because of its simplicity and authenticity, fundamentalism appealed to Muslims everywhere. Since it required no sophistication to understand, no training to practice, and no proven experience to promote, it became an instant success. To many believers, fundamentalism is the true ideology with the right model for

social and political transformation and the only source of pride.

However, it is an ideology that offers nothing new or original. It brings no new revelations, it contains no new ideas, it offers no real solutions. Nevertheless, it is a strong psychological force that proved capable of motivating the believers to follow the religious leadership and adopt its program. But, psychological forces are nothing more than short-lived social forces whose durability and effectiveness is a function of their ability to transform themselves into popular socio-political institutions and material gains.

Due to its very nature, the fundamentalist movement tends to distort the reality it has to deal with, and to reject other forces of social change which could not and should not be ignored. Efforts aimed at exposing the failure of existing institutions provide no credible alternative and offer no clear vision. Therefore, it became a movement of dissent and rejection rather than a movement of open dialogue and positive engagement.

Since Islamic societies lack the experience to deal with the major issues of our time, such as political democracy, economic development, the freedom of speech, and the ethics of modern science and technology, the movement is doomed to fail in the long run. In reality, the attempt to rejuvenate Islam boiled down to a faint attempt to remold the present and shape the future in the image of a glorious but fading past.

Due to these shortcomings and many others, the movement could neither achieve its unity nor substantiate the claim that it was the right path to reuniting the Islamic world. The passions

demonstrated by the followers of some factions in their attempts to challenge the establishment and defy other competing factions led to further political divisions and aroused uncalled for ethnic conflicts. In brief, the Islamic fundamentalist movement proved capable of identifyng its enemies and pinpointing the issues it stood against, but it failed to cooperate with other forces of social change and to formulate a workable program to realize the goals it advocated.

Following the Arab defeat, a number of Arab regimes began to court Muslim conservatives and promote fundamentalists as a counterweight to the other socio-political forces which demanded change and accountability. In fact, the governments of Tunisia and Egypt encouraged fundamentalists in the early 1970's only to lose control of them by the early 1980's (12). In other Islamic countries, the governments tried either to outmaneuver the movement, to accommodate it, or to challenge it. In Malaysia, Sudan, and Pakistan the governments attempted to outmaneuver the extremists by embracing the Islamization drive as their own. In Jordan, Algeria, Morocco, and Kuwait a policy of accommodation was adopted whereby the population was asked to observe Muslim holidays and to respect Islamic symbols and traditions. The Syrian, Tunisian, and to some extent the Egyptian regimes have chosen to challenge the extremists by undermining their credibility and restricting their maneuverability. In Indonesia, Islam as a religion is being depoliticized, and even more so in Iraq as a result of the uncompromising position adopted by the Iranian leadership in its senseless war against Iraq.

Since fundamentalists claim to know all the truth which the Quran embodies, they tend to seek total solutions to extremely complicated social and political problems. In doing so, they seem to have little tolerance for hesitation and none for dissent. Governments that are trying to accommodate the movement are, in fact, though unintentionally, encouraging the extremists to escalate their demands. Compromise, the art of balancing interests and obligations, goals and means, is something most fundamentalists find unacceptable.

The impact of fundamentalism, in varying degrees, has been evident in every Islamic country and among all Muslim communities. While the Sharia is being observed in only a small number of countries, most peoples and regimes are becoming more respectful of Islamic practices and symbols than ever before. Nevertheless, the future prospects of the fundamentalist movement seem to be uncertain. Many developments and forces are expected to influence the direction of the movement and consequently to affect its future. The success or failure of the Iranian revolution, the ability of the present regimes to live up to expectations, the response of the nationalist intellectuals, and the reaction of the international community to religious conservatism in general should determine the future prospects of Islamic fundamentalism.

The development and direction of Islamic Iran is probably the most important factor affecting fundamentalism today. It is a living proof that Islam possesses the ability to mobilize the masses. The financial and political support given by Iran to fundamentalist groups in other Muslim countries has reinforced the

concept of the brotherhood of all Muslims. As the spokesman for the Muslim opposition party in Malaysia once said, "The victory in Iran gave the fundamentalist movement new spirit that Islam can achieve victory." (13) Or, as Saad Eddin Ibrahim put it, "If the Iranian revolution succeeds, it will be a motivation. If it fails, it will not dissuade many of the hard core militants from trying again, but it will adversely affect the attraction of Islamic militancy." (14)

The ability of the present regimes in Islamic countries to cope with the crises that gave rise to fundamentalism in the first place is probably the second most important factor influencing the future of the movement. After the defeat of 1967, Arab intellectuals raised the question of accountability and stressed the need of reevaluating Arab ties with the West and with the Islamic world. Instead of initiating constructive dialogue, Arab governments responded by using their most hated apparatus, the secret service, to stifle criticism and silence opposition. Ever since, the profound transformation which has been taking place in the lives of the Arab people has remained only partially understood and hardly attended to.

Changes, taking place in Muslim countries in general and the Arab countries in particular, appear to defy analysis. Response to challenges continues to lag behind the need of the how. Attempts to react to even the most threatening challenges have been formulated in broad, theoretical terms which lack both the honesty to acknowledge reality and the political will to face it. Manifestations that are alien to the Muslim experience, or

critical of the performance of the regimes, are being either ignored or denounced as the product of some foreign evil forces. Intellectuals, especially liberal nationalists, are being coopted, coerced, or forced to seek refuge in passivity or to flee to countries other than their own.

Arab intellectuals, who believe that Arab unity is the shortest way toward building a strong progressive Arab nation, are still weak and hesitant to face the challenge. Governments, in turn, seem determined to deny the nationalists the right to establish political parties as a means to interact with the masses. In addition, the strict limits imposed on the press have practically eliminated the opportunity to develop a forum where ideas could be freely expressed, thought promoted, and constructive dialogue started and maintained. If governments continue to follow this course, fundamentalism will undoubtedly gain more strength and attract more of the disaffected and disenfranchised young people. In fact, most Arab intellectuals who support fundamentalism today do so not out of conviction but as a result of frustration and despair. In such an environment, new radical ideas of change are more likely to proliferate, without either the sanction of the governments or the approval of social critics.

Religious fundamentalism today is not a unique phenomenon that prevails in the Muslim world only. From the United States to China and from the Soviet Union to Morocco, fundamentalism appears to be on the rise. As an international phenomenon, fundamentalism has its own logic and causes which seem to transcend national

borders and cut across various cultures. The universality of this phenomenon dictates the need to examine its causes and implications in the context of the communality of human needs, social relations, and national aspirations shared by all peoples. In fact, this wave of religious fundamentalism should be looked upon as a product and primary component of a new phase in human history. This phase, which began to emerge in the mid-1960's, could be called the "Age of Diminishing Expectations."

Fundamentalism and the Age of Diminishing Expectations

Like Islam, Christianity and Judaism too have experienced religious fundamentalism during the last two decades. In various forms, many other fundamentalist movements have arisen in countries whose predominant religion is neither Islam, Christianity, or Judaism. Religious revivalism has, in fact, become an international phenomenon whose causes are yet to be determined and whose implications are still being examined.

In times of social stress, societies tend to become more conservative, more protective, and more inward-looking. Fear and dissatisfaction usually drive people to dig into their past for safer answers. Values which helped preserve the communal identity and national vitality in the past become new active players in the search for a better tomorrow. Though such values may not be able to contribute to solving the problems which caused the social stress in the first place, their share in easing social stress and calming people's fear is usually substantial and meaningful.

In such times, religion and the moral values it espouses

become the major source of individual solace and communal inspiration. Religious fundamentalism becomes a national defense mechanism aimed at preserving the particular. In doing so, fundamentalists try to remold the present in the image of the past and tend to rebuild relationships between individuals and groups more on the basis of ethics and less on the basis of interests.

Thus, to understand the fundamentalist movement and to begin to evaluate its prospects, the major developments which gave birth to this new era of "diminishing expectations" must be identified and examined. Simply defined, the "age of diminishing expectations" is an historical era characterized by a general human presentiment that the future will not promise as much as the past did and a resigned acceptance of what is expected to come.

As mentioned earlier, this era began to emerge in the mid-1960's as a result of the many setbacks suffered by several countries and political ideologies. By the end of the 1970's, the age of diminishing expectations had finally arrived, and its logic had begun to influence the direction of the general development of the world community. Political and economic conservatism, religious fundamentalism, and environmental protectionism became major issues influencing both the present and the shaping of the future.

Developments that led the world community to enter this era are many and varied in nature. Some are political, others economic, and most ideological and cultural in nature.

The apparent failure of capitalism to avoid recurrent recessions and inflations, the failure of socialism to close the

technological and economic gaps which continue to separate the East from the West, and the failure of almost all Third World countries to extend political independence to the sphere of economics exposed the limits of the world's predominant ideologies. In addition, capitalism failed to eliminate poverty despite its magnificent achievements in the fields of economics, science, and technology. Communism failed to provide the political freedom it promised despite its remarkable success in building a powerful military force on the one hand and the absence of serious external threats on the other. Third World nationalism failed to eliminate economic and cultural dependency, to provide freedom and political stability, or even to reduce social injustice and income disparities in a meaningful way.

Examples of other setbacks suffered by many of the leading ideologies and countries of the world were experienced on the battlegrounds. America's great military contribution to achieving victory and ending World War II was followed by a humiliating defeat in Vietnam. Russia's demonstrated show of military might and organization in impeding the Hungarian and Czechoslovakian liberal movements in the 1950's and 60's respectively was followed by a show of military impotency in Afghanistan. The Israeli army which needed only six days to defeat the armies of Egypt, Syria, and Jordan in 1967 failed to enter Beirut in 1982, despite having the city encircled, starved, and bombarded for 89 consecutive days. Even the North Vietnamese, who managed to defeat the forces of the French Empire and the American superpower, have failed to subjugate tiny Cambodia after many years of fighting and military

occupation. These developments were instrumental in exposing the limits of military power and reducing the feasibility of utilizing such power as a means to achieve other political and strategic objectives.

Furthermore, the energy crises of 1973 and 1979 served to demonstrate the existence of global interdependence, and highlight the West's vulnerability to disruption of energy supplies. The political events of the crises and the financial and economic developments which followed, made economic and political dependency a two-way street. The rich and powerful nations turned out to be as dependent on the national resources and markets of the poor and powerless as the latter were dependent on the financial resources and technology of the former. These developments gave the poor and powerless nations a new sense of pride and enabled some of them to become active players in the international arena. The rich and powerful nations, on the other hand, began to lose confidence in their ability to control the world, and to realize gradually that many of their national goals and communal ambitions were actually beyond reach.

Meanwhile, the communications revolution was making the movement of people, goods, and ideas across oceans and international borders easier than ever before. As a result, people everywhere became familiar with the living conditions in other countries of the world, and more aware of the shortcomings of competing social systems and ideologies. For example, the world's rich nations and classes were able to see through television, and at times even to experience through travel, the

tragic conditions of the world's poor. On the other hand, the world's poor began to realize that material poverty does not always mean human misery as they became aware of the existence of the problems of homelessness, crime, alcoholism, and the lack of proper caring for the poor and elderly in most industrialized countries of the West and the East.

Poverty, military dictatorships, and political instability in the Third World, homelessness, the disintegration of family ties, and the high incidence of crime in the democratic West, and alcoholism, corruption, totalitarianism, and the lack of freedom in the communist East rendered competing social systems and ideologies less appealing, if not unworthy of consideration. Dissatisfaction with one's way of life on the one hand, and the lack of credible alternative systems on the other, led people everywhere to expect less in the future and convinced them that to accept less was inevitable. National heritage and the legacy of the past were the only ways to escape the present ideological traps which the events of the 1970's had exposed and rendered unsatisfactory, if not unacceptable. Political conservatism and religious fundamentalism became not only two signs of this age but also two of its most powerful motivations.

Setbacks and failures, which both superpowers had experienced, seem to have convinced many people everywhere that both capitalism and communism have lost their claim on the future. As a result, religious fundamentalism, one of the oldest and most resilient social institutions, rose to take the initiative and claim the future. However, the future it envisions is one that

would be built in the image of a past that has never experienced the challenges posed by the present. In addition, the changes which the fundamentalist movement generally espouses are behavior-oriented rather than ideology-oriented. While such changes are likely to influence the behavioral patterns of many people, especially those patterns considered to be immoral, unethical, or pleasure-oriented, their ability to develop and institute new social systems capable of dealing with the ever increasing human problems is very much in doubt. The lack of new ideas on the one hand, and the hashing and rehashing of the past on the other, make religious fundamentalism everywhere an escape from reality rather than a positive reaction to its challenges -- an illusion rather than a practical solution.

FOOTNOTES

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2. Ibid

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4. Hassan bin Talal, Crown Prince of Jordan, "Opening Address," Conference on Palestine, Fundamentalism, and Liberalism, Amman, September 10-11, 1984. Arab Thought Forum, Amman, Jordan.

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