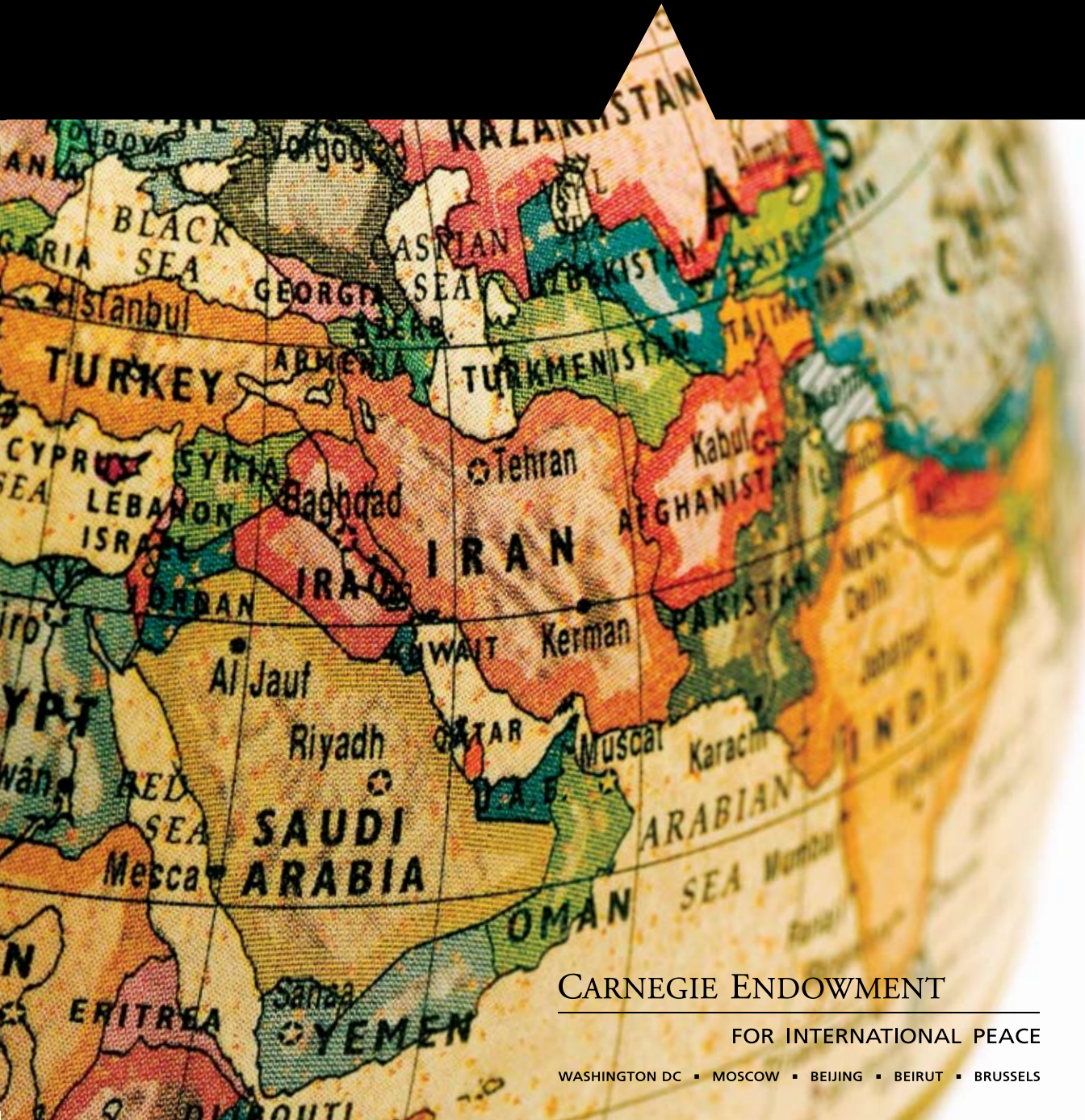MARINA OTTAWAY, NATHAN J. BROWN, AMR HAMZAWY, KARIM SADJADPOUR, PAUL SALEM

THE NEW
MIDDLE EAST

CARNEGIE ENDOWMENT

FOR INTERNATIONAL PEACE

WASHINGTON DC ▪ MOSCOW ▪ BEIJING ▪ BEIRUT ▪ BRUSSELS

The New Middle East

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A Changed Region

After September 11, 2001, the Bush administration launched an ambitious policy to forge a new Middle East, with intervention in Iraq as the driver of the transformation. "The establishment of a free Iraq at the heart of the Middle East will be a watershed event in the global democratic revolution," declared President Bush on November 7, 2003. In speech after speech, Bush administration officials made it abundantly clear that they would not pursue a policy directed at managing and containing existing crises, intending instead to leapfrog over them by creating a new region of democracy and peace in which old disputes would become irrelevant. The idea was summarized in a statement by Secretary of State Condoleezza Rice during the war between Lebanon and Israel in the summer of 2006. Pushing Israel to accept a cease-fire, she argued, would not help, because it would simply re-establish the status quo ante, not help create a new Middle East. The new Middle East was to be a region of mostly democratic countries allied with the United States. Regimes that did not cooperate would be subjected to a combination of sanctions and support for democratic movements, such as the so-called Cedar Revolution of 2005 in Lebanon that forced Syrian troops out of the country. In extreme cases, they might be forced from power.

The Middle East of 2008 is indeed a vastly different region from that of 2001, and the war in Iraq has been the most important driver of this transformation, although by no means the only one. The outcome, however, is not what the Bush administration envisaged. On the contrary, the situation has become worse in many countries. Despite the presence of over 160,000 U.S. troops in Iraq at the end of 2007 and an improvement in the security situation, Iraq remains an unstable, violent, and deeply divided country, indeed a failed state. Progress is being undermined by the refusal of Iraqi political factions to engage in a serious process of reconciliation, as the Bush administration has repeatedly warned. Furthermore, with the demise of Saddam Hussein, the balance of power between Iran and Iraq has been broken, increasing the influence of Tehran in the Gulf and beyond. Meantime, Iran continues its uranium enrichment program undeterred by United Nations (UN) Security Council resolutions or the threat of U.S. military action.

The Israeli–Palestinian conflict remains unsolved, but its parameters have changed considerably, with a deep split in the Palestinian ranks and the effects of decades of unilateral Israeli actions calling into question whether a two-state solution can possibly be implemented. Although Lebanon has been largely liberated from direct Syrian domination, the country is deeply divided and teeters on the brink of domestic conflict. The power of Syria has been diminished by the forced withdrawal of its troops from Lebanon, but the country maintains its potential as a spoiler. The threat of nuclear proliferation is not just limited to Iran; from Morocco to the Gulf, a growing number of countries are declaring their intention to develop a nuclear capacity—for civilian use, to be sure, but a nuclear capacity nevertheless. Confessional and ethnic divisions have acquired greater saliency in many countries.

There has been no successful democratic revolution in any Middle Eastern country. Instead, the democratic openings advocated and supported by the United States have either led to sectarian division or revealed the greater popular appeal and strength of Islamist rather than liberal organizations, one of several reasons the United States has retreated from democracy promotion. Far from having leapfrogged over old problems, the United States is now confronting most of the old problems, often in a more acute way, as well as new ones.

This more troubled new Middle East has obviously not been created solely by U.S. policies. Regional state and nonstate actors have shaped and continue to shape its changing reality. But U.S. policies have been a major factor. The underlying thrust of those policies has been confrontation, including the use or at least the threat of force — "preemptive action," in the words of the September 2002 National Security Strategy. The United States has used force in Afghanistan, Iraq, and in many arenas of the war on terror. The Bush administration also relied on other forms of coercion, calling for UN Security Council resolutions condemning Syria and Iran, or imposing unilateral sanctions, such as those on the Hamas-controlled Palestinian Authority and on the Revolutionary Guards in Iran. Despite occasional forays into diplomacy, as in the successful resolution of conflicts with Libya over terrorism and weapons of mass destruction in 2003, the theme of confrontation runs through the Middle East policy of the Bush administration and even of the U.S. Congress throughout this period.

To be sure, views in the administration were never unanimous. During President Bush's first term, Secretary of State Colin Powell represented a much more traditional, cautious, and diplomatic approach to the Middle East, but his views did not prevail. An element of diplomacy was reintroduced in early 2007, at a time when the administration faced spiraling violence in Iraq, the failure of efforts to convince Iran to abandon its efforts to develop nuclear capability, and the refusal of major allies, such as Saudi Arabia and Egypt, to cooperate on any U.S. initiative unless the Israeli–Palestinian peace process were revived. After rejecting outright the late 2006 recommendation of the independent Iraqi Study Group that the United States should start talking with Iraq's neighbors, including Iran and Syria, the administration opened a dialogue of sorts with both in 2007. The Iranian and U.S. ambassadors to Iraq met three times in Baghdad in the course of the year. Secretary of State Rice had a brief encounter with Syrian Foreign Minister Walid Muallem on the margins of an international conference on the reconstruction of Iraq in Sharm al-Sheikh in May 2007. In November, after much hesitation, Syria was invited to participate in a meeting held in Annapolis to relaunch the Middle East peace process.

But none of these brief diplomatic interludes altered the generally confrontational tone of U.S. policy. The ambassadorial meetings in Baghdad did not prevent President Bush and Vice President Cheney from fulminating about the threat of nuclear Armageddon and a third world war emanating from Iran. Similarly, the publication in December of a National Intelligence Estimate (NIE) that concluded that Iran had suspended its nuclear weapons program in 2003 prompted a correct White House statement that Iran continued not to cooperate fully with the International Atomic Energy Association (IAEA) and to enrich uranium contrary to UN resolutions. However, this valid reminder of Iran's ongoing challenge to international

security was completely overshadowed by belligerent White House statements that U.S. policy toward Iran would remain unchanged, raising the specter of war. Although analysts agreed that the NIE's conclusions effectively precluded the use of force by the United States against Iran, the White House pointedly insisted the option remained on the table. Similarly, while inviting Syria to Annapolis, the administration did not agree to put on the agenda the issue of the Golan Heights, nor did it hide its opposition to the possibility of Israeli–Syrian negotiations on the matter.

Three clusters of countries and three major issues present particular challenges for the United States in the new Middle East. All of them have been negatively affected by U.S. policies in the last few years. Developments in the Iran–Iraq cluster present significant threats to U.S. security. The Lebanon–Syria cluster is not as threatening, but it has become a highly unstable area that affects the surrounding countries. The Palestinian–Israeli conflict has turned from a chronic problem into a major obstacle to cooperation with even friendly regimes in the area. The three clusters are not unrelated to each other, but it is helpful to examine them separately at the outset. U.S. policy makers also confront a set of region-wide problems. The first is the challenge of nuclear proliferation, which is most acute in relation to Iran but goes beyond it, with a growing number of Arab countries talking of developing a nuclear capacity. The second is the dilemma posed for the United States by domestic political struggles in many countries, initially favored by the United States as part of a program of democratic transformations, but from which the United States has backtracked, undermining U.S. credibility and raising questions about its intentions. The third is the growing saliency of sectarianism.

The Realities of the New Middle East

The first step toward the formulation of a new policy is to understand the realities of the new Middle East as it is now. The three clusters of countries—Iran–Iraq, Lebanon–Syria, Palestine–Israel—and three critical, cross-cutting issues—nuclear proliferation, sectarianism, the challenge of political reform—define the new Middle East.

These are not, of course, the only problems with which the United States will have to deal in the coming years in the region. Egypt, for example, will almost certainly experience a succession crisis that is likely to call into question anew the relationship between the security establishment and civilian authorities. Gulf countries will have to cope with the increasing imbalance between inert political systems and rapidly changing societies and economies. Other problems cutting across the region include still rampant population growth in many countries and the inability of the region's economies, even those of the richest countries, to absorb a labor force that is either overabundant or educationally unqualified. But these are long-standing, chronic situations, not new problems that require a rethinking of U.S. policy.

We have left out from this list the problem of terrorism for several reasons, although it is as much part of the new Middle East as it was of the old one. First, terrorism is not a separate problem to be tackled through a war, but can only be addressed by the entire set of U.S. policies in the region. Terrorism directed against the United States is not a phenomenon brought about by a blind and inexplicable hatred of the United States, but an unfortunate and certainly unacceptable response to the role the United States has played in the Middle East for decades. Thus, curbing terrorism cannot be a separate policy, divorced from all others. To be sure, the United States will continue to track down and dismantle existing terrorist networks and continue to work with other countries in the region to improve its intelligence about terrorist organizations, because there is no conceivable policy choice toward the problems of the region that would make terrorist networks disappear overnight. But conversely there is no intelligence, police, or military effort that will solve the problem of terrorism independently of other policies the United States pursues. In fact, a policy that focuses on terrorism per se rather than on the entire relationship of the United States to the region risks making the problem worse, rather than solving it.

The Iran–Iraq Cluster

One of the arguments used by the Bush administration in justifying the war in Iraq was the existence of an axis of evil that threatened U.S. interests, running, improbably and crookedly, through Iraq, Iran, and North Korea. The expression was inappropriate—far from constituting an axis, Iran and Iraq were bitter enemies, and North Korea was not part of the Middle East political scene. Today, Iran and Iraq are more intricately linked than they were in 2002,

although it is still inappropriate to talk about an axis. Iraq's problems, and possible solutions, are so closely intertwined with Iran that it is no longer possible to discuss solutions for Iraq without taking into consideration what Iran will do. Politically, Iran and Iraq now constitute a cluster, and there is no possible solution for Iraq that does not involve Iran as well.

In both Iraq and Iran, the United States is confronted with several difficult-to-change realities. Some of them are the direct result of U.S. policies, or more precisely of the unforeseen and unwanted consequences of those policies; others are not. Seeking to establish what is the result of U.S. policy and what is not would be a futile exercise. Whatever their causes, these are the realities U.S. policy must address in the future.

IRAQ. The first reality of Iraq is that it is currently a failed state. The U.S. invasion unleashed a power struggle that will take years to play out and that effectively prevents the state from functioning. The signs of state failure are obvious: Iraq is unable to contain violence on its own. It was unable to do so until mid-2007, despite the presence of 140,000 U.S. troops. The surge that increased the number of U.S. troops by 30,000 has succeeded in reducing violence, although levels are still extremely high. But Iraq is still unable to discharge the administrative functions of the state. Budgets remain largely unspent, reconstruction is lagging, and services are not being delivered. Different towns and cities are controlled by different groups with little if any allegiance to the central government—competing Shi'i militias, Sunni tribal militias, Sunni-based "concerned citizens' organizations," and Sunni Awakening militias control towns, villages, and neighborhoods, sometimes in cooperation with U.S. and Iraqi security forces, sometimes in opposition to them, or simply on their own. The official governmental institutions compete with unofficial structures that have developed in the vacuum of authority. These are all typical symptoms of state collapse.

The second reality is that state collapse is always extremely difficult to reverse. Despite the growing body of prescriptions on post-conflict reconstruction and the numerous international attempts to put collapsed states back together, the record is not encouraging. Outside intervention can sometimes bring violence under control. It has done so successfully in small countries recently—Bosnia, Kosovo, East Timor, and Sierra Leone. So far, outside intervention has not brought an end to violence in large countries—Afghanistan, the Democratic Republic of the Congo, and, of course, Iraq itself. Largely this is because the size of the intervention force needed to impose order in such countries is daunting and out of proportion to the size of modern military forces that rely on technology rather than manpower. Finding a political situation that will make the state viable without outside intervention has proven exceedingly difficult, even in small countries. The reason is that political solutions cannot be imposed but depend on domestic agreements among competing groups or the outright victory of one of the struggling factions. The successful transformation of a failed state into one capable of functioning on its own is an undertaking that outside intervention has not accomplished in any country so far.

The third reality is that neither Iraqis themselves nor the United States at this point has a plan on how to bring the country back from collapse. While the troop surge implemented by

the United States during 2007 has helped reduce violence, there has not been any corresponding political progress. Different Iraqi political figures and forces have competing and often changing visions for Iraq, and even when the vision is clear, there often remain discrepancies between vision and actions on the ground.

The only parties to the Iraq war with a clear, consistent vision that has not changed over time and concrete policies that correspond to the vision are the Kurds. From the beginning of the war, indeed from the end of the first Gulf War, the Kurds have aimed to develop their own autonomous region. Popular sentiment in Kurdistan favors independence, but this is a path leaders have so far firmly rejected (or postponed) as too dangerous. The Kurds have acted consistently to realize their goal. They have supported the adoption of a constitution for Iraq that puts minimal powers in the hands of the central government and much in the hands of regions and provinces. They have maintained the separate identity and command structure of the Kurdish militia, although it is nominally part of the national army. They have created a regional government and parliament that enact laws and govern the province. They sign investment contracts directly with international corporations, including in the oil sector, bypassing Iraq's central government. The Kurds' goal is clear and their actions consistent with the goal.

The goals of others in Iraq are much more fluid. Because they are the most numerous group, with the most members of parliament and control over the office of the prime minister, Shi'a have a vested interest in preserving the power of the central government. Yet, the different Shi'i factions have highly conflicting goals. The Da'wa Party of Prime Minister Nouri al-Maliki, not surprisingly, is committed to bolstering the authority of the central government. Though also part of the government, the Islamic Supreme Council led by Abdel al-Aziz al-Hakim (formerly the Supreme Council for the Islamic Revolution in Iraq) shares the Kurdish view of an Iraq where power is concentrated at the regional level. It favors the unification of the nine predominantly Shi'i provinces into one single region. Moqtada al-Sadr, the radical cleric who heads the largest but also least disciplined and cohesive Shi'i militia, talks of a unified Iraq but at the same time has been contesting the authority of the central government and imposing his own control wherever he can. The smaller Fadilah party, based predominantly in Basra, is building up its fiefdom in that city.

Sunni views, once fairly clear, are also becoming more diversified and complex. Sunna felt marginalized by the disbanding of the military after the demise of the Saddam regime, the de-Baathification program, and elections that put them, with their 20 percent share of the population, at a disadvantage. So they boycotted elections, only to discover that this made things worse by giving them an even smaller voice in the writing of the constitution and in the parliament. The absence of strong Sunni leadership and the divisions among various factions compounded the weakness of Sunni representation. Paradoxically, Sunna initially reacted by advocating the rebuilding of a strong, centralized Iraqi state, despite the fact that they were unlikely to play an important role in such a state.

More recently, the position of Sunna has begun to evolve, but in ways that are still unclear. The new tribal militias the United States helped organize to fight against al-Qaeda are orga-

nizations with local roots. They understand the importance and advantages of a decentralized system. They appear to have very little respect for the central government or even for Sunni politicians in parliament and the cabinet. Local groups have also started organizing into larger coalitions, which suggests they might develop an interest in national-level politics. At the same time, they are also coming into conflict with each other. In a rapidly changing situation, it is difficult to reach overall conclusions about Sunni goals. It is even difficult to predict the future course of the tribal militias, whether they will turn against the government to protect their autonomy, or conversely, will try to become part of, and possibly dominate, the Iraqi military, supporting the dream of renewed Sunni power in a centralized Iraq.

U.S. tactics also have been in constant flux ever since the occupation. Washington improvised on the political level during the first year of occupation and then finally devised a democratic transition process that put Iraq through a forced march of constitution-writing, elections, and institution-building that left no time for discussion and reconciliation. By December 2005 the formal process was completed, but it was soon obvious that the success of the formal steps did not translate into a viable political outcome. The parliament elected in December 2005 did not succeed in forming a government until May 2006, and that government proved far too divided to be effective, with each party concentrating on turning the ministries it controlled into political fiefdoms. Dissatisfied with the outcome of the constitution-writing process, the United States also devised a new political strategy. This was to coax, cajole, and even coerce Iraqi politicians to amend the constitution to increase the power of the central government and thus the acceptability of the system to the Sunna and to negotiate a new oil law and other crucial legislation.

The process continued desultorily through early 2007. As public opinion in the United States turned increasingly against the war, the administration tried to make accomplishment of those tasks into benchmarks the Iraqi government had to meet within a few months in order for U.S. support to continue—without such agreement, the argument went, the U.S. military effort would be wasted. By the fall of 2007, it had become clear that the Iraqis could not meet the benchmarks. At the same time, the Sunni tribal militias the United States was arming to fight al-Qaeda started having some successes locally. As a result, the Bush administration tacked in a different direction again, downplaying the importance of the benchmarks it had previously embraced and announcing that the best way to put Iraq back together politically was not to pursue an elusive reconciliation among political factions at the center, but to build from the bottom up, capitalizing on local successes.

This vision of bottom-up reconstruction of the country has never been spelled out clearly. In fact, U.S. policy toward finding a political solution in Iraq has become increasingly contradictory. The administration is still adamantly opposed to a partition of Iraq, even a "soft partition" into autonomous regions similar to Kurdistan. It is still building up the Iraqi military and trying to bolster the power of the central government. At the same time it is encouraging, training, and arming a plethora of tribal Sunni militias—variously called "concerned citizens' groups" or "Awakening councils"—to fight al-Qaeda and provide security at the local level, without a plan for how all these groups can be reintegrated into a cohesive state.

It is out of this reality of conflicting and changing political agendas that a political agreement would have to be forged to transform Iraq once again from a failed state into a functioning one. It would be a tall order under any circumstances. It is even more daunting, since all the important players, without exception, are armed, are not afraid to use violence, and appear incapable of looking beyond short-term expediency and the protection of their own interests to the country as a whole. These contradictions also affect the United States, which wants a strong state but also arms tribal militias.

IRAN. Iran has emerged as a more powerful actor in the region since the elimination of Saddam Hussein and the collapse of the Iraqi state. This was, of course, not the intention of the architects of the Iraq war, who saw the decision to end the Baathist regime in Baghdad as a first step toward reordering the region and removing the clerical leadership in Tehran. They believed that Iraq's burgeoning secular democracy would inspire Iranians to rise up against their theocratic regime, as Secretary of Defense Donald Rumsfeld predicted; or that Baghdad's fall and the subsequent envelopment of Iran by U.S. troops in Iraq, Afghanistan, and the Persian Gulf would frighten the Iranian regime into changing its policies. Some even predicted that Iran's most respected Shi'i scholars and clerics—the majority of whom were thought to be opposed to Khomeini-style theocratic rule—would take flight from the religious center of Qom in Iran to that of Najaf in Iraq; from there they would freely question the Islamic Republic's religious legitimacy and potentially incite the Iranian masses to rebel. Further, there were certainly some in the U.S. government who thought that once Iraq was conquered, the United States should take the fight to Tehran as well.

But events did not follow any of those scenarios. Since the U.S. invasion of Iraq, domestic political currents in Iran have markedly shifted rightward, away from reformers and toward hard-liners. A parliamentary election in 2004, marked by heavy government interference, swept away the reformist majority in the parliament and ushered in a group of conservative lawmakers, who began their first day in office with chants of "Death to America." This was followed by the highly unexpected and momentous June 2005 election to the presidency of hard-line Tehran Mayor Mahmoud Ahmadinejad, who ran on a populist economic platform of fighting corruption and "putting the oil money on people's dinner tables."

The first reality of Iran today is that the domestic environment has become much more repressive. Though Iran was not truly free or democratic during the Khatami era, during the Ahmadinejad era it is markedly less free and less democratic. Hard-liners have attempted to reverse the advances in political and social freedoms made in the Khatami period by arresting and intimidating students, NGO activists, journalists, and intellectuals, often under the pretext of "protecting national security." Draconian punishments for nonviolent crimes, such as stoning to death for adultery, amputations for theft, and public executions for homosexuals, have also been reinstated.

The second reality is that Iran is a more powerful regional player than ever before, controlled by a more radical administration and anxious to exert its influence in a way it was never able to do when Saddam Hussein ruled Iraq. The costly 1980–88 war between Iraq and Iran,

which ended inconclusively with a UN-mandated cease-fire and eventually a return to the status quo, made it very clear that neither country could break the balance of power. By removing Saddam Hussein, the United States did just that.

Ahmadinejad's election and the increase in the price of oil, influenced in part by the war in Iraq, have allowed Iran to take advantage of the opportunity offered by Saddam's downfall. Tehran has fortified its alliance with Damascus and stepped up support for Hizbollah and Hamas. It has amplified its belligerent statements about Israel. In the view of some Arab governments in the region, Iran is building a "Shi'i crescent," that is an alliance with Shi'i groups and organizations in Iraq, the Gulf, and the Levant. Furthermore, as part of what it sees as an existential and ideological war with the United States, Iran is even seeking alliances with faraway countries such as Venezuela and offering support to organizations such as the Taliban with whom it has little in common apart from enmity toward the United States.

The third reality is that Iran now has great influence in Iraq through its relation with various Shi'i organizations. This influence predates the U.S. invasion of Iraq, but has been magnified since. It started growing during the 1980s and increased in the 1990s, when many Iraqi Shi'i clerics sought refuge across the border when Saddam Hussein increased repression of the Shi'a who had tried to rebel, with U.S. encouragement but finally without actual support, after the first Gulf War. While secular opponents of the Iraqi regime fled to the West, Shi'i clerics flocked to the more familiar atmosphere of Iran, where many had studied. Iran welcomed them with open arms, both for ideological reasons and out of state interests. It was natural for a theocratic regime to offer hospitality to persecuted clerics, but more than religion was involved. Iran also helped organize political movements and arm their militias. The main Shi'i parties active in Iraq today organized and trained their militias in Iran, particularly in the 1990s.

Broadly speaking, Tehran is now encouraging a Shi'i-dominated, Iran-friendly government and keeping the United States preoccupied and at bay, but it also wants to preserve Iraq's territorial integrity and avoid complete instability. This has entailed a complex three-pronged strategy: 1) encouraging electoral democracy as a means of producing a majority, i.e., Shi'i rule; 2) promoting a degree of chaos without leading to a complete breakdown of Iraq; and 3) investing in a wide array of diverse, sometimes competing Iraqi factions. As a result, Iran is so positioned that it can protect its interests under a variety of political scenarios. It has provided support to all important Shi'i factions and militias, and there is some evidence that it may have extended some support even to Sunni groups. In a way, the influence of Iran is ensured both under a democratic scenario—demography ensures that Shi'i parties will always control the majority of seats in parliament in fair elections—or if militias prevail. Because Iran can remain influential in a weak Iraq under a variety of scenarios, it has credibility when it argues that it does not want the country to break down or sink into complete chaos. Paradoxically, the outcomes Iran does not want—the breakup of Iraq or total chaos, are the same ones the United States rejects.

The fourth reality is that, short of an armed intervention, the United States does not have strong instruments to force the Iranian regime to change its policies. Iran has at times decided

to be cooperative on its own terms and for its own interests, but this does not mean that the United States is in a strong position to push Iran to comply with its requests, particularly at present. The U.S. military is bogged down in Iraq; oil prices are near their historical high and likely to remain high because of increasing demand from energy-hungry China and India. Sanctions are not likely to be effective under such circumstances, particularly since it is clear that they will never be respected by all countries. The military option could be extremely dangerous for the United States, entailing the threat of retaliation against U.S. interests and even friendly regimes in the Gulf area, as well as politically costly for the administration and the Republican Party.

The fifth reality is somewhat less dark. Iran has an extremely complicated relation with the United States. Hostile since the 1979 revolution, Iran has become even more antagonistic at present as a result of Washington's opposition to Iranian nuclear ambitions and U.S. financial support for "democracy promotion" efforts, and the extraordinarily aggressive style of President Ahmadinejad. In the past, however, even theocratic Iran has been open at times to making deals with the United States. It worked with the United States in the 1980s on the deal that became known as the Iran-contra scandal: Iran was allowed to purchase covertly U.S. military equipment during the war with Iraq, with the payment used by the United States to finance the Nicaraguan contras—the militias the Reagan administration was arming to fight the Sandinista regime despite an explicit congressional veto. More recently, Iran played a seminal role in helping to form the post-Taliban government in Afghanistan in cooperation with the United States, only to see itself denounced as part of the axis of evil shortly afterward. And in the spring of 2003, around the time Baghdad was captured by U.S. forces in less than three weeks, the Iranian government sent out quiet feelers to the Bush administration expressing an interest in addressing their mutual points of contention. In the proposal, Iran suggested that, in exchange for a U.S. commitment to recognize the Islamic Republic and its security interests, it would cooperate on the nuclear issue and Iraq. Iran also stated its willingness to support a two-state solution for Palestine, cease material support to Palestinian opposition groups, and facilitate Hizbollah's transformation into a "mere political organization within Lebanon" in the framework of an overall agreement. For a variety of reasons, the United States chose not to pursue or even acknowledge the overture.

In other words, Iran has shown that it is willing to put state interests ahead of ideology when this is expedient. When doing so does not suit its purposes, however, Iran can show extreme hostility toward the United States, its leaders prone to making vitriolic remarks bound to destroy confidence and incense public opinion in the United States.

The Syria–Lebanon Cluster

The dominant view in Washington of the relation between Syria and Lebanon is a Manichaean one: it is depicted as a struggle between the forces of democracy, represented by the March 14 coalition and the embattled Siniora government, and the forces of tyranny,

represented by the March 8 forces led by Hizbollah and the Syrian regime, seen as proxies for Iran and its policy of regional domination. The Syria–Lebanon cluster, in this view, is at the center of two broader struggles, one between democracy and tyranny and the other between the United States and Iran.

Some parts of this representation contain elements of truth. The Syrian regime does have a strong relationship with Iran and also with Hizbollah, the main Lebanese Shi'i party. Others are overstated: while the March 14 coalition is struggling against what appears to be a Syrian-backed assassination campaign against its members and is resisting a return of full Syrian control over Lebanon, it also is an agglomeration of sectarian politicians and even warlords out to secure their own political and sectarian interests in the Lebanese political scrum. And while the Cedar Revolution was an important nationalist reaction against Syrian domination, it was not strictly a "democratic upheaval," and it failed to overcome sectarian divisions, which have since only gotten deeper. The election law and election alliances that the March 14 coalition adopted to win the 2005 parliamentary elections shattered the illusion that it was committed to political reform and good government. Meanwhile, Hizbollah stuck to its alliance with Syria, despite apparent Syrian culpability in the assassination of former Lebanese Prime Minister Rafiq al-Hariri, and tried to block the formation of an international tribunal to try the case. Former army general Michel Aoun, a main voice against Syria and Hizbollah while in exile in France, quickly formed an alliance with them upon his return to Lebanon in pursuit of his goal of being elected president. In general, the reality in both Lebanon and Syria is infinitely more complex than the Bush administration's narrative presents.

SYRIA. The first reality of Syria is a domestic situation that has changed very little over time, despite a transition of power from Hafez al-Assad to his son Bashar in 2000. Syria is ruled by an authoritarian, Baathist regime, which has now shed much of its Arab nationalist and socialist ideology without becoming any more liberal. It is a regime controlled by the Alawite minority and determined to perpetuate its power at all costs. Bashar briefly cultivated an image of himself as more liberal than his father, indeed a reformer, but the so-called Damascus Spring that followed his rise to power was short-lived. To the extent that a reform effort is still under way, it is strictly limited to trying to improve administrative efficiency and economic performance.

The second reality, which has also changed very little despite U.S. efforts, is that Syria is determined to play a central role in Lebanon, and in all probability it will continue to find ways to do so, no matter how the United States tries to block it. The attempt to sideline Syria completely led to stalemate in Lebanon.

The third, much more complex and, as in the case of Iran, less dark reality is that the foreign policy of Syria on issues other than Lebanon is far from immutable. Syria is out to protect its interests, not to adhere to a dogma. This makes it a difficult country to handle, but also provides some opportunities. Syrian foreign policy since the 1970s has gone through two distinct periods. In the first, from the 1970s until the 1990s, Syria pursued a highly pragmatic policy. Syria essentially distrusted the United States and opposed U.S. Middle East policies,

but set aside its criticism when this was in its interest. It was never in agreement with the United States and sought other allies, but never became so antagonistic as to provoke a strong American response. Syria maintained close ties with the Soviet Union and later with revolutionary Iran, thus burnishing its independent and radical credentials.

A new phase started with the death of Hafez al-Assad in 2000 and the rise to power of his politically less astute and experienced son Bashar. This transition in Syria coincided with a change on the U.S. side, namely the replacement of the formulation of policy toward Syria in old Middle East hands, willing to accept Syria as a troublesome but in the end fairly reliable player, with a more ideological new guard. The latter looked at Syria's opposition to U.S. power in the region, its alliance with Iran, its continued occupation of Lebanon, and its support for Hizbollah and militant Palestinian groups, and decided not to cut the Syrian regime any slack. The eruption of the second Palestinian intifada in September 2000 and the election of Ariel Sharon to the Israeli premiership five months later made things worse by dooming the peace process in which Syria had been involved and thus eliminating the need for the United States to cooperate with the regime in Damascus.

As a result, Syria and the United States got locked into a confrontation over Iraq and Lebanon. Although it condemned the terrorist attacks of September 11 against the United States and promptly shared with Washington intelligence information on al-Qaeda and other Islamist terrorist networks it had been monitoring, Syria drew a line at the U.S. occupation of Iraq, believing it would destabilize the region, alter the regional balance of power irrevocably, and pose a direct threat to Syria and its ally Iran. As a result, Syria did nothing to curb the transit of fighters seeking to enter Iraq to join the insurgency and often carry out terrorist suicide attacks. It did nothing to curb the transit of weapons. And it strengthened its relations with Iran.

While Syria's role in the transit of people and weapons to Iraq irked the Bush administration, Washington decided to draw the line instead at Syria's presence in Lebanon. Syrian troops first moved into that country in 1976—Israel and the United States accepted Syria's presence in return for an explicit commitment not to cross into southern Lebanon. In 1990, the United States allowed the extension of Syria's presence to the entire country, because it wanted Syria's support in the war to expel Iraq from Kuwait and because Syria appeared to be the only player capable of bringing the Lebanese civil war to an end. This American approval of Syrian occupation and management of Lebanon prevailed from 1990 to 2003.

Syria's opposition to the U.S. invasion of Iraq changed the equation, prompting the U.S. Congress to enact the Syria Accountability and Lebanese Sovereignty Restoration Act in December 2003. The Act called on Syria to "halt support for terrorism, end its occupation of Lebanon, stop its development of weapons of mass destruction, cease its illegal importation of Iraqi oil and its illegal shipments of weapons and other military items to Iraq," and allowed the president to impose selective sanctions on the country if the Syrian government did not comply.

Despite the inauspicious state of U.S.–Syrian relations, Syria's continuing interference in Lebanese domestic politics, and its tendency to play a spoiler role in the region, there has

always been the possibility that Syria could be coaxed and pressured into adopting more pragmatic policies. Revived U.S. efforts to relaunch the Israeli–Palestinian peace process, culminating in the Annapolis meeting in November 2007, renewed Syria's hope of regaining control of the Golan Heights. Syria participated in the meeting and appeared determined to at least start mending its fences with other Arab states, although there was no obvious change in its position on Lebanon. While it was unclear how much Syria was willing to compromise on other issues to get back its territory, it was all too clear that the policy of confrontation was not working either. While the United States had pushed Syria out of Lebanon, it had also created a political stalemate there. Thus, it is important to outline the realities of Lebanon at the present time.

LEBANON. There are many levels to Lebanon's current reality. The first is that, despite the withdrawal of Syrian troops, the state security institutions still do not control the entire country, and so have not succeeded in reestablishing the monopoly of power, which is the first building block of statehood. Large parts of the country, including the southern suburbs of Beirut, much of the south, and the Beqaa Valley, are under the control of Hizbollah. Palestinian refugee camps are also outside Lebanese control. In addition, Syrian security networks maintain a covert presence.

The second reality is that Syria has maintained strong political influence through its main ally Hizbollah, its links to Speaker of Parliament and Amal leader Nabih Berri, and a new indirect supporter in the Christian community, the formerly anti-Syrian general Michel Aoun. Through Hizbollah and these two figures, the pro-Syrian opposition has been able to besiege downtown Beirut, prevent the parliament from meeting, and paralyze the government. U.S. attempts, backed by France, to eliminate Syria as a key political player initially appeared successful. The United States refocused on the implementation of the neglected Syria Accountability Act. It insisted on implementation of the UN Security Council Resolution 1559 of August 2004, which called for noninterference in Lebanon's presidential elections and an immediate Syrian withdrawal from Lebanon. It engineered adoption by the UN Security Council Resolution 1595, which created a commission to investigate the assassination of Rafiq al-Hariri. Syria withdrew its troops in April 2005 after a stay of 29 years.

The Bashar regime was shaken, particularly after a preliminary UN investigation into the assassination pointed the finger at Syria. Success was short-lived. Bashar quickly reasserted himself domestically and so did Syria's allies in Lebanon. Hizbollah in particular showed strength in the elections, remained committed to its alliance with Syria and Iran, and displayed unwavering hostility to American influence in Lebanon.

The third reality is that the scramble for power since the Syrian withdrawal has exacerbated sectarianism, creating a level of polarization not seen since the civil war. The assassination of former prime minister al-Hariri and the string of assassinations that followed, which are widely blamed on the Syrians, forced all parties to take sides, and the Lebanese body politic became sharply and explicitly divided between anti- and pro-Syrian forces. Rival massive demonstrations in Beirut in early March, where both sides competed to show how much sup-

port they enjoyed, gave names to the rival groupings: the March14 anti-Syrian forces and the March 8 pro-Syrian forces. The March 14 demonstrations, which in the U.S. narrative became the Cedar Revolution, marked, in effect, the rise of an anti-Syrian coalition encouraged by the United States and France. Inevitably, Syria responded by rallying its remaining allies in the country, which included Hizbollah, the Baath and Syrian Social Nationalist parties, and a portion of the Christian community.

The elections held in the early summer only hardened the split. Held on the basis of an old Syrian-devised electoral law that gerrymandered electoral districts, the elections stirred up sectarian tensions, alienated large sections of the population, and created a parliamentary majority whose legitimacy could be questioned. Furthermore, the building of a governing coalition became difficult after a leading political figure in the Christian community, Michel Aoun, left the anti-Syrian alliance and joined Hizbollah in the opposition, taking a large portion of the Christian community with him. As had happened many times before, attempts at unity and independence in Lebanon were doomed by internal rivalries and poor leadership.

The situation was made worse by the 2006 summer war. Far from destroying Hizbollah, as the United States and Israel envisaged, the war had the opposite effect: it strengthened Hizbollah and further weakened the Lebanese government. Emerging triumphant from what it described as a "divine victory," Hizbollah immediately sought to turn its success in depriving Israel of a battlefield victory into political advantage. By the end of the year, the Shi'i ministers in the coalition government had resigned, paralyzing both parliament and government. The stalemate was confirmed in November 2007, when the term in office of President Lahoud expired without the governing majority's being able to elect a president of its choosing, and with the parliament unable to agree on a compromise candidate acceptable to anti- and pro-Syrian forces alike.

In conclusion, the new realities in both Syria and Lebanon continue to present the Bush administration with a major challenge. By confronting Syria in Lebanon, the United States has weakened its influence but not eliminated it. It has not altered the underlying reality of confessional politics in Lebanon, nor the fact that, as long as the country is so divided, major domestic players actively seek outside support and intervention, undermining the country's sovereignty. The attempt to impose new realities on Lebanon–Syria has garnered some results, but it has not brought about a sustainable and stable solution. Lebanon is more complex than the narrative of the Cedar Revolution portrays, nor is Syria a defeated player.

The Israeli–Palestinian Conflict

Over the past two decades, a strong international consensus has gradually emerged supporting a two-state solution to the Israeli–Palestinian conflict. Many of the details of what that solution would look like have been spelled out and are understood by leaders on both sides as well as most international actors. This emerging consensus explains the oft-repeated statement that the solution to the conflict is known. But such a claim, while an accurate descrip-

tion of the international consensus, obscures a deeper problem: realities on the ground have already destroyed much of the viability of the two-state solution. The greatest policy challenge for American leadership will be to reverse the realities that doom the two-state solution or find an alternative. Either task will be extremely difficult, but failure to move realistically in either direction will fuel political cynicism and despair in the region and hamper the general conduct of American diplomacy, even on seemingly unrelated issues.

The two-state solution is dying because the Palestinian Authority is a shell, because neither Palestinians nor Israelis truly believe that a two state-solution is viable or trust that the other side is committed to it in a meaningful way, and because the state institutions needed to reach an agreement and make such a solution work have disintegrated on the Palestinian side. And if the capability of the Palestinian leadership is questionable, so is the political will of Israel and the United States. Washington has never undertaken any sustained diplomatic initiative to purse a solution that did not have the strong support of the Israeli leadership. And while part of the Israeli leadership shows signs of a determination to pursue a two-state solution, four decades of policies have made it extremely difficult politically for them to act on such convictions. Facts created by Israel on the ground—new settlements, new barriers, and new roads that effectively carve up the West Bank into separate zones (ten, according to a World Bank study)—are serious obstacles indeed.

The Bush administration has been widely criticized for its disengagement from the Israeli–Palestinian conflict. Certainly, coming into office in the wake of the bloody collapse of a decade-old peace process, the new American leadership did indeed react by scaling radically back on its diplomatic commitment to the cause of Israeli–Palestinian peace. But the Israeli–Palestinian arena was not walled off from the Bush administration's audacious vision for regional transformation. Bush's boldness manifested itself in three ways. First, he was the first American president in generations to use "Palestine" as a proper noun. U.S. policy since 1967 moved glacially from quiet hostility to the idea of a Palestinian state to the implicit assumption that it would be an eventual outcome of negotiations. Only in his last days in office did President Clinton move the American support for Palestinian statehood into public view; by contrast, President Bush has repeatedly backed such an outcome. Second, Bush's "freedom agenda" for regional democratic transformation was actually launched for Palestine, not for Iraq. In June 2002, the president called for comprehensive political and constitutional reform as a condition for American efforts to support Palestinian statehood. Third, Bush greatly elevated efforts to combat Palestinian terrorism. The second intifada led him to abandon efforts to promote strong Palestinian leaders capable of making and enforcing security commitments, which the United States had undertaken as a result of the Oslo process. He also moved far beyond isolation of those the United States viewed as "tainted by terror" to active efforts to overthrow them. The United States supported an Israeli siege of Yasser Arafat in 2002 and then worked to promote Fatah's takeover of the Palestinian Authority, which from a legal standpoint can only be defined as a coup against Hamas after its election victory in 2006.

But the Bush administration showed little interest in the peace process. Instead, it pursued a set of policies that either downgraded Israeli–Palestinian peacemaking or subordinated it to demands for Palestinian reform. Peacemaking and reform can be linked (perhaps a major flaw of the Oslo period was the complete disconnect between the two), but the realities of the Palestinian situation made the Bush administration's preferred sequence—reform now, peace later—impracticable. It was impossible to create a democracy in a state that did not exist and in an environment in which an elected parliament could not muster a quorum, because many deputies were in prison. Nor could democracy be promoted by an administration that actively sought to reverse the outcomes of the processes it encouraged—supporting long-delayed parliamentary elections, but then trying to undermine the outcome. And undermining Palestinian institutions could hardly be reconciled with expectations that they make and enforce commitments against violence.

Only in the summer of 2007 did the Bush administration begin to engage in sustained, high-level diplomacy to address the Israeli–Palestinian conflict. That effort, resulting in the Annapolis conference, hardly seems likely to lead to a settlement any time soon. It is easy to point out flaws in this approach: the extreme vagueness on process; the diffident involvement of the U.S. president himself; the slippery shifts in goals, targets, and mechanisms; and the almost inexplicable timing. Yet for all these legitimate criticisms, it is important to note some advances over previous American efforts, especially the willingness to address rather than postpone the core issues of the conflict and the impressive success in pulling in surrounding Arab states to support the process. If the initiative undertaken by the Bush administration in 2007 seems less than promising, it is not only because of the flaws inherent in the attempt itself; it is also because the ground on which American diplomatic efforts are built has shifted. Many of the most troubling shifts occurred while the United States either ignored or abetted them.

It was not only the tensions inherent in the policies that have led to the current morass but also the way in which the policies were pursued. Here as well reality has gotten in the way of the goals. The administration made no sustained effort to create a process to realize any of the bold visions enunciated by the president. Worse, on those occasions when the United States sought to take a more direct and high-level role, the efforts were not only sporadic but also shortsighted and sometimes contradictory. In April 2002, when Colin Powell was sent to the region, he was all but publicly disowned by other parts of the administration. After Bush presented his vision for a democratic Palestinian state in June 2002, his administration provided little support for political reform except efforts to sideline Yasser Arafat. When those efforts helped lead to the appointment of Mahmoud Abbas (Abu Mazin) as prime minister, the new, supposed champion of Palestinian reform was greeted with a warm American embrace but then abandoned to fend for himself in an extremely perilous domestic and international environment. Bush publicly endorsed the Road Map to peace in a meeting with British Prime Minister Tony Blair, but took no serious action to support it. The Israeli withdrawal from Gaza occasioned the direct intervention of the American secretary of state to secure an agreement on movement and access—but the United States was virtually silent as that agreement remained on paper only. U.S. intervention again in January 2006 allowed the

Palestinian legislative elections to proceed credibly—but then led to an immediate American effort to overturn the result through any possible means.

The Bush administration's short attention span for matters involving the Israeli–Palestinian conflict extended even to the domestic American arena. The administration, much like some of its predecessors, often seemed a mere spectator as Congress sought to codify the harshest version of current policy into standing legislation. This laissez-faire attitude toward congressional action has now created a new reality in which aid to Palestinian institutions has become difficult, and any attempt to follow a path based on Palestinian national unity is bound to immediately run into legal restrictions. Any incoming U.S. president will find the way obstructed not simply by his or her predecessors' policy commitments but also by legislation, which is sometimes quite draconian, with only limited waiver provisions.

The result is that an administration publicly committed to a two-state solution may have presided over its demise; and a president avowedly committed to democracy has opposed from the very outset the first honestly elected government Palestine ever had, because the winner of the election, Hamas, is considered a terrorist organization by the United States. This has led to the collapse of a flawed but real democratic experiment. Hamas gave conflicting signals about its ability to evolve beyond its extreme positions, and it is highly unclear whether it would have done so sufficiently to allow for any meaningful diplomatic process. The most promising development—the formation of a national unity government and the willingness of Hamas to allow Abu Mazin to negotiate—was treated as a setback by the United States and actively undermined. The result has left Palestinians caught between three authorities: an undemocratic technocratic cabinet (led by Salam Fayyad, whose party gained a minuscule share in the 2006 vote); Fatah, a deeply divided and disorganized party, which Palestinians rejected in 2005 as a corrupt and ineffective organization; and a radicalized Hamas, which has now dug itself into power in Gaza illegally after winning a legal election in all Palestinian territories.

The Bush administration inherited from its predecessor a difficult situation in the Israeli–Palestinian arena, but it may be bequeathing an impossible one to its successor. Not only are there few attractive diplomatic options, but the building blocks of any diplomatic effort have disintegrated. The Palestinian leadership is split. There are two rival governments, one of which rejects political negotiations with Israel. Palestinian institutions are highly politicized, deeply divided, often incompetent, and frequently near collapse. The Israeli leadership is weak and unable (and perhaps unwilling) to capitalize on the collapse of the vision of greater Israel that blocked any negotiated solution for two generations.

The problem is not simply at the political level—both societies show signs of growing despair, exhaustion, and disillusionment in a manner that makes bold leadership almost unimaginable. Surrounding Arab states—whose involvement would be critical to supporting a renewed diplomatic process—are themselves also divided and disillusioned. Arab governments briefly succeeded in 2002 in articulating a vision for a diplomatic solution, but they have been unable to mount any concerted strategy to pursue that vision. The Bush administration's success in gathering representatives from these states in Annapolis should

be recognized, but nobody should expect them to move beyond reactive diplomacy any time soon.

Paradoxically, the Bush administration decided to refocus on the peace process just as conditions had become nearly impossible. Pushed by so-called moderate Arab governments that made it clear that the United States was more likely to get their support on Iraq if it relaunched the peace process, the administration took some steps to revive negotiations. When it did so, it followed a different approach from that of its predecessors, pushing for a quick agreement on final status issues. Since 1967, the United States has been very hesitant to spell out what the details of a final settlement should look like. While limited forays were occasionally made to describe the terms of a settlement, no American leader was willing to pursue such a vision in the face of Israeli opposition. Instead, the United States tended to identify the issues and facilitate negotiations. The Clinton administration followed this path in almost unadulterated form, leaving the negotiation of final status issues until the year before it left office—and then avoiding a public stand on those issues until a few days before departing.

When the Bush administration did finally devote sustained, high-level attention to the Israeli–Palestinian conflict, beginning in the summer of 2007 with preparations for what became the Annapolis conference, the administration showed an enthusiasm for addressing those issues that previous administrations had postponed for so long: it urged that Israelis and Palestinians negotiate a final peace agreement and has weighed in (albeit with fairly general language, at least in public) on what that agreement should look like. The Bush conception of a settlement is not remarkable for its content (which does not appear to differ significantly in general outline from the parameters enunciated by President Clinton immediately before leaving office). Rather, what is remarkable is that Bush has come to accept the urgency of a settlement and is willing to involve himself personally in a series of initiatives designed to push the process along.

Yet these initiatives do not take into consideration how much the situation has changed. Rather, they appear to assume that it is possible to revive a process leading to a two-state solution as if Hamas and Fatah were not at war, the West Bank and Gaza were not divided from each other, and the West Bank were not partitioned into a checkerboard of Palestinian and Israeli enclaves increasingly entrenched and difficult to undo. The implicit assumption of the Bush administration seems to be that the prospect of a settlement and improved conditions on the West Bank, coupled with draconian sanctions against the population of any territory governed by Hamas, will present Palestinians with a choice sufficiently stark to convince them to rally behind Fatah.

The Problem of Nuclear Proliferation

Among the non-country-specific issues that the United States confronts in the new Middle East, that of nuclear proliferation appears the most urgent and most alarming to the United States. The issue has been discussed in Washington mostly vis-à-vis Iran and, after the Sep-

tember 2007 Israeli bombing of what Israelis claim was a suspicious facility in Syria. But the issue of Israel's nuclear weapons is perennially off the table. The United States, along with most other countries in the world, has been concerned about the development of a nuclear capability by unfriendly countries and rogue regimes, because proliferation poses many risks: a) nuclear weapons or nuclear material for manufacturing dirty bombs could be used by a government or passed on to terrorist organizations; b) an Iran with nuclear weapons capability could be more emboldened to subvert other states and encourage Hamas and Islamic Jihad to act more aggressively toward Israel; c) proliferation in the Gulf would dangerously complicate the operation of U.S. forces in the region and weaken friendly states' confidence in U.S. protection. Nuclear proliferation is likely to become more widespread in the region, however. Many countries in the Middle East and North Africa have announced their intention to master the technology of nuclear power plants, citing the need for new, noncarbon sources of energy for their growing populations and economies. In itself, this is not worrisome. The long-term problem is that stable and friendly countries can become less so, and new rogue regimes can arise in countries that have developed a degree of nuclear know-how.

The reality of the Iranian nuclear program is that the United States and European countries have so far been unable to curb Iran's ambitions to enrich uranium and master the nuclear fuel cycle, rather than rely solely on third countries to provide Iran with fuel for nuclear power plants. The capacity to enrich uranium would be an important step toward Iranian capability to build nuclear weapons down the road. Negotiations have been at an impasse since 2005.

Many factors led to this impasse. First, Tehran managed to conceal the scope of its nuclear activities until August 2002, when the Mojahedin-e Khalq organization (MKO), a radical Iranian opposition group, presented satellite imagery of large-scale uranium conversion and enrichment facilities as well as heavy-water reactors. At that point Tehran, to allay concerns about its intentions, agreed to suspend all sensitive nuclear activities and to admit inspectors from the IAEA.

Second, once the existence of the program was revealed, the United States took an uncompromising position, demanding that Iran dismantle it without offering anything in return. Keen to show the United States that Iranian nuclear ambitions could be curbed without the use of force, Britain, France, and Germany (the so-called EU3) embarked on a process of negotiations with Iran. While Washington eventually accepted these talks, it was openly skeptical about the possibility of positive results and advocated referring Iran immediately to the UN Security Council. European officials engaged in the EU3 dialogue from the fall of 2003 to the spring of 2005 frequently complained about Washington's lack of support for their diplomatic initiatives. This, they argued, effectively precluded any chance of a negotiated settlement, given that only Washington, not Europe, could offer the dividends (such as security assurances) that Iran sought.[1]

In addition, when Iran, as already mentioned, expressed interest in resolving various points of contention with the United States in 2003, Washington did not respond. Furthermore, the president consistently disparaged Iran's leadership and encouraged the Iranian people to

"choose your own future and win your freedom."[2] To make matters worse, in September 2006 the U.S. Congress passed the Iran Freedom Support Act, which imposed mandatory sanctions on entities that supply goods or services for Iran's conventional weapons programs and provided funding to organizations seeking to promote democracy—that is, opposed the regime—in that country. Finally, the United States started hinting at the possibility of armed action against Iran's nuclear facilities, constantly repeating that all options remained on the table in dealing with Iran.

Third, the war in Iraq reinforced Iran's determination to pursue its nuclear program. After suspending its activities for three years after the nuclear program was revealed, in January 2006 Iran announced that it was resuming the suspended uranium conversion and enrichment activities, despite being referred to the UN Security Council. (Paradoxically, according to a 2007 U.S. National Intelligence Estimate, at this time Iran also decided to give up weaponization of its nuclear capabilities, while continuing to enrich uranium.) Iran's leadership continues to believe that "capitulating" to U.S. pressure will only project weakness and invite more pressure from Washington.

Fourth, Iran's defiance was also encouraged by factors over which U.S. policies had no direct control. Soaring oil prices, the election of President Ahmadinejad, and U.S. difficulties in Iraq, which reduced the credibility of the threat to use military action to stop the nuclear program, all contributed to Iran's growing sense of power and leverage throughout the Middle East. As a result, since the signals sent in 2003 went unanswered, Iran has given no indications that it is willing to enter into serious bilateral talks with the United States if the price is suspension of all uranium enrichment activities beforehand, as Secretary of State Rice had proposed in May 2006. However, inconclusive trilateral talks at the ambassadorial level took place in Baghdad between the United States, Iran, and Iraq concerning the latter country.

Beyond Iran, Washington's hard-line attitude on the nuclear issue had a mixed impact. It may have helped convince Libya to announce officially that it was renouncing its nuclear ambitions. Libyan officials, however, have been adamant that the decision was taken long before the invasion of Iraq or the U.S. firm stand in Iran.[3] The Libyan program had never been a major problem. Despite his long history of antagonistic relations with the United States, Muammar al-Qaddafi by the late 1990s was giving signs of ambivalence about the wisdom of supporting terrorism, maintaining a defiant attitude toward the United States, and facing the international isolation and economic malaise that such policies wrought. After several years of quiet negotiations with the United States and the United Kingdom to resolve issues related to terrorism, in the fall of 2003, al-Qaddafi went further, disclosing the full scale of Libya's missile and chemical/biological programs and providing key documents to British and American officials about the origins and scope of Libya's nuclear activities.[4] In response to the resolution of the terrorism and WMD issues, the United States agreed to terminate its economic sanctions against Libya and to normalize relations with Tripoli. Bush claimed that the entire episode sent "an unmistakable message to regimes that seek or possess weapons of mass destruction. Those weapons do not bring influence or prestige. They bring isolation and

otherwise unwelcome consequences.... And another message should be equally clear: leaders who abandon the pursuit of chemical, biological and nuclear weapons, and the means to deliver them, will find an open path to better relations with the United States and other free nations."[5]

But the success in Libya was not replicated elsewhere. No country has come forward to renounce a nuclear or other WMD program. In the last few years, several countries in the Middle East and North Africa announced their intention to pursue the production of nuclear energy, citing the necessity of developing new energy sources. Saudi Arabia, Egypt, Turkey, and Morocco declared their intention to do so, and Algeria revived an old project that had first surfaced during the 1990s. While each country has expressed plans to develop only nuclear power plants, a combination of factors, such as increasing doubts about the U.S. ability to continue to provide security for the region; concerns about an ascendant and nuclear-armed Iran; and prestige; suggest that at least some of these countries may follow in Iran's footsteps and seek to build a nuclear weapons capability on the back of a civilian energy program. Whether Syria has or has not been pursuing links with North Korea to develop civilian or military nuclear power—a question raised by the Israeli bombing of an unknown site in northern Syria in 2007—remains an open question.

The Failure of the Freedom Agenda

Among the new or increasingly difficult issues that have emerged in the Middle East recently is the failure of the signature effort of Bush's regional policy—democracy promotion, or the "freedom agenda"—and the unanticipated consequences of the early insistence on reform. Today, democracy promotion is no longer at the center of U.S. policy toward the Middle East, although the democratic deficit denounced by the 2002 UN Development Program's Arab Human Development Report remains as large as ever.[6] Only three Arab regimes—those in Bahrain, Lebanon, and Yemen—showed any improvement on the Freedom House index between 2002 and 2006, moving from "not free" to "partially free." Making things worse, U.S. credibility has been deeply affected by a policy that first promised too much, and then was quietly frozen, if not abandoned.

The failure of the freedom agenda is due not only to poor policy choices the Bush administration made in some countries, but also to a set of underlying realities of both Arab and American politics and policy making that will affect any future policy as well.

American goals in the Middle East have focused historically on security, support for Israel and Arab–Israeli peace, and the free flow of oil. All three require stability in the region. In keeping with policies followed throughout the world during the Cold War, the United States did not worry about the domestic policies and conduct of Arab regimes, as long as they aligned with Washington internationally and retained control over their countries. Even in the 1990s, when the American democratization industry spread across the world after the Cold War ended, it trod lightly in the Middle East. Democracy promotion programs were

few, limited in scope, carried out only when allowed by incumbent regimes, and dropped quickly when governments objected.

After September 11, President Bush openly repudiated this policy. "Sixty years of Western nations excusing and accommodating the lack of freedom in the Middle East did nothing to make us safe—because in the long run, stability cannot be purchased at the expense of liberty," he proclaimed in a speech at the National Endowment for Democracy in 2003. And he began his second term by simply declaring the long-perceived tension between security and democracy dead: "America's vital interests and our deepest beliefs are now one."

The soaring presidential rhetoric about a policy based on both values and interests yielded far less than the revolution it promised. The results amounted to more robust rhetoric, funding increases for conventional democracy promotion programs through the Middle East Partnership Initiative, aggressive use of democratic ideology against enemies, and occasional gentle pressure on some friends. But when elections in the region brought unpleasant (but largely predictable) results, the freedom agenda receded. Elections in Iraq and Lebanon deepened sectarian divisions; in Egypt and Palestine they allowed Islamists to show the depth of their public support and organizational ability, and they won a clear victory in Palestine. As the U.S. position in the region dangerously deteriorated, autocratic but reliable regimes suddenly seemed more palatable, certainly in comparison to their Islamist challengers. The change was reflected in a shift in the U.S. language that transformed friendly regimes earlier defined as "autocratic" into "moderates." By 2007, the Bush administration seemed to have reverted precisely to the policy of purchasing stability at the price of liberty it had so recently denounced.

The reversal of policy should not be dismissed as a sign of the fickleness of a particular administration. Rather, it goes to the heart of an underlying structural problem, namely that while "America's vital interests and deepest beliefs" may be one in the long run, they clash in the short run, particularly in a part of the world where U.S. interests are considerable and the political situation very unstable. This clash between short- and long-term interests is nothing new. The United States has long pursued two core interests—access to Arab petroleum and protecting the state of Israel—that are contradictory. What the Bush administration failed to do was figure out how to reconcile a newly salient long-term interest (the promotion of freedom and democracy) with its other interests and short-term expediency.

Domestic political realities in most Middle East and North African countries also undermined the U.S. commitment to promoting democracy. Most Arab regimes did not openly resist the new American discourse on democratization—most, in fact, claimed that democracy was their long-term goal and to show their goodwill even introduced some modest reforms that did not limit their power. But many regimes also resented the United States' newly critical attitude toward them. This was true in particular of Egypt and Saudi Arabia, long-time friends of the United States that felt unjustly targeted, even if direct pressure on them was in the end quite limited.

Among the Arab allies of the United States, Egypt was subjected to the most pressure. Bush singled it out (though in polite terms) as a country in need of reform, and Secretary of State

Rice gave a more detailed explanation of the American approach to democratic reform in a speech in Cairo in June 2005. In January 2006, the United States went further: it canceled a meeting planned to launch negotiations on a free-trade agreement to express dissatisfaction with the Egyptian government's attempt to curb the opposition, in particular the imprisonment on dubious charges of Ayman Nour, the leader of a new liberal opposition party. Egypt's response to the pressure from the United States and from domestic groups was typical: it introduced some changes, including a constitutional amendment that required direct election of the president, rather than his indirect choice by the parliament. But then the Egyptian government proceeded to void the reform of most of its significance by attaching to it regulations that strictly limited competition and later by enacting a new set of constitutional amendments that made the system more, rather than less, restrictive.

In the end, U.S. pressure on Egypt and other countries was short-lived. By mid-2006, with the situation in Iraq deteriorating and concern about Iran mounting, the administration forgot its previous criticism of friendly autocratic regimes, redefined them as moderates, and sought to forge an anti-Iranian alliance with the members of the Gulf Cooperation Council, namely Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman, plus Egypt and Jordan. The failing attempts to promote reform from the top were abandoned in the name of security.

Well aware of the United States' troubles in the region and the strategic leverage it gives them, rulers such as King Abdullah of Saudi Arabia and President Mubarak of Egypt have pushed for nothing less than a return to pre-9/11 American policies, i.e., ignoring the domestic behavior of Arab allies and concentrating on their regional and international actions. One indicator of the success of Arab pressure against democracy promotion has been the remarkable decrease since 2006 of critical statements by the Bush administration about domestic politics in Arab moderate states, despite clear signs of backsliding, particularly in Egypt and Jordan. Repressive measures against opposition movements, predominantly the Egyptian Muslim Brotherhood and the Jordanian Islamic Action Front, as well as undemocratic constitutional changes have been publicly ignored by the Bush administration.

The United States also did not find strong partners in its attempt to promote democracy from the bottom up by stimulating secular opposition parties and a lively civil society. Although most Arab countries allow a degree of pluralism in the political system and some space for the opposition, the main beneficiaries of American democratization efforts have not been the liberal and secular parties, but rather the Islamist ones, which are larger and better organized and therefore more capable of taking advantage of opportunities, despite the much harsher security measures that regimes generally impose on them. The secular opposition embodies values acceptable to the United States, but it has proven to be the weakest of all political forces—indeed, it is not an exaggeration to talk of a crisis of secular political parties. Election results across the region have exposed their organizational and programmatic weaknesses. Many of them have stagnant or even declining constituencies, whereas Islamist movements have growing and increasingly well-organized ones.

The weakness of the secular opposition is not entirely of its own making. Arab authoritarian and semi-authoritarian regimes—many of which have been ruling their societies in the name of secular ideologies—have long employed repressive measures against liberal and leftist parties. Furthermore, Arab societies, always conservative in their social and religious attitudes, have become increasingly so over the last decades, limiting the space available for the articulation of secular views in politics. But secular parties have also brought the crisis down upon themselves by neglecting the basic task of organizing. Secular opposition groups have not focused on the constituency-building imperative required to participate successfully in political systems that are election-based, although not truly democratic. As a result, popular constituencies that had once been secular, such as industrial workers in Egypt or urban intellectuals in Morocco, have drifted toward Islamist movements or are siding with incumbent regimes for fear of the Islamists.

Almost by default, Islamist parties have emerged as the core of the opposition in most Arab countries. Paradoxically, the possibility of democratic reform now depends to a great extent on Islamist parties and movements. The question often posed is whether they only accept the democratic process as a means of gaining power, in which case democracy would not survive, or whether, once in power, they would continue to uphold democratic values and respect the democratic process. There are, of course, radical and violent Islamist organizations that accept neither, but they do not participate in elections. Major Islamist parties now fully accept the idea that participation in elections does not go against Islamic principles and have chosen to compete in national and municipal elections as well as in the elections for the leadership of professional syndicates, a considerable political force in the Arab world. In a few countries, they have even joined the ruling coalition as junior partners; in Palestine, Hamas formed the government after the 2006 elections.

A related question, whether Islamist parties that accept democracy as an instrument also accept its values, is much more difficult to answer. It is clear, however, that not all Islamist parties are alike. Some maintain an armed wing—all Shi'i parties in Iraq, Hizbollah in Lebanon, Hamas in Palestine. While these parties have not used force in the election process, their armed wings give them a clout that goes beyond what they gained in elections. At the other extreme, there are Islamist parties that have gone such a long way in renouncing violence and accepting pluralism that it would be difficult for them to turn back. In Morocco, Algeria, Kuwait, and Bahrain there are "participation-comes-first" Islamist parties that are well integrated into the political system. These parties look at the nation-state rather than the Islamic *umma* as their area of operations, accept the principle of universal citizenship, and have largely turned from ideological diatribes to the formulation of pragmatic programs. Finally, there are Islamic parties or movements in Egypt, Jordan, and Yemen that are torn between ideology and pragmatism, in part because they are not accepted by the ruling establishment as legitimate. These movements are thus caught between "normal" politics and its accompanying need to develop a practical political program, on the one hand, and confrontation, which risks pushing them back toward more dogmatic positions, on the other. The political program published by the Egyptian Muslim Brotherhood in September 2007 shows

retrenchment into a more ideological posture by a movement that has sought, but has so far been denied, a legitimate political role.

The adoption and subsequent abandonment of the freedom agenda brought into the open the extent to which the political situation in most Arab countries makes quick transitions to democracy in the region impossible. Even if the United States managed to reconcile its long- and short-term goals sufficiently to pursue a consistent policy concerning democracy, its efforts would still be frustrated in the short run by incumbent regimes that have no interest in jeopardizing their own power. So-called reformers in the ruling establishments only want economic reform and administrative modernization, not civil and political liberties and broad political participation. Secular opposition parties and civil society organizations, which the United States sees as natural allies, are extraordinarily weak in most countries. Islamist movements that have chosen to participate in their countries' political life in a legitimate fashion are better organized and more able to develop popular constituencies, but Washington in most cases sees them as threats, rather than as potential allies in democracy promotion. Promoting democracy in these circumstances would require a much longer time frame, a less Manichaean view of the world, and more subtle diplomacy than those chosen by the Bush administration.

Sectarian Conflict

One of the unanticipated and troublesome consequences of U.S. intervention in Iraq has been the increase in sectarian tensions not only in that country but in the entire region. Coupled with the Iranian assertiveness encouraged by the collapse of the Iraqi state, the new saliency of Sunni–Shi'i divisions has led to growing concern in some Arab countries and in the United States about the rise of Shi'i power in the Middle East.

Alarmist statements about the rise of Shi'i power were first made by King Abdullah of Jordan in December 2004. Addressing an American audience, he used the term "Shi'i Crescent" to describe an alleged Iranian ambition to change the regional order by creating an alliance of Shi'i regimes and movements in the predominantly Sunni Middle East.[7] A few weeks later the same sentiment was echoed by President Mubarak of Egypt, who accused the Shi'i citizens of Iraq and the Gulf of being more loyal to Iran than to their nation-states. But the formation of a Shi'i crescent is a far-fetched idea. Although there is a great deal of discontent among Shi'a, particularly in the Gulf countries and, of course, Lebanon, as already discussed, such discontent is not likely to translate into a grand regional alliance dominated by Iran.

The first reality is that Shi'i activism and the politicization of Shi'i identity are on the rise. One reason for this is obviously the rise of the theocratic regime in Iran, which stresses the country's Islamic (though not sectarian) identity; by contrast, the shah emphasized the legacy of the Persian empire. Another is the rise of a government in Iraq where Shi'a dominate along with the Kurds as junior partners, and Sunna have little representation or influence. A third is the choice made by most Shi'a to stress their religious identity; secular Shi'i politicians have

failed to attract a substantial following. Finally, the growing importance of Hizbollah in Lebanon is probably another factor. Hizbollah has become not only a domestic player capable of paralyzing the government, but has also become a regional player by successfully standing up to Israel in the summer of 2006 and thus gaining, for a time, a heroic reputation.

The second reality, however, is that Shi'a are a majority only in Iran, Iraq, and Bahrain, where they represent 70 percent of the population; they are also the single largest sect in Lebanon, although not the majority. Precise figures are a matter of dispute, but it is clear that in the vast majority of Arab and Islamic countries the percentage of Shi'a in the population is quite small. This suggests that focusing on a "Shi'i crescent" would not be a successful strategy for Iran.

The third reality is that there is a great deal of discontent among Shi'a in many Arab countries, because they are faced with deep-seated institutional discrimination and tend to have a lower standard of living. Discrimination is particularly severe in Bahrain and Saudi Arabia.

In Bahrain, the Sunni al-Khalifa ruling family has consistently viewed Shi'a as a potential threat to its rule. Shi'a hold fewer than 20 percent of the high-ranking posts in the Bahraini government and are often turned down when they seek to join the military and security services. Their influence in elections has been limited by electoral gerrymandering and vote rigging. Since Shi'a do not have power, the government gives little attention to basic services in their neighborhoods and villages. Allegedly, they are not allowed to own property in certain areas considered to be "Sunni." The situation is getting worse, because the government is trying to change the country's demographic makeup. According to several reports that have become public in the past few years—the most controversial of which is the "Bandar Report"—the al-Khalifa family has been aggressively naturalizing Sunni Arabs and other Sunni Muslims working in Bahrain.

Discrimination in Saudi Arabia is also strong and dissatisfaction high, as even some members of the royal family have admitted. But discrimination is difficult to suppress, because it is rooted in religious doctrine. The powerful Wahhabi religious establishment considers Shi'i Islam a heresy, bans public celebration of Shi'i holidays, and limits construction of Shi'i mosques. Religious discrimination is accompanied by social marginalization. Shi'a are greatly underrepresented in state institutions, especially the military and security agencies, and in the public service sector in general. And the predominantly Shi'i parts of the eastern province are underserved in terms of infrastructure and other facilities. However, there are some signs that the Saudi government is beginning to take steps to redress the situation. Shi'i clerics have been invited to national dialogue meetings, organized under the auspices of the Saudi monarch to curb the spread of militant ideologies, and there have also been regular meetings between leaders of the Shi'i community and the Saudi king. Human rights abuses against Shi'i citizens are also on the decline, and on a number of occasions Saudi authorities have ordered the deletion of anti-Shi'i content from school textbooks. Despite these modest improvements, tolerance of discriminatory practices against Shi'a is still evident in the country's administrative and religious institutions.

Discrimination inevitably breeds discontent and resentment, and those certainly exist among Shi'i minorities in the Gulf and, of course, in Lebanon. The real question, however, is whether this resentment has translated into greater political activism and, if so, what kind of activism—political opposition or violence? So far, resentment has only led to open violence several times in Bahrain and once in Saudi Arabia. In Lebanon, Shi'i discontent in the 1960s and 1970s led to large-scale mobilization and was part of the dynamic of the 1975–1990 civil war. In Bahrain, violence erupted in 1975, as a response to the passage of the new State Security Measures Law, which effectively voided the rights guaranteed by the 1973 constitution, and again in 1994, when demonstrations demanding a return to the 1973 constitution were brutally suppressed by the government. At present, large segments of the Shi'i opposition participate in parliamentary politics and recognize the legitimacy of the Bahraini state. However, some organizations, such as Hizbollah al-Bahrain, the Haqq (Right) Group, and the Islamic Front for the Liberation of Bahrain, remain outside the legal political process, rejecting the system created by the al-Khalifa dynasty.

In Saudi Arabia, a Shi'i radical group, emboldened by the Islamic revolution in Iran, dramatically but briefly seized the Great Mosque in Mecca in 1979, leading to a period of great tension. In general, however, open expressions of discontent have been prevented by the security apparatus's ruthless measures. During the 1979–1980 confrontation, the Saudi government literally bulldozed the entire historic downtown of Qatif, a major Shi'i stronghold, for example. More recently Shi'a in Saudi Arabia have taken advantage of the few available political opportunities—many ran in the 2005 municipal elections in the eastern provinces—but most activities are covert and difficult to evaluate.

While Shi'i resentment is in evidence, leading both to occasional violence and to political activism when conditions allow it, it is much more difficult to find conclusive signs of the development of a transnational movement. The Iranian revolution undoubtedly had an impact throughout the region. New political organizations developed in several countries, with ties to each other and Iran, and Khomeini's radical interpretation of Shi'i doctrine to justify theocratic rule became influential. Similarly, elections in Iraq taught Shi'a a lesson not in democracy so much as in the power of numbers in elections.

None of this amounts to the formation of a Shi'i crescent. Mobilization so far has been confined within the borders of existing nation-states. Shi'i communities have not questioned the legitimacy of the states in which they reside based on a grand Shi'i narrative. Rather, the objectives of their activism have been domestic in nature, primarily to fight socioeconomic and religious discrimination and achieve more political representation. Such efforts predate the war in Iraq or the Iranian revolution. Apart from marginal and unpopular militant groups, the Shi'a of the Gulf have remained loyal to their nation-states. Indeed, in the face of growing Sunni suspicions, many leading Shi'i clerics and politicians have repeatedly declared their loyalty to the state and denied that they are part of a grand Iranian-led conspiracy against the Arab states of the Gulf. For example, Sheikh Ali Salman, leader of the Shi'i-based Wefaq Society, stressed repeatedly in 2007 the loyalty of the Bahraini Shi'i community to the state and denounced quasi-official claims emanating from Tehran that Bahrain is part of Iran.

Although Iran is a center around which Shi'i resentment could coalesce, two factors reduce the likelihood that the Tehran regime will encourage such a development. One is that Iran aspires to be the champion of the entire Muslim Middle East, not just the limited world of Shiism. Its support for Sunni groups, such as Hamas in Palestine, is a testament to this. The second factor is that an aggressive Iranian attempt to develop a grand regional Shi'i alliance would prompt the formation of an alliance of Sunni states backed by the United States. Nevertheless, the deepening of sectarian divisions and the fact that Shi'i grievances have remained largely unaddressed represent an additional source of instability in the Middle East that U.S. policy needs to lessen, not enhance.

For their part, the Sunni Arab regimes, particularly in the Gulf, are also seeking to avoid a confrontation with Iran. They have shunned U.S. attempts to bring them into an anti-Iranian alliance and launched their own diplomatic efforts to deal with Iran. The Saudis have been at the center of these diplomatic efforts. When Hizbollah escalated its confrontation with the Lebanese government in late 2006 after the summer war with Israel, several meetings took place between Iranian and Saudi representatives purportedly to calm the situation. In early 2007, Ali Larijani, then head of the Iranian National Security Council, met several times with Prince Bandar bin Sultan, his Saudi counterpart, to discuss a variety of concerns. In March 2007, Saudi King Abdullah and Iranian President Mahmoud Ahmadinejad met directly for the first time. This first contact was followed by an invitation to Ahmadinejad from the king to visit Mecca for the pilgrimage at the end of 2007. While pursuing contacts with Iran, the Saudis also undertook efforts to mend relations between Fatah and Hamas in Palestine, leading to the signing of the Mecca agreement in February 2007 and the formation of a Palestinian government of national unity. After the agreement failed, leading to a serious split in the Palestinian ranks, with Fatah in control of the West Bank and Hamas of Gaza, the Saudis did not give up on reconciliation, but resumed their efforts, this time with the support of the Egyptian government. In early December 2007, the head of Hamas's political bureau, Khalid Mish'al, visited Riyadh for talks. At the same time, the Saudi and Egyptian governments sent a signal of displeasure to the Fatah-controlled Palestinian Authority by completely bypassing it in arranging for several hundred residents of Gaza to make the pilgrimage to Mecca.

More recently, the Egyptian government has also become more involved in these new diplomatic efforts, seeking better relations with both Iran and Syria. In late December, Ali Larijani, by then adviser to Supreme Guide Ali Khamenei, visited Cairo to meet with Egyptian Foreign Minister Ahmed Abul Gheit, leading to speculation that Egypt and Iran would soon restore diplomatic relations, and with the Arab League Secretary, Amr Mussa. In late 2007 Saudi Arabia and Egypt also undertook efforts to restore good relations with Syria, strained because of Damascus's ties to Iran and Syria's support for Hizbollah in its confrontation with the Lebanese government. The Arab League even announced that the next Arab summit meeting will take place in Damascus, in March 2008.

None of this remarkable spate of diplomatic activity has so far removed the underlying tension between Sunni regimes and the government in Tehran. Fear of a nuclear Iran in the region remains quite high. These attempts indicate, however, that both sides are determined to avoid a confrontation and the deepening of a Shi'i–Sunni cleavage across the region.

Dealing With the New Middle East

The Bush administration's attempt to shape a new Middle East has been a major factor in the emergence of the new and extremely problematic realities we have discussed. The United States needs a new approach to this part of the world, based less on confrontation and more on diplomacy, less on ideology and more on reality, and on a narrower definition of U.S. interests. Most of the problems discussed in this report cannot be solved, nor can they be bypassed, by creating a new Middle East, as the Bush administration tried to do. Some of the region's problems can be alleviated through wise policy; others can at best be contained. Still others will have to be accepted for many years as part of a new Middle East landscape that has changed, but not for the better.

The first principle to guide a new policy should be recognition of the limits to U.S. power in the region—something those in the region are quite aware of. As long as a large-scale troop commitment in Iraq continues, the option to use force as a means to promote change (rather than to protect vital U.S. interests in a crisis), is essentially off the table. Furthermore, high oil prices make producing countries less vulnerable to sanctions or the threat of sanctions, which in any case are always a weak instrument; the largesse of oil producers also helps countries and organizations that are not experiencing the windfall directly.

Equally important is the recognition that U.S. policy in the area has been unnecessarily confrontational, and that in the end this has been counterproductive. U.S. credibility has been undermined by a policy of threats not followed by action. At the same time, this confrontational stance precludes the search for other ways to pursue U.S. interests. A recent example is Bush's warning to Bashar al-Assad in December 2007 that his patience was running out regarding Syria's meddling in the politics of Lebanon. The statement implied a threat—Bush had warned Saddam Hussein that his patience was running out shortly before invading Iraq—but had no credibility and was completely ignored by Syria and everybody else. However, it did make it more difficult for the administration to explore how Syria could help the United States protect its interests and also save Lebanon from protracted crisis and a possible slide into violence.

These two principles lead to the conclusion that a new U.S. policy in the near future must be based on a clear perception that this is an extraordinarily unsettled moment in the Middle East and that U.S. policy could easily worsen the situation. New policies must thus be based on a much more modest definition of U.S. interests in the region, one that clearly differentiates between goals that would be desirable and could be pursued in the long run under more favorable circumstances, and interests that need to be protected now.

The most critical U.S. interests are curbing terrorism emanating from the region and protecting the flow of oil. The military/intelligence dimension of curbing terrorism does not require a new policy direction but the continuation and strengthening of efforts already being pursued. The political dimension, on the other hand, depends largely on the outcome of U.S.

policy in Iraq and of the Palestinian–Israeli peace process. The United States needs to recognize that terrorism is not the result of blind hatred of Western civilization, as the Bush administration insists, but rather an extreme response by a few to U.S. policies that most Arabs see as hostile. Similarly, the free flow of oil depends politically on U.S. policy toward Iran and re-establishing the balance of power in the Gulf.

There is no way for the United States to protect the two critical interests of curbing terrorism and protecting the flow of oil without addressing the region's salient political issues. Thus, the immediate tasks for the United States are: 1) finding a modus vivendi with Iran and limiting nuclear proliferation; 2) disentangling from Iraq without leaving an ungoverned territory behind; 3) getting serious about the peace process and the two-state solution to Israeli and Palestinian concerns; 4) seeing the re-establishment of a regional balance of power that can be maintained mostly by regional actors without the need for a massive U.S. presence with all its negative repercussions; and 5) in the context of a new balance of power, de-escalating the confrontation with Syria and defusing the crisis in Lebanon.

Dealing With Iran and the Nuclear Issue

Due in no small part to Bush administration policies, Iran is now integral to critical U.S. interests, namely, Iraq, Afghanistan, nuclear nonproliferation, energy security, terrorism, and Arab–Israeli peace. No matter how unpalatable the behavior of the Iranian regime, refusing dialogue with Tehran will not ameliorate any of these issues, and confronting it militarily will exacerbate all of them.

An approach that seeks to foment regime change in Tehran is similarly counterproductive. In a race between the "regime change clock" and the "nuclear clock," the latter will almost surely prevail. The Iranian government is not on the verge of collapse, and in the event of an abrupt political change the only groups that are currently both armed and organized are not liberal democrats but the Islamic Revolutionary Guard Corps (IRGC) and Bassij militia. A policy that keeps the threat of regime change implicitly on the table also gives Iranian leaders, sensing an existential threat from the United States, more, not less, reason to pursue a nuclear deterrent.

Instead of shunning Iran, confronting it militarily, or attempting to change its form of government, the United States should attempt to formulate a nuanced engagement policy in concert with European allies—and, ideally, Russia and China. This policy must seek diplomatically to modify Iranian policy by weakening the country's hard-line minority and strengthening its moderate majority—at present, U.S. policy plays into the hands of hard-liners. Pragmatic Iranian officials need to be able to argue with plausibility that a moderate Iranian approach will trigger a more conciliatory Western response. They cannot do so today. Given recent history and the Bush administration's frequent evocations of the military option, calls for moderation are easily dismissed as naïve and irresponsible.

While an engagement approach should eventually be comprehensive, the United States should focus initially on Iraq, because the United States and Iran share an interest in retaining Iraq's territorial integrity and containing a bloody civil war. A U.S.–Iranian dialogue about Iraq should deal with the central issue of the nature and presence of an ongoing U.S. presence in Iraq on one side and Iran's policies and activities in support of various Iraqi factions on the other.

Eventually, if enough confidence is built, the discussion should extend to the nuclear issue, but in the present atmosphere of confrontation there is no common ground between Washington and Tehran on that problem. Iran's fractious leadership has formed a consensus to resist outside pressure to relinquish its claimed right to enrich uranium. Such consensus is relatively unusual in Tehran and various factions would find it risky to deviate from this position. Iranian leaders judge that the United States, France, the United Kingdom, and others cannot impose costs great enough to compel Iran to indefinitely suspend, let alone abandon, enrichment. Therefore Tehran will be highly unlikely to accede to U.S. demands in a negotiation on the nuclear issue, unless Washington (with perhaps Russia or another country acting as broker) were to accept a formula whereby Iran could continue some level of enrichment activity under intensive international monitoring. As long as the United States and the UN Security Council do not change their demands, or Iran does not feel much weaker, this issue holds little promise of diplomatic progress. Concentrating on the broader security relationship in Iraq and the Gulf is therefore more promising. Here, a mix of confidence-building diplomacy and deterrence can be pursued, involving Iran's neighbors as well as outside powers.

Engaging Iran in no way implies appeasement, nor does it preclude efforts to warn other countries of or contain Iranian influence and policies that are problematic. It must be made clear to Tehran that a hard-line approach will only increase the country's political isolation and economic malaise. UN Security Council resolutions and international political and financial pressure on their own will not bring about a diplomatic resolution with Tehran; nonetheless, in the short term, they are necessary tools to show that a belligerent approach will not reap rewards.

At the same time, the United States needs to keep in mind that Iran will never agree to any arrangement in which it is expected to publicly retreat or admit defeat, nor can it be forced to compromise through pressure alone. Besides the issue of saving face, Iran's political elite—chiefly Ayatollah Khamenei—believe that compromise as a result of pressure projects weakness and will only encourage the United States to demand more.

The results of a successful engagement policy—beginning a difficult process of reintegrating Iran into the global economy and improving Iranian ties with the United States—will provide more fertile ground for political reform in Tehran and dilute the control of hard-liners, who thrive in isolation. For this reason, a small but powerful clique with entrenched economic and political interests in the status quo will do everything in their power to torpedo attempts at reconciliation. By eschewing dialogue, Washington plays into the hands of these Iranian hard-liners.

To be sure, engagement offers no guarantees of success. It is the Iranian government that ultimately must make a strategic decision to change its own policies. The best thing Washington can do is maintain dialogue with Iran, simultaneously present it with two distinct paths forward, and let it be known that when Tehran is ready to rethink its policies and emerge from isolation, there will be a partner in Washington ready to welcome it.

Finding a Way Forward for Iraq and a Way Out for the United States

The formulation of a new policy on Iraq must start from an admission that the political process of reconciliation and state-building in Iraq is dead in the water. Since military efforts alone cannot stabilize the country for long, as U.S. commanders in Iraq readily admit, a new process must be put in place as soon as possible. A new political process must start not from prescriptions for what Iraqis should do and what the country should become—that policy has been tried already and it has failed—but from an inventory of the political players, their goals, and their relative power and influence as they are, not as we wish they were. This inventory would have to include all political players, including less palatable armed ones. This would be the first step.

The second step would be to put the country's feckless parliament and government on notice that they are not automatically the central players in the reconciliation process. They have been given ample time to launch a process on their own, to bring in excluded groups and broaden their base of support, and they have failed to do so. In order to maintain a central role, they would have to take some initiatives; otherwise other actors would become more important.

The third step would be to bring all groups together in a kind of Iraqi *loya jirga* with the help of the United Nations, other international organizations, and Iraq's neighbors. This is a good time to attempt again to internationalize the problem of Iraq. The United Nations has reopened its offices, and Arab countries, including Saudi Arabia, have expressed an interest in reopening embassies in Baghdad. In general, this is a period of heightened diplomatic activity in the region. As long as the United States does not interpret "internationalizing" to mean pressuring other countries and international organizations to carry out and pay for policies already formulated in Washington, the effort could succeed.

Opening a dialogue among political factions is a radical departure from past U.S. policies toward political reconciliation, which have been based on a U.S. model of what Iraq should look like as well as on the fiction that the only legitimate political players in Iraq are the few that participated in the election the United States organized. These factions will resist any attempt to bring other players into the process, as they have done all along. It must be made clear to them that they will soon be on their own unless a broader agreement is reached, because the United States will not continue to support them indefinitely.

Israel and Palestine

U.S. core interests in the region include peace between Israelis and Palestinians, which would have as a corollary peace between Israel and all Arab countries. The only solution at present that can lead to peace while preserving the existence of the state of Israel and protecting Palestinian rights is the two-state solution. But it will not be easy to bring the two-state solution back from the dead.

Its benefits are obvious. Both Israel's security and its identity will be better protected, a portion of Palestinian national goals will be minimally met, the threat of wider war in the region will decrease, and U.S. diplomatic and security strategies will be easier to pursue. But the payoff of such a solution should not be oversold—it will lead not to a historic reconciliation among peoples or the full integration of Israel into the region but to a very cold peace, like the one that exists between Israel and Egypt—a manageably cantankerous relationship between Israel and its neighbor.

The elements necessary to revive a two-state solution are easy to identify. On the Palestinian side, the leadership must be strong enough to negotiate authoritatively on behalf of its national community—and this will require reconciliation between Fatah and Hamas. The Palestinian leadership must also be convinced—and be able to convince other Palestinians—of the political and economic benefits of a two-state solution. This, in turn, necessitates not only the clear "political horizon" that the Bush administration has been pressing but also a set of short-term measures to revive Palestinian economic fortunes and social fabric. In this regard, the massive international aid program is helpful, but it is simply no substitute for an end to Israeli restrictions on the movement of people and goods.

On the Israeli side, actions that undermine the two-state solution must not only be stopped but also reversed. This means a real freeze on all settlement construction, including in areas Israel claims are exempted because they have already been annexed to Israel, as well as preparations for removal of settlements that are illegal even under the permissive Israeli legal framework. Further down the line, it means that Israel will have to negotiate compensatory territorial exchanges for settled areas that will not be incorporated into a Palestinian state.

Both the Israeli and Palestinian leadership, furthermore, will need to convince their respective populations that the commitments they have received through negotiations are credible and enforceable, and not subject to reversal by extremist action or by the next set of election returns. These requirements will require difficult diplomatic efforts and painful domestic choices. But what is most daunting is that pursuit of these requirements pulls in some very different directions. It may seem virtually impossible to bring Hamas and Fatah back together, while simultaneously convincing Israelis that the Palestinian commitment to a two-state solution is real. To ask that Israel ease travel restrictions on Palestinians and remove settlements would not be easy under any circumstances, but any American leadership will find it especially difficult to undertake these tasks in order to strengthen a Palestinian leadership in which the Israelis have little faith.

But it is impossible to turn back the clock to more propitious circumstances. The biggest tension—between integrating Hamas and denying the movement its proclaimed goal of destroying Israel—can only be met by building on one of the few diplomatic successes the Bush administration has had: the involvement of Arab states. By cornering Hamas between regional pressure and domestic opinion demanding prosperity, it may be possible to wrest Hamas from pursuit of the most extreme elements of its agenda. It is unrealistic to expect a total repudiation by Hamas of its vision of an Islamic state, but it is possible to work toward a situation in which the movement's leaders are compelled to accept that the logic of events is leading in a direction they are powerless to stop (as actually happened for a brief period in the 1990s).

Thus, the United States must cease pretending that Abu Mazin heads a viable Palestinian protostate, that he has sufficient domestic legitimacy to conclude an agreement, and that the harsh isolation of Gaza can be calibrated carefully enough to lead the population to embrace the Fatah-led government in Ramallah and still prevent starvation. There can be no harm (and there may be some good) in attempting to sketch out what an Israeli–Palestinian peace treaty would look like, partly because it would force a far greater level of political honesty from leaders on both sides than existed during the Oslo period. But such efforts cannot supplant the longer-term and more difficult task of resuscitating a viable Palestinian leadership. That task will require that the United States convert from a policy based on severe sanctions against Hamas and the territory it controls and instead come to terms with a revival of a Palestinian national unity government like the one that existed until June 2006. The United States must then support the conclusion of a cease-fire between the new united Palestinian government and Israel and promote an agreement among Palestinian groups on mechanisms for negotiating longer-term issues with Israel.

Balance of Power

The regional balance of power that was maintained by Iraq and Iran has been broken with the demise of Saddam Hussein and the subsequent collapse of Iraq. As a result, the United States and some of Iraq's neighbors worry about the growing power of Iran and are seeking to restore some balance by using different approaches. The United States has tried to restore that balance through its own presence in Iraq and by trying to form an anti-Iranian alliance. Arab countries, especially those around the Gulf, have been searching for alternative policies combining containment and diplomacy. In 2007, the Gulf countries signed various weapons deals with the United States, Britain, and Russia in what seemed to be the beginning of a regional arms race aimed at counterbalancing Iran. But they have also reached out diplomatically to Iran.

In view of the failure of U.S. policy so far, the diplomatic activities of Arab countries need to be recognized and, if possible supported, in conjunction with the policy of engagement toward Iran suggested earlier. Arab diplomatic efforts, if successful, hold the possibility of

restoring a balance of power that is not entirely dependent on a long-term, large U.S. military presence with its financial costs and negative political repercussions in the region. The United States has not been part of these initiatives and does not trust them, fearing that they are simply a sign that Gulf countries are capitulating to Iran. In reality, concern about growing Iranian power is real among all countries in the region and the diplomatic activity is an effort to contain it.

There are many indications as well that Arab countries are seeking their own ways of dealing with Iran. President Ahmadinejad in December 2007 was invited to attend the meeting of the Gulf Cooperation Council in Doha. While the invitation was apparently less than full-hearted, and all Gulf countries remained extremely worried about Iran's nuclear problem, the invitation also was one more sign that Iran's neighbors were shunning confrontation. Finally, the Saudi government, historically close to the United States, made it clear it was seeking to diversify its external support. In February 2007 it hosted President Vladimir Putin in Riyadh and announced a flurry of new trade agreements. In November 2007 Saudi Crown Prince Sultan bin Abdulaziz visited Moscow to discuss, among other issues, a large Saudi purchase of Russian weapons.

U.S. policy toward Lebanon and Syria, elevated in recent years to the status of a confrontation between democracy and autocracy or even theocracy, needs to be brought back to a more realistic perspective. To be sure, a sovereign and functioning Lebanon would contribute to the stability of the Levant, but, in a vicious circle, Lebanese sovereignty cannot be restored as long as the region is so unstable: for decades now, political factions in Lebanon have been more than willing to sacrifice the country's sovereignty by inviting in outside allies to further their own goals. As long as the region remains unstable, all Lebanese factions will find allies willing to support them for their own ends. And while a Syria closely allied to Iran and hostile to Israel is a destabilizing element in the Levant, the solution is not to confront Syria but to support the peace process, including Israeli–Syrian negotiations about the return of the Golan Heights, and to deal more effectively with Iran. The problem of the Lebanon–Syria cluster is the consequence of a wider crisis, not its cause, and must be tackled as such.

In practice, this means that the United States needs to encourage and support compromise and reconciliation within Lebanon. Since the end of 2007, the United States has started recognizing the need for compromise among the political factions on the issue of the choice of a new president. That policy must be continued more explicitly and firmly. In fact, it is important for the United States to step back and let countries in the region take the lead in pushing the Lebanese toward reconciliation. The United States should be aware that a compromise solution will currently entail an armed Hizbollah and continuing Syrian influence. The best that U.S. policy can achieve in Lebanon is a country that is neither completely dominated by Syria nor a battleground for U.S. and Israeli confrontations with their enemies in the region. This can be achieved by supporting the election of a compromise president as part of the formation of an inclusive national unity government, the drafting of a new election law, and the holding of parliamentary elections on schedule in the spring of 2009.

A new policy toward Syria also needs to recognize the country for what it is: a small country without massive ambitions or ideological crusades, trying to maintain some role in the region. The confrontational tone of U.S. policy, coupled with the setting up of the Hariri tribunal by the United Nations, has made the regime paranoid. The goal of U.S. policy must be not simply to corner and threaten Syria, but to convince it to end its spoiler role in Lebanon and encourage it to put some distance between itself and Iran.

The Issue of Democracy

We have not listed democracy among core U.S. interests in the Middle East because of the deep contradiction between long- and short-term U.S. interests entailed in any true process of democratic transformation. In the long run, a Middle East populated by stable democratic countries would be an extremely positive development for the United States, and, of course, for citizens of Arab countries. In the short run, the path to democratic transformation may well complicate rather than facilitate U.S. relations with Arab countries and lead to outcomes the United States will not like. Furthermore, the policies of the last few years, which have created confusion between democracy promotion and regime overthrow, have created a legacy of suspicion that will be difficult to overcome in the short run. While the United States cannot completely abandon the democracy agenda, given internal demands for change in Arab countries, democracy promotion needs to be relaunched as a long-term goal of the United States, to be pursued quietly and consistently.

The American push for Arab democracy between 2003 and 2005 was not misguided in its essence, but it was pursued in such a clumsy and manic manner that the credibility of democracy promotion has been seriously undermined. From the beginning, the United States talked indiscriminately of democratization both for countries where a path to democratization was visible, Egypt for example, and for others, such as Saudi Arabia, where it was difficult to even imagine where a process of transformation should begin. Also, while American leaders spoke of a long-term, generational struggle, they showed great impatience in practice. They also pursued democracy promotion policies heedless of the conditions prevailing in individual countries and thus of the probable consequences of the policies they were promoting. The United States quickly recoiled when initial efforts led to results it neither anticipated nor was willing to accept, such as the victory of Hamas in Palestine and the strong showing by the Muslim Brotherhood in Egypt. As a result, when the Jordanian government cracked down on professional associations, when the Bahraini government lashed out at demonstrators calling for constitutional reform, and when the Egyptian government turned to military court trials and long prison sentences to suppress the Muslim Brotherhood, the U.S. government looked at short-term security interests and kept silent.

The democracy promotion agenda requires a complete rethinking. The policies of the Bush administration, already languishing, should be allowed to die quietly and new policies only relaunched when two conditions are met. First, the concept of democracy promotion

must be clearly defined; in the Middle East, the concept of democracy promotion has fluctuated from aggressive rhetoric of regime overthrow at one extreme to small, little noticed, probably not very effective but innocuous educational, women's rights, or cultural exchange programs at the other end. This has created a great deal of confusion. Inevitably, attention in the Middle East has focused mostly on the threatening tone, the rhetorical statements, and the glaring discrepancy between rhetoric and actions. The idea of democracy promotion needs to be clearly differentiated from that of regime overthrow, not only because the conflation of the two ideas is counterproductive, but because the overthrow of even the most tyrannical regime does not necessarily lead to democracy, as Iraq shows. Separating regime overthrow from democracy promotion is not just a question of language, but also of tools used in promoting more open political regimes. Sanctions, for example, should have no part in a program of democracy promotion.

Second, the United States must make sure that it understands the probable consequences of the policies it launches and is willing to accept them. This will require a more honest and realistic assessment of the situation that prevails in each country. Political openings bring to the fore whatever political forces exist in a country, not simply a general desire of citizens to be free. Unless those forces are understood, country by country and case by case, the United States will not be able to act consistently and avoid the backtracking that has undermined its credibility in recent years.

Finally, a new policy of democracy promotion must focus on the most likely candidates for reform, the semi-authoritarian states with varying degrees of pluralist politics, such as Morocco, Algeria, Egypt, Jordan, and Yemen. In such countries, U.S. efforts need to focus on clearly defined goals, tailored to needs and conditions of each country. Efforts should not be wrapped up in ambitious-sounding but ultimately empty regional programs, such as the Broader Middle East and North Africa Initiative.

As for countries that do not yet have either the state institutions to support a democratic system or independent, organized political forces, the United States needs to recognize its fundamental lack of knowledge about how a process of political reform could unfold there. In such countries, efforts should concentrate on nudging regimes toward reforms that could be introduced from the top, such as an improvement in the human rights situation, more press freedom, and more freedom to operate for civil society organizations. At the same time, the United States should be careful not to misrepresent and praise marginal top-down changes as democratization, as the Bush administration has often done when heaping praise on countries like Bahrain and Oman.

Long-term efforts to promote political change must be pursued quietly. No matter how carefully future policies are shaped, conflicts will inevitably arise between short-term security interests and long-term democratization. It would help if U.S. policy makers were franker—and more sophisticated—about the problem. Arab governments and reform advocates already know that American values and American interests do not always coincide. Pretending that this is not the case serves no purpose except to undermine credibility when the inevitable discrepancies between high principles and political necessity become glaring.

Notes

1. See International Crisis Group report, *Dealing With Iran's Nuclear Program*, November 2004.

2. See http://usinfo.state.gov/xarchives/display.html?p=texttrans-english&y=2007&m=April&x=20070418190715xjsnommis0.4429132.

3. According to one of al-Qaddafi's sons, "We started negotiating before the beginning of the war, and it is not because we are afraid or under the American pressure or blackmail."

4. See Gordon Corera's *Shopping for Bombs* (New York: Oxford University Press, 2006) Chapter 7.

5. http://www.whitehouse.gov/news/releases/2003/12/20031219-9.html.

6. The United Nations Development Programs published four reports on Arab human development between 2002 and 2006. The first report, *Arab Human Development 2002* (New York: UNDP 2002), denounced three deficits of human development in the Arab world: knowledge, democracy, and women's rights. Each succeeding report examined one of the three areas. Written by Arab intellectuals, the four studies stirred a great deal of controversy in the region.

7. The term "Shi'i Crescent" was first coined in the 1980s by militant Shi'i groups in Iraq.

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