

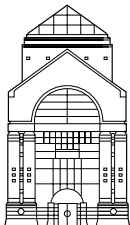
The United States and the Persian Gulf

Reshaping Security Strategy
for the Post-Containment Era

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edited by Richard D. Sokolsky



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Preface

As this book goes to press in early 2003, U.S.-led military action to eliminate Iraqi weapons of mass destruction and to create postwar conditions that could support democratic political development appears increasingly likely. However that operation unfolds, it will mark an end to the decade-long policy of containment of Iraq and set the stage for a new American approach to security cooperation and political engagement throughout the Persian Gulf. The chapters in this book offer a timely and sustainable roadmap for a new U.S. strategy and military posture in the region.

The presence of U.S. forces in the Persian Gulf, particularly in Saudi Arabia, has been a highly contentious issue in the Arab world since the Persian Gulf War of 1991. While this presence gave the United States and its coalition partners new flexibility in containing Saddam Husayn, managing regional stability, and ensuring access to oil, it also exacerbated anti-American sentiment, particularly among the more devout and disaffected youth in the region. Removal of that presence and of the governments that allowed it became a rallying cry for Osama bin Laden and in the development of the terrorist *jihād* of al Qaeda. However, as contributors to this volume make clear, even in the absence of the new demands of the global war on terrorism, other regional political and strategic developments, as well as the erosion of international support for dual containment, warrant a reshaping of that military presence. Moreover, the continued transformation of U.S. military forces, including the enhancement of expeditionary and long-range power projection capabilities, could allow for a reduced forward presence in the Gulf.

Managing such a transition will require a comprehensive regional strategy and reduction of the Iraqi threat to the region. Washington's scope for action will be greatly influenced by how military action against Iraq unfolds and what conclusions other countries in the region draw from it. But the contributors to this volume make a compelling case that regardless of the nature of regime change in Iraq, there are persuasive political and geostrategic reasons for the United States to make major changes in its

military posture and regional security strategy. Equally important, the contributors offer principles for effective promotion of the political and economic reforms that are essential to addressing the root causes of terrorism and many of the region's fundamental problems.

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Introduction

Richard D. Sokolsky

Significant changes lie ahead for U.S. security strategy in the Persian Gulf after almost a decade of stasis. In the decade between the Gulf War and the terrorist attacks on the World Trade Center and the Pentagon, the strategy of dual containment of Iraq and Iran was a key driver of American military planning and force posture for the region. During these years, the overriding U.S. concern was preserving access to Gulf oil at reasonable prices; both Iran and Iraq possessed only a limited ability to project power and influence beyond their borders; the Persian Gulf states acquiesced to a significant U.S. military presence on their soil despite the domestic costs; and the United States was reasonably successful, at least until the second Palestinian *intifada* in September 2000, in insulating its relationships with key Gulf states from the Israeli-Palestinian conflict.

At the end of the Clinton administration, it seemed safe to assume that the regional security environment would continue to evolve more or less on its present trajectory and that the challenge confronting the United States was how to manage U.S. forward presence for the long haul under increasingly stressful conditions. This premise is no longer valid. The strategy of dual containment, which is just barely alive, will expire in one way or another in all likelihood because the United States decides to end Saddam Husayn's rule. American success in engineering a regime change in Baghdad will require a substantial increase in U.S. forward deployed forces followed by a multinational occupation of Iraq that is likely to include a significant U.S. military component.

At the same time, even if regime change does not occur in Iraq, other factors are likely to put pressure on the United States over the next decade to alter the shape of its military posture toward the region. The campaign against global terrorism will demand a closer look at U.S. policies toward the Persian Gulf that complicate this effort, including the U.S. military presence. Political and social trends in Saudi Arabia will make the royal family even more wary of U.S. forces on their soil. Iran and Iraq are

likely to improve their conventional capabilities and, more importantly, to deploy nuclear, biological, and chemical (NBC) weapons and longer-range ballistic missiles to threaten U.S. access and force projection capabilities. The demands of the war on terrorism and American defense strategy more broadly could make sustaining current military commitments in the region increasingly difficult. Finally, the transformation of U.S. military capabilities is likely to create new opportunities to enhance force projection capabilities with fewer forward deployed forces.

With or without regime change in Iraq, the U.S. military posture toward the region will become increasingly brittle unless it adapts in creative ways to these looming changes. On the one hand, if the Gulf security environment stays on its present trajectory—continued deterioration and eventual collapse of dual containment and no American effort to change the geopolitical landscape—the central dilemma facing U.S. policymakers will be reconciling the military requirements of a containment strategy with the political imperatives of reducing the American military profile in the Gulf. On the other hand, the elimination of Iraq as a strategic threat, or the installation of a new but still antagonistic regime, would confront the United States with a number of complex and novel policy issues: the role of Saudi Arabia in U.S. regional security strategy, the degree to which a friendly and pro-American Iraq could become the focus of U.S. regional defense strategy, and the type of military presence the United States should maintain in the region if the removal of the Saddam regime ushers in a period of prolonged instability and disorder inside Iraq and beyond.

The purpose of this study is to evaluate the implications of these political, strategic, security, and military factors for U.S. military presence and force posture, defense and security relationships, and force planning for the region. Specifically, the chapters that follow seek to frame the issues, options, and tradeoffs facing U.S. defense planners by focusing on the following questions:

- To what extent does the emerging security environment—that is, the changing nature of U.S. interests and threats to those interests—require changes in the size and composition of forward deployed forces, peacetime engagement activities, military operations, and force protection?
- Does the United States need to reconfigure its security and military relationships with regional friends and allies to take account of their changing security perceptions and policies?

- Are there trends in the strategic environment that are likely to generate new demands and requirements for the Armed Forces?
- How can the United States reconcile the call in the Quadrennial Defense Review 2001 for greater flexibility in the global allocation of U.S. defense capabilities with the harsh reality that, for the foreseeable future, forward defense of the Persian Gulf will remain dependent on substantial reinforcements from the United States?

The main conclusion of this study is that, with or without regime change in Iraq, the United States will need to make significant adjustments in its military posture toward the region.

Chapter two provides an overview of U.S. interests and objectives in the Gulf. It addresses the strengths and shortcomings of current policies and explains the choices and tradeoffs that the United States is likely to face in deciding on an appropriate force posture for the region in light of competing strategic priorities and resource constraints. Of particular interest are the principles it lays out for a policy of encouraging political and economic reforms to alleviate the root causes of terrorism and domestic instability without simultaneously unleashing pent-up forces for change that could threaten important U.S. interests and prove difficult to control. The chapter's conclusion that the United States will continue to confront endless security dilemmas and headaches until there is a definitive resolution of the Iraqi problem is an important consideration in the ongoing debate over whether the United States should take military action to unseat Saddam Husayn. The discussion also makes a strong case that regime change in Iraq is critical to U.S. efforts to promote long-term political development because only regime change will permit significant reduction of the U.S. military "footprint" in the region.

Chapter three examines the internal and external factors that will shape the threat perceptions, security doctrines, and military policies of key regional actors. It also looks at the prospects for shifting regional alignments and security relationships and internal developments that could affect U.S. presence, capabilities, and force requirements. The discussion makes clear that a business-as-usual approach to managing the U.S. military footprint in the region, and our security relationships more broadly, is no longer adequate to protect American interests. While many Gulf states are wary of the use of U.S. military force to remove Saddam, they are also weary of providing indefinite military support for a strategy of containment. The judgment that most Gulf states prefer a return to the pre-*Desert Storm* situation, in which a balance of power was maintained by a de facto partnership with

Iraq backed by a more distant over-the-horizon U.S. presence, has important implications for U.S. operational planning for defense of the region.

Chapter four assesses the long-term trends in the regional military balance with particular emphasis on prospects for Iraqi and Iranian acquisition of weapons of mass destruction and the ability of the Gulf Cooperation Council states and other U.S. regional friends, such as Jordan and Egypt, to contribute to Gulf defense. The analysis suggests that, at least for the next several years, the conventional military balance will remain favorable to the United States, as long as we continue to devote significant military resources to the region. However, barring a fundamental change in the geopolitical orientation and strategic intentions of Iraq and Iran (under current or possibly future regimes), a convergence of trends in the latter part of the decade could upset this balance.

Chapter five looks at how U.S. military requirements and force planning for the region will be affected by changes in American global defense strategy and transformation priorities. The discussion highlights the important point that U.S. strategy and force posture in the Gulf run counter to the overall changes that the military is undertaking. Regardless of what happens regionally, overall defense strategy will dictate changes in how the United States deploys its forces in the region and the strategies for their employment. Bringing the U.S. military posture in the Gulf in line with overall military doctrine will entail changes that need to be thought through with regard to the politics of relations with the Gulf states. Equally important, in the mid- to long term, the advent of new technologies and operational concepts could allow the United States to redesign its peacetime presence and its reinforcement plans for the region in ways that are militarily effective and politically palatable. In particular, the creation of small, high-tech "spearhead forces" for early entry could strengthen forward defenses while offsetting the need for both a larger peacetime presence and large, inflexible reinforcement plans. The assessment concludes that moving in this direction could free up forces for other global missions that are now rigidly allocated to Gulf missions and focused solely on an old-style war against Iraq.

Chapter six offers an overview of the objectives, interests, and policies of outside powers and the challenges and opportunities that they present for U.S. regional security strategy. It focuses in particular on the stance of these countries toward U.S. military operations in the Persian Gulf and the actions they might take, such as transfer of sophisticated conventional arms or military intervention, that could upset the geopolitical status quo or balance of

military forces in the region. The discussion suggests that, in light of the challenges and constraints the United States is likely to confront, it will be easier for America to achieve its goals in the Gulf if it works in partnership with other countries rather than alone, particularly in the event that the current Iraqi regime is toppled and a new Iraqi government confronts the challenge of reconstruction, maintenance of order, and modernization. Multilateral approaches to the region's security problems will require compromises that may occasionally constrain U.S. freedom of action, but the benefits of such cooperation, especially insofar as they reduce the political, diplomatic, and material burdens of U.S. engagement in the region, outweigh the costs.

The concluding chapter discusses a post-containment strategy for adapting U.S. defense planning for the Persian Gulf to changing regional conditions in the overall context of American global defense strategy. It focuses on the following questions: Does the United States have the right strategy and posture in the region given the threat environment that it is likely to face over the next decade? What changes need to be made in the American peacetime presence, basing and access arrangements, bilateral defense relationships, military operations, force planning, and peacetime engagement activities? It puts forward a modest but important agenda for change that will allow the United States to sustain its commitments at a lower cost.

Several broad themes emerge from these assessments. First, the United States will need to adopt a more comprehensive approach to the region's problems that, while advancing such other regional goals as secure access to oil and preventing the spread of weapons of mass destruction, elevates the importance of combating terrorism in shaping the U.S. peacetime military presence and security relationships with key Gulf states. Second, the United States needs to diversify its reliance on local security partners. It remains too dependent on Saudi Arabia for supporting its military engagement in the region. Spreading America's military access arrangements more broadly throughout the region will reduce the political burdens on the Saudi royal family of sustaining its American connection while minimizing the risks that Saudi internal problems will constrain U.S. freedom of action. If the United States succeeds in toppling the Saddam Husayn regime, the need for Saudi Arabia as an ally and military outpost in the region will substantially diminish, but not disappear altogether, especially if a post-Saddam regime is slow to establish and consolidate its control over the country. Third, the drastic reduction or elimination of the Iraqi threat to the region is the sine

qua non for success in guaranteeing the security of the Gulf while reducing the political costs that the U.S. military presence imposes on other interests and Gulf partners.

Not everyone will agree with the judgments and recommendations of this study. Indeed, the contributors disagree among themselves on important matters of policy and implementation, in particular whether the United States should use military force to oust the Saddam Husayn regime. Moreover, on many issues, they raise more questions than they answer. This is the case, for example, on a key political paradox that permeates this volume: the need not to abandon Saudi Arabia while at the same time reducing the U.S. footprint there. There are no simple or easy solutions to this longstanding paradox. Regardless of the outcome of the Iraqi scenario, the United States will need to maintain forces in the region, and Saudi Arabia will continue to assume an important role in the American forward deployed posture. Pulling out of Saudi Arabia would send the wrong political signals to regional players and even to the political opposition in Saudi Arabia that the United States was abandoning the regime. However, as is evident throughout the study, the U.S. military presence in Saudi Arabia is having deleterious consequences for regime stability. The discussion in chapter five suggests that this circle can be squared by projected improvements in U.S. force projection capabilities and new operational concepts. But these changes will not materialize for some time. Besides, there are grounds for questioning whether shifting more of the political and military burdens of supporting U.S. military strategy to the smaller Gulf states is sustainable over the long haul. The tension between these two perspectives runs throughout several of the chapters.

As this book goes to print, it is highly likely but not yet certain that Iraq will be disarmed by the use of military force. Also unclear is the outlook for a post-Saddam Iraq, and the region more broadly, if war becomes the only means available to enforce UN Security Council resolutions mandating the elimination of Iraqi weapons of mass destruction. Given these uncertainties, the essays herein postulate a broad range of possible outcomes to the international community's confrontation with Saddam Husayn, but they do not offer a definitive blueprint to achieve some desired end state. Rather, the purpose of this book is to illuminate the dominant factors that will shape the post-containment regional security environment and to stimulate a more in-depth discussion of the critical issues and options that lie ahead for U.S. regional security strategy.

U.S. Interests and Objectives

Joseph McMillan

For more than half a century, the United States has defined its paramount national security interest in the Persian Gulf as “maintaining the unhindered flow of oil . . . to world markets at stable prices.”¹ The importance of the Gulf to the global economy remains undiminished and will only increase over the coming decades. September 11, however, starkly emphasized that energy is not the only U.S. interest in the Gulf region—or even necessarily the most important. Any strategy aimed at defeating terrorism with global reach must focus heavily on the Gulf region, where so many of the September 11 terrorists originated and so many of the ideas and attitudes that drive terrorist behavior have their roots.

The Gulf area presents not only political and military challenges to U.S. national security but conceptual challenges as well. In recent decades, the American people have come to expect national strategy, especially the use of military force, to be driven by a conjunction of vital interests and core values. But in the Persian Gulf, U.S. security relations with regional states are built not on shared values, of which there are few, but instead on shared interests, of which there are many. In fact, one of the key challenges in Gulf policy has long been how to manage the divergence between interests and values, a challenge that will only grow more difficult in the years ahead.

What are U.S. interests in the Persian Gulf, and how have they changed in the last decade and especially since September 11? What are the threats to both our interests and values, and are they inevitably in conflict with each other? How will the dynamics of the regional security environment shape U.S. security strategy in advancing those interests and values? This chapter seeks to address these questions and to frame the issues, choices, and priorities confronting U.S. policy for the region. The first section provides an overview of American interests. The next section evaluates the effectiveness of past and current U.S. policies in dealing with the many issues and challenges the United States faces in

fashioning a coherent regional security strategy. The last section frames strategic objectives for the future and the key factors that will shape U.S. policy choices.

Understanding U.S Interests in the Gulf

The Terrorist Backlash

Although terrorism of global reach is a diffuse and widespread phenomenon, its geographic center of gravity lies in the Persian Gulf region and its immediate periphery. Iraq and Iran have long supported terrorist operations against citizens and interests of the United States, its European allies, and moderate Middle East states. More recently, it has become apparent that the Gulf Arab states around which U.S. strategy has been built, and whose security that strategy is designed to defend, offer some of the most fertile ground for funding and recruiting transnational terror organizations. They have also been the scene of some of these groups' most devastating attacks, including bombings in Kuwait in the 1980s, Saudi Arabia in the 1990s, and Yemen in 2000.

Since September 11, it has become evident that terrorist movements no longer affect the welfare of the American people only indirectly, by threatening our national interests abroad, but directly endanger the lives and safety of Americans at home, the protection of which is among the fundamental purposes of our constitutional government. Accordingly, the suppression of terrorism driven by an antimodern backlash—a phenomenon springing in large measure from the areas bordering the Persian Gulf—must now be considered a vital national interest. Suppressing terrorism on anything but a temporary basis, however, will require addressing the conditions that breed it. Unfortunately, despite decades of study, we still do not have a full understanding of the roots of the type of terrorism that we face today, but several points are clear.

First, although much of the blame for the climate that breeds anti-Western terrorism rests with governments that are generally friendly to the United States, dealing with this problem presents dilemmas. To be sure, repressive domestic policies, ineffective economic strategies, and failure to permit evolutionary political development have historically tended to contribute to violent and extremist behavior. Yet, for many countries, abandoning repressive practices could have unintended and undesirable consequences. In the Islamic world, there is considerable risk that the removal of intrusive security practices would allow radical movements to flourish, including those that preach antidemocratic doctrines

and practice violent tactics. In addition, many friendly governments in the region are faulted (correctly) for permitting or even sanctioning vitriolic anti-American and anti-Western rhetoric in state-controlled media. Unfortunately, the granting of full freedom of expression would make such rhetoric more, not less, prevalent, at least in the near term. Moreover, the United States will face tensions among the national security requirement for diplomatic and military cooperation from these states and access to their facilities, the need to promote political and social reform by their regimes (or at least to remove the popular perception that the United States is propping them up), and the prospect that responsiveness to public opinion—good in itself—will cause these governments to restrict U.S. access and refuse the cooperation needed to succeed in the antiterrorist struggle. Finally, in considering the impact of rapid democratic reform in an area where the United States has vital interests, we would do well to keep in mind Lisa Anderson's warning that "although democracies may be stable and peace loving, democratizing states rarely are."²

Second, the terrorists' stated policy justifications for their actions are largely specious. The U.S. military presence in the Gulf may have catalyzed sympathy for terrorist movements acting in the name of Islam and the Arab nation, but they did not cause it. Likewise, there is a connection between the Israeli-Palestinian conflict and sympathy for anti-Western terrorism, but the causal relationship is far from simple and in any case inadequate as a comprehensive explanation. No peaceful settlement of the conflict in itself can eradicate terrorism. On the contrary, such a settlement may well worsen the problem in the short term, as those who oppose reconciliation in any form redouble their efforts to derail a peace deal or even a resumption of negotiations. Over the longer run, however, resolution of the dispute could contribute to ending terrorism and the conditions that breed it, for reasons that will be explained below.

Finally, the traditional stereotype of the terrorist as a hopeless young man from the slums has proven misleading. Recent suicide bombers have included young men from wealthy Arab families, middle-aged men with jobs, wives, and children, and even young women. The current wave of terror is no more driven by economic deprivation than were the Baader-Meinhof gang and the Red Brigades of the 1970s and 1980s. Solutions to terrorism that focus on improving economic conditions will therefore be inadequate. Instead, we would do well to consider the case, made by Francis Fukuyama a decade ago, that Islamic revivalism in general and its terrorist manifestation in particular are primarily

a response to feelings of cultural humiliation—that is, the sense that the Arab-Islamic world is a culture under siege, unable to fight back within the rules of even its own social and legal norms.³

Political Development

These observations suggest that ending terrorism and achieving political stability in the Persian Gulf will be a task of daunting complexity. On one hand, the foregoing analysis suggests that there is little hope of success in the commonly posited approaches to attacking the roots of terrorism—introducing Western-style democracy, spending money on traditional forms of foreign aid, and solving the Arab-Israeli dispute. Yet it is also clear that the Gulf region will continue to be a breeding ground of terrorism, discontent, and war unless some way can be found to bring about the political, social, economic, and intellectual changes that would enable its people to come to terms constructively with the modern world.

Over the course of 3 centuries, Islamic societies have sought to meet the challenge presented by the West by alternately imitating and rejecting it, with neither course providing satisfaction. The results of this failure are visible throughout the Islamic world, including in Iraq and Iran. Moreover, political and social Westernization that failed when it was embraced by indigenous elites is even less likely to succeed if it is foisted upon the region by outside forces. To be successful and survivable, political reform must develop organically, adapting the region's traditional religious, political, and cultural practices to meet the realities of the modern world. The question is whether such development is possible, given that the present debate often seems to be between those who, for the sake of stability, would change nothing in the current system and the radicals who would wreck the current system rather than adapt it to modern realities.

The debate outside the region has been equally fruitless. Since September 11, the lines have been drawn between those who see the introduction of sweeping democratic reforms in countries from Saudi Arabia to Egypt to Iraq as the key to “draining the swamps” where terrorism breeds⁴ and those, especially regional experts, who disparage any prospect of reform as contrary to historical experience and the realities of Islam.

In discounting the chances for political evolution, the nay-sayers are disregarding not only the clear social changes that have taken place—and that have driven political changes wherever else they have occurred—but also the processes of political reform that are clearly under way in a number of countries, including Kuwait, Jordan, Yemen, Qatar, and Bahrain.

The trend of democratization has gone furthest in Iran, where reformist candidates have repeatedly won elections at the presidential, parliamentary, and local levels against the clearly expressed wishes of the ruling clerical establishment.

Conversely, those who see rapid democratization as the key to fighting terrorism seem to ignore the fact that even these successes are a mixed blessing. Many of the candidates elected are far from friendly to U.S. interests, as in the case of Iran, or to Western concepts of pluralism and universal human rights, as in Jordan, Yemen, and Kuwait. Moreover, if liberalization brings with it a wave of mass protests and street demonstrations, it might simultaneously unleash passions that are difficult to control or to channel into productive political change. Even governments that are honestly attempting to reflect the desires of their people may find themselves pushed aside by revolutionary dynamics, with dire consequences for the people of the region as well as for American interests. Those who do hang on to power would be hard pressed to support contentious U.S. policies while Washington asks them to sign what they will see as their institutional death warrants.

Even with the changes that have taken place, it is nevertheless undeniable that few Middle East political systems have kept pace with the revolution in political communication and the mobilization of opinion that have swept the region in the last 20 years. Beyond these difficult political challenges, the Gulf region, as detailed in the following chapter, also faces critical economic, demographic, and social problems that pose additional obstacles to political reforms. Like the Bourbons and Romanovs before them, ruling elites have generally responded to this social transformation—and concomitant demands for political transformation—with denial, repression, or cosmetic half-measures. The Gulf states may not be heading for violent revolution because of such pressures, but they will be increasingly forced to offer greater accommodation to mainstream demands for reform.

These trends underline an important point about American interests and military presence in the Gulf. The objective of U.S. involvement in the Gulf is stability, not preservation of the status quo. The United States has no interest in the kind of stability that comes from immobility; structures that try to remain rigid and immobile are apt to find themselves swept away by the currents swirling around them. The U.S. presence in the Gulf is intended to preserve the conditions necessary to maintain the flow of oil, primarily by ensuring that no hostile power can establish hegemony over the

region. It is not designed to shield regional regimes—however friendly to our interests—from having to deal constructively with the implications of a changing world. The dilemma for the United States, of course, is that it will be accused of imperialism if it pressures regional governments to make democratic reforms and improve their human rights performance. But if it does not apply such pressure, it will be criticized for propping up regimes that are seen by their opponents as corrupt and oppressive.

In sum, the massive disruption of a revolutionary explosion would be the most dangerous outcome for the inhabitants of the region, the interests of the United States and the West, and American citizens at home. The United States therefore needs to find a way to assist the people of the region in forestalling such an explosion through successful evolutionary adaptation, even as it continues to deter, dissuade, and, if necessary, defeat aggressive behavior. Imposing a Western system on a profoundly non-Western group of societies would be resented, result in governments with less legitimacy than those now in power, and thus lead to continued instability and insecurity in the long run. Instead, the United States and the Gulf Arab states should look to accomplish three broad political tasks:

- Create breathing space for evolutionary change by promoting the resolution of regional disputes, reducing the danger from the major destabilizing threats, and moderating the perceived cultural pressure exerted by a highly visible U.S. military presence. Extreme interpretations of Islam have historically had their strongest appeal when Muslims have believed their civilization was under pressure from without, as it is today. In a globalized world, that pressure is not going away, but moving the region away from its perpetual cycle of crises might allow many Muslims to return to the more tolerant, less political ways of manifesting the faith.
- Support effective governance by exerting control over their national territory, delivering expected social services, and generally filling the role expected of all sovereign states in the war against global terrorism. This would simultaneously enhance the legitimacy of regional states, an issue upon which most observers of the regime place much more emphasis than upon formal democracy.
- Foster social development by quietly encouraging the emergence of diverse voices from within the Arab and Islamic world, supporting modernization of education, and related steps. The strategic aim is for the people of the region to develop an intellectual and cultural framework that has a place for cultural coexistence and peaceful

interaction with the West. A winning strategy against terrorism depends on Muslims' finding a way to reshape the way they have been taught to see history—as an eternal struggle between Islam and non-Islam.

Secure Energy

Energy, historically the number-one rationale for U.S. concerns about regional security, has been joined by the suppression of terrorism and the need for sociopolitical transformation as key U.S. interests in the Persian Gulf. It has not, however, been supplanted by them.

It is often argued that shifts in the sources from which the United States obtains its oil supplies mean that we need not be so concerned about the security of the Gulf. We have, in fact, substantially increased the quantities of oil we buy from Western Hemisphere sources, yet a larger share of the total U.S. crude oil supply nevertheless came from the Gulf in 2001 than at any other time in history. Others point to the long-term tendency of supply and demand to reach price equilibrium and the relatively low price of oil in the current market, but neither of these facts should lull us into complacency. Any forecast that extrapolates current market conditions into the future assumes continuity in the environment in which the market operates. Yet historic experience, the foregoing analysis of political, economic, and social trends in the Gulf, and the panoply of threats to security in the region argue that there is a marked probability of *discontinuities* that would sharply alter present market realities.

In some ways, the very fungibility of supplies that allows markets to stabilize in normal times is what makes all consumers worldwide feel the effect of any major disruption. In the global petroleum market, supplies literally flow to wherever the price is right, with tankers carrying millions of barrels of oil diverted en route from the wellhead to the refinery in response to trades that take place daily on the floors of exchanges in Rotterdam, London, and New York. Because of this fungibility, it is almost irrelevant whether the United States is buying its oil on any given day from Nigeria, Venezuela, or Iran. Prices are driven by worldwide supply and demand; American businesses and consumers pay the market price regardless of where the oil originates. All users throughout the world would feel the interruption of supplies from any major producer.

The secondary effects of energy supply and price discontinuities are also important. In a global economy, no one is insulated from the consequences of energy disruptions or price spikes, even if the results are not felt directly. Major U.S. trading partners are far more dependent on Gulf oil

than the United States. Unreliable or excessively costly energy supplies would depress demand for our exports and increase the cost of imports. If demand were suppressed, U.S. exporters, who account for more than 10 percent of gross domestic product, 20 percent of the goods the country produces, and some 12 million American jobs, would feel the results. In the case of higher prices for imports, American consumers buying everything from Japanese electronic goods to French wines would suffer the consequences.

What is therefore relevant when assessing the importance of the Gulf to the national interest is not how much oil the United States gets from the region but the extent to which the entire global economy relies on the energy that comes from this fragile part of the world. It is particularly important to understand this reality in light of the attention that has been given to the potential of hydrocarbon deposits elsewhere.

As of the end of 2001, the Persian Gulf region was estimated to hold roughly 670 billion barrels of proven crude reserves, nearly two-thirds of the world total, as well as some 35 percent of proven natural gas reserves.⁵ No other region rivals this resource base. Current estimates of proven reserves in the much-discussed Caspian Basin vary dramatically, but at most it is likely to contain some 33 billion barrels, less than 5 percent of the amount in the Gulf.⁶ As investment and exploration move ahead in the Caspian Basin, the size of reserves is likely to increase dramatically. Indeed, as of February 2002, the U.S. Energy Information Administration put the total of proven, probable, and possible reserves in the Caspian at some 233 billion barrels—the apparent equivalent of another Saudi Arabia. But Persian Gulf reserves are also likely to be substantially larger than those already proven. Estimates of Iraq's possible (but as yet unproven) reserves are now placed at 220 billion barrels, about the same as in the entire Caspian Basin, while Saudi Arabia may well have recoverable petroleum resources of as much as a trillion barrels.

Current and projected production levels are in any case more relevant to patterns of energy dependence than conjecture about possible additional reserves. Over the course of 2001, the Gulf countries provided a little more than 19 million barrels a day (MBD) of crude oil, about 30 percent of global crude production. The entire former Soviet Union, including not only the non-Iranian share of the Caspian Basin but also fields in northern and eastern Russia, is likely to attain less than 75 percent of the Gulf's *current* output by 2020, when the Gulf will probably be pumping nearly 40 million barrels a day—roughly one-third of forecast worldwide production and more than 60 percent of the oil moving in international trade.

The Gulf's dominance in capacity is even more striking than its dominance in current production. More significant from a strategic point of view is that the Gulf holds 91 percent of *excess* production capacity—a measure of the ability to bring additional oil to market quickly in case of disruptions. In other words, with the Gulf now producing about 19 MBD, and spare capacity outside the Gulf of less than 900,000 barrels a day, even a 5-percent cut in Gulf output could not be quickly replaced from elsewhere. Moreover, with demand in the former Soviet Union and the developing world growing, virtually all excess production capacity will be concentrated in the Gulf within the next 2 decades.

This is not to disparage the importance of developing new sources of oil. The strategic importance of the Persian Gulf would decline geometrically if the share of global energy demand met by non-Gulf resources—or, better yet, by non-hydrocarbon resources—were to increase.⁷ Unfortunately, nothing on the horizon is likely to achieve such a result to the degree that the United States and its allies can stop worrying about the security of Persian Gulf oil. Any reasonable projection shows that energy dependence on the Gulf will actually increase substantially over the next 2 decades. With global petroleum requirements expected to rise at least 50 percent over the next 20 years, only the Persian Gulf states have both the reserves and the production capacity to satisfy much of the incremental demand. Moreover, the Gulf's extraordinarily cheap production costs—less than \$1.50 a barrel—and the minimal capital requirements to increase capacity there point to increasingly greater economic dependence on Gulf oil.

It is frequently argued that despite the West's dependence on oil from the Gulf, supplies are not really at risk because no supplier in the region has any choice but to pump and sell its oil—after all, as the saying goes, they cannot drink it. Even if there were a temporary disruption, the United States could ride it out with the Strategic Petroleum Reserve and similar stockpiles throughout the oil-importing world. There are, however, four serious flaws in this analysis:

- It assumes that governments will behave according to our ideas of economic rationality, as though the material welfare of their constituents (whether all the people or a small group) is uppermost on their agendas. This has not always been the case in the past, and it will not necessarily be so in the future.
- It ignores the potential effects of military aggression—not only attacks on oil facilities and transportation routes themselves but also the disruptions in the production process that are inevitable in a

wartime situation. This risk is even more salient with the growing threat from weapons of mass destruction. It also assumes that a country such as Iraq would view the economic needs of an occupied country—like Kuwait—the same way it views its own. Had the 1990 Iraqi invasion of Kuwait been allowed to stand, Saddam could have taken Kuwaiti oil production to zero and still have realized a wind-fall for his own treasury from skyrocketing market prices.

- It overlooks the consequences for oil production of disruptive regime changes. The Iranian revolution is a case in point. Iranian oil production dropped from about 5.7 MBD in 1978 to 1.8 MBD in 1980, a reduction of 68 percent. A comparable cut in current Saudi production would take some five million barrels a day off the market. True, emergency stockpiles could cover the shortfall—for perhaps 3 months. The Iranian oil industry has yet to recover fully from the effects of the revolution 23 years later.
- It neglects the importance of price. Even if supplies were only withdrawn for a short period, the ripple effect of highly unstable prices for the key commodity in the global economy could be heavily damaging and long lasting.

In summary, then, Persian Gulf petroleum resources are, and will be for the foreseeable future, a vital factor in the economic health of the United States and the world. That alone would give the Gulf region particular salience in how the U.S. Government and its armed forces shape their global strategy.

Freedom of Navigation

Not only must production and stable prices be sustained, but there also must be assurances that the oil produced can get to market. The Arabian Peninsula is bounded by three of the most important maritime chokepoints in the world—the Strait of Hormuz, the Bab el Mandeb, and the Suez Canal. (See map inside front cover.) Ninety percent of the petroleum exported from the Persian Gulf in 2000 transited the Strait of Hormuz, two-fifths of all the oil traded internationally in the world. By 2020, this flow is expected to more than double. In the near term, there is no way to offset the closure of the Strait by turning to other transportation means. Pipelines and trucks simply do not have the capacity to make up a flow of the scale that goes through the Strait.⁸

The closure of the Bab el Mandeb or Suez Canal would also cause substantial disruptions to energy trade between the Gulf and the West, although not the catastrophic disruptions that would stem from long-term

closure of the Strait of Hormuz. The additional time and distance incurred in going around the Cape of Good Hope would require putting into service the equivalent of at least 30 additional very large crude carriers—a number roughly comparable to the entire tanker fleet of Exxon Mobil or Royal Dutch Shell—to maintain the current flow of oil from the Gulf to Europe.

Tankers are not the only traffic passing through the Strait of Hormuz, the Bab el Mandeb, and the Suez Canal. Apart from oil and other commercial traffic, these waterways and the airways above them play a key role in the ability of the United States to swing heavily tasked military forces from one theater to another in response to emerging and unexpected crises. Furthermore, the logistic problem of deploying and supporting forces in the Indian Ocean—as in the current operations in Afghanistan—is several times more demanding if supplies have to flow around the Cape of Good Hope or across the Pacific than if the Suez Canal and the Bab el Mandeb are available.

Of course, the United States is unlikely to lose access to these key transportation routes for any length of time under present political and military conditions. Nevertheless, a strategy toward the Gulf region must look out over a period of years. Use of the Suez Canal always depends on the inclinations of the government in Cairo; a future Egyptian regime hostile to the United States or the West could close the canal and deny U.S. flights through Egyptian airspace, thereby limiting U.S. regional military capabilities. Likewise, while the presence of a robust U.S. military force obviously limits the ability of potential aggressors to close the Strait of Hormuz or Bab el Mandeb, a reduction in the American military presence would raise the risk of a closure, depending on the attitudes of the states abutting these waterways and the capabilities of U.S. regional partners to keep them open. Even with the current level of U.S. presence, several countries, including Iran, would be able to interfere with shipping with mines, submarines, and antiship cruise missiles. As was demonstrated when the U.S. Navy had to clear Libyan mines from the Red Sea in the 1980s, it does not take a sustained effort to create a sustained disruption in traffic. The so-called tanker war between Iran and Iraq in the 1980s also showed the difficulty and danger involved in maintaining the flow of merchant traffic through a war zone, even though in that case neither combatant made a determined effort to cut off shipping completely and the impact on oil prices was minimal. In

short, keeping sealanes open may be a manageable task, but it is not one that can be taken lightly.

Weapons of Mass Destruction

As the war against al Qaeda and the Taliban has made clear, U.S. interests and the threats to them do not break down into neat geographic boundaries. The effects of the endemic instability and violence that have long characterized the Middle East are no longer confined to the Middle East itself. It is thus insufficient to ask, as we might have done 10 years ago, “What U.S. interests are at risk in the Gulf?” We must now also consider the increasing threat that this cauldron of conflict presents to American friends and allies on the region’s fringes and beyond.

Apart from terrorism, the most serious transregional danger emanating from the Gulf region is the continuing proliferation of weapons of mass destruction (WMD) and long-range ballistic missiles. Several of the countries of greatest concern to the United States as WMD proliferators—Iraq, Iran, Syria, and Pakistan—are either in the Gulf or on its periphery, and several other countries are at risk of following the same path. In many cases, potential targets of immediate concern to U.S. security are within range of the ballistic missiles of at least half a dozen regional powers. For example, as highlighted in chapter four, a nuclear- and missile-armed Iraq and Iran would be a threat not only to their immediate neighbors and U.S. forces operating in the Gulf but also to Israel and U.S. allies in Europe, especially Turkey.

The combination of regional dynamics and the evolution of WMD technology is apt to make such proliferation an ever-accelerating and increasingly destabilizing phenomenon over the next decade, enormously complicating the development and execution of U.S. policy. In the first place, there are no strategic dyads in the Middle East—nothing comparable to the relationship that led to stalemate in the U.S.-Soviet strategic struggle during the Cold War. Even if a particular country sees its own WMD programs as aimed against a single particular enemy, other regional and even extraregional states will not perceive it that way and will react to the perceived threat accordingly. As a result, the so-called security dilemma is likely to come into play with a vengeance, as country A’s efforts to enhance its own security vis-à-vis country B are quickly offset by unexpected countermoves on the part of countries C, D, and E. Clearly, this is a formula for a strategic arms race of major proportions.⁹

Moreover, advances in WMD technology, particularly in the development of new biological and chemical agents and unconventional means

for delivering them, will vastly complicate the defensive aspects of any counterproliferation strategy. It will therefore become increasingly difficult for the United States to persuade regional states that it will be able to defend them from attack if their support for U.S. policy puts them at risk. This could have two possible effects, neither of them positive. On the one hand, weaker states could decide that siding with the United States is what makes them targets; the way to avoid being attacked with weapons of mass destruction may be to avoid giving the possessors of the weapons reason to attack. Conversely, those who are able to do so may decide that they have no choice but to acquire deterrent capabilities of their own, further destabilizing an already unstable balance. Given the passions that divide the region and the long history of disastrous decisionmaking, such a prospect can only be described as bleak.¹⁰

Evaluating the Strategic Record

Many of the challenges facing the United States in the Gulf today were explicitly discussed in May 1993, when the Clinton administration unveiled its dual containment strategy. This approach to regional security, which has governed U.S. Gulf policy for most of the ensuing years, was explicitly founded on four basic premises:

- Both Iraq and Iran were hostile to American interests in the Middle East and, implicitly, were likely to remain so for the indefinite future.
- Iran presented the more serious threat.
- Seeking regional security by balancing Iraq and Iran against each other would be ineffective, dangerous, and unnecessary.
- The Gulf War coalition could be sustained to defend the region against the threats posed by both countries.

A fifth premise, unstated in public, was that the turmoil in Iraq after the Gulf War and the reign of terror necessary to suppress it underscored the weakness of Saddam Husayn's regime. The strategy, then, was to place this weak regime on the horns of a dilemma. If Saddam humiliated Iraq by fully implementing the post-Gulf War cease-fire resolutions, his own generals would oust him; if he did not, the prolonged application of sweeping economic sanctions would lead to a wave of popular unrest that would topple the regime.

Nevertheless, although expressing a strong preference for a change of regime in Baghdad, the first Clinton administration did not make it an overt part of its policy. Instead, the United States would follow a strategy of enhanced containment comprising three elements:

- demanding compliance with United Nations (UN) Security Council resolutions¹¹
- providing humanitarian support to the Iraqi people
- ensuring, through the UN resolutions and their enforcement and inspection measures, that as long as the Saddam Husayn regime survives, it will not be in a position to threaten its neighbors or to suppress its people with impunity.

The administration characterized the challenge facing the United States from Iran as more difficult. Tehran's hostile intentions were not subsiding, and its capabilities were increasing. Moreover, the existence of international sanctions against Iraq but not Iran was dangerously shifting the regional balance in favor of Iran.¹² In response, the Clinton administration adopted a policy called active containment (to differentiate it from the Iraq policy of enhanced containment). While the United States would not seek a confrontation with Iran, neither would it normalize relations until Iran changed its objectionable policies with respect to WMD, support for international terrorism, and opposition to the peace process. Although it would be open to dialogue conducted through authoritative (that is, official) channels, the United States would work to block Iranian acquisition of both WMD and threatening conventional weapons and to isolate Iran economically until it saw significant changes in Iranian behavior.

In retrospect, much can be said in favor of the Clinton administration 1993 Middle East policy. It clearly linked the Arab-Israeli peace process to U.S. interests in the Gulf, and it identified pressure for social and political change as a key source of violence for the future—a prescient statement seen from the perspective of September 11, 2001. Yet the Clinton administration policy toward the Gulf was largely unsuccessful, mainly because two of the key assumptions on which it was built turned out to be badly flawed, although they seemed altogether reasonable at the time.

Iraq: Unexpected Stasis

Given the devastation of two major wars in the space of 10 years, a crippled economy, crushing international debt, 2 widespread rebellions, foreign occupation and overflight of substantial portions of the country, and sweeping UN sanctions, few analysts looking at Iraq in the early 1990s would have given Saddam Husayn much chance of surviving into the 21st century. Yet the Iraqi regime turned out to be more durable and resilient than most people thought. As the post-Gulf War stalemate with Baghdad stretched into its seventh and eighth years, both the coalition and the

international consensus on sanctions began to unravel. Over the second half of the 1990s, it became apparent that containment exercised through sanctions, inspections, and no-fly zones could not bring about regime change, secure Iraqi compliance with its cease-fire commitments, or provide any degree of certainty that Iraq was not developing WMD. Saddam succeeded in making the United States, rather than his own recalcitrance, appear responsible for the suffering of Iraqis under sanctions. The United States was forced to accept increasingly looser interpretations of the term *food* and progressively higher ceilings on the amount of Iraqi oil that could be exported under the oil-for-food program. As a result, Iraq was able to export legally all the oil it could produce and import virtually any kind of consumer good on the market. Increasingly, the UN-based strategy that had been a key source of legitimacy when the United States had clear international support now became a liability.

Meanwhile, as other crises demanded attention, the mood in the administration began to shift against the desirability of confrontation. In particular, following Secretary General Kofi Annan's compromise that headed off a confrontation over the UN Special Commission access to Iraqi presidential sites in February 1998, the Clinton administration concluded that reacting to Iraqi provocations actually strengthened rather than weakened Saddam's position. Accordingly, it began looking for ways to move Iraq off the front pages and avoid incidents that would require the use of force. Nevertheless, Saddam Husayn's persistence in testing the limits of obstruction eventually forced the Clinton administration to launch the most robust coalition military action since the Gulf War, the four days of missile and air attacks known as *Desert Fox*. By that time, however, it had already become obvious that using sanctions, inspections, and the threat of military retaliation to contain the Iraqi regime, let alone to create the conditions leading to Saddam's ouster, was a strategy whose time had passed. It was time to choose one of two options: take more direct action to bring about a change of regime and the forcible resolution of the Iraq problem, or retrench into long-term deterrence and containment. Under the latter approach, the United States, as it has done on the Korean Peninsula, would accept the continued survival of a hostile regime in a vital region but defend against Iraq with a robust forward presence and deter it from egregious conduct with the threat of overwhelming retaliation.

Faced with these alternatives, the administration half-heartedly chose a combination of both options with a policy it labeled *containment plus regime change*.¹³ Driven by Congressional enactment of the Iraq

Liberation Act, the Clinton administration made regime change an explicit part of its policy in late 1998,¹⁴ although with serious reservations. At the same time, the administration set forth a set of red lines characteristic of a strategy of deterrence and containment, but phrased in a way that left considerable doubt whether the United States would actually use force if the red lines were crossed.¹⁵ Finally, the administration put considerable diplomatic effort into reconstructing a WMD inspection regime, offering relaxation of sanctions in return for Iraqi cooperation. Yet it did not include Iraqi rejection of the Security Council resolution setting up the new monitoring commission among the red lines for use of force. In fact, Secretary of State Madeleine Albright explicitly ruled out use of force for that purpose.¹⁶

In some respects, stating regime change as an overt goal made dealing with the Iraq question more difficult. It definitely changed the metric by which U.S. actions vis-à-vis Iraq were measured, to the detriment of American credibility. The case of the new Operation *Southern Watch* response options illustrated this conundrum. In response to stepped-up Iraqi challenges to the no-fly zones following *Desert Fox*, the U.S. Central Command was given flexibility to strike targets related to air defense in southern Iraq. The use of this authority seriously degraded Iraqi air defense capabilities in the south and left coalition forces in an enhanced position to conduct additional operations on short notice if directed. Furthermore, by permitting verification and enforcement of UN Security Council (UNSC) Resolution 949—which bans the enhancement of Iraqi forces in the southern part of the country—*Southern Watch* makes a direct contribution to the coalition's ability to defend Kuwait. Yet the adoption of more assertive ground rules for this operation has been repeatedly faulted because it has not decisively undermined the regime—even though it was not designed for that purpose nor, given British reservations about regime change as a legitimate policy objective, could it have done so without unraveling the last remnants of the *Desert Storm* coalition.

The fact that all U.S. actions were now examined in light of their contribution to a declaratory policy of regime change also accelerated the erosion of international consensus. Governments that were comfortable with securing the region against renewed Iraqi aggression, limiting Iraqi military capabilities, and enforcing compliance with UN resolutions were less willing to sign up to overthrow the recognized government of Iraq. With regime change front and center, the rest of our agenda became suspect. Governments that would have been inclined to support U.S. policy on

everything *except* regime change found it difficult to support *any* aspect of U.S. policy once regime change came to be seen as the ultimate end of the policy as a whole. Even those who would have been more than willing to support the covert overthrow of the Ba'athists found that without the cover of plausible deniability they were no longer able to do so.

Shortly after coming into office, the Bush administration tried to salvage what was left of sanctions by pursuing Security Council endorsement of what have been called smart sanctions. These would narrow the range of prohibited goods to a well-defined list of items that would make a clear contribution to military capabilities. They would also partially shift responsibility for enforcing prohibitions from member states (that is, the United States) to the UN bureaucracy. Finally, they would tighten controls on oil smuggling by enlisting the support of Iraq's neighbors. In effect, this approach sought to make the best of a bad situation, retrenching from a position that was no longer diplomatically tenable. Conceptually, the idea had merit. In practice, it was dead on arrival, given the unyielding Iraqi opposition to anything that might legitimate the continuation of sanctions. In any case, the other key element of the smart sanctions proposal—the expectation that the countries providing the principal avenues for smuggling could be persuaded to crack down on the illicit traffic in defiance of their own economic and political interests—proved totally unrealistic.

Iran: Unexpected Change

In contrast, Iran was more susceptible to change within the framework of the Islamic Revolution than anyone thought possible in 1993. By 2000, it was obvious that the tide of opinion in Iran was on the side of sweeping peaceful reform within the framework of the constitution, including reining in the clout of the reactionary clergy. A reformist president and parliament had been elected, social restrictions had been relaxed, and a freer press permitted. Dual containment made no allowance for any of this, or for the possibility that the United States and Iran might have convergent interests in the region that could open the way to tacit cooperation. Indeed, the passage of the Iran-Libya Sanctions Act in 2001 had the effect of hardening the U.S. position at the very time a glimmer of change was becoming visible in Iran.

For a time, the Bush administration seemed to be divided over how and whether to move forward on normalization with Iran. Advocates of a policy shift contended that sanctions harm no one but American companies and that the long-term U.S. interest is to reinforce moves toward moderation in Iran. Opponents responded that continued Iranian support

for Hizballah and Palestinian terrorist groups and its pursuit of nuclear and missile capabilities—especially those that threaten Israel—demonstrate that Iran's real agenda has not changed. Supreme Leader Ali Khamenei's antagonistic comments following the September 11 attacks, a dramatic backtracking from the Mohammed Khatami government's initially sympathetic reaction, only stiffened support for containment and isolation. President Bush's labeling of Iran as part of an axis of evil, along with Iraq and North Korea, appeared to strengthen domestic opponents of an Iranian opening to the United States.

Nevertheless, it has been easier to see that, since September 11, the United States and Iran have convergent interests on certain key issues. Despite U.S. dissatisfaction with Iranian meddling in northwestern Afghanistan after the fall of the Taliban, and even in the face of the possibility that important elements in the Iranian power structure may have allowed al Qaeda operatives to take refuge in their country, Iran nevertheless has an enduring national interest in stability in Afghanistan and the ultimate suppression of the virulently anti-Shi'ite al Qaeda. U.S. and Iranian interests are also congruent on the issues of Iraq and narcotics smuggling.

There has been modest forward movement despite the rhetoric and reservations on both sides. The administration included the anti-Iranian Mujahideen al-Khalq on the new U.S. list of terrorist groups, something Tehran had been seeking for some time. In response to a U.S. request, the Iranian government agreed to the use of its territory for search and rescue operations for downed coalition aircrews in Afghanistan as well as the transshipment of U.S. food supplies to Afghanistan through Bandar Abbas. More recently, Tehran announced that any U.S. personnel downed in Iranian territory during a possible U.S. war with Iraq would be promptly repatriated. Perhaps most significantly, members of Congress, including some of Israel's most solid supporters, have met with senior Iranian officials to discuss the way ahead.

Despite these convergent interests, the path toward U.S.-Iranian reconciliation is strewn with obstacles. Most obviously, hard-liners continue to control those parts of the Iranian security apparatus responsible for the behavior that led President Bush to include Iran in the axis of evil: pursuit of weapons of mass destruction, support for international terrorist groups, and support for violent resistance to the Arab-Israeli peace process. Recent reports of the extent of covert Iranian nuclear weapons development efforts are especially troubling. Furthermore, many of the Iranian policies and

practices the United States opposes enjoy broad-based domestic support from across the Iranian political spectrum. Just because Khatami wants better relations with the West does not mean that he would terminate Iran's WMD program to get them.

Looking toward a Post-September 11 Gulf

Given the Persian Gulf's inherent ability to affect the lives of Americans in quite dramatic ways, how would one go about devising a U.S. security strategy toward the region? To begin, it must be shaped by several overarching objectives.

First, the United States must limit the ability of regional forces—whether state or nonstate actors—to endanger American citizens, interests, and allies. Although U.S. interests and nationals have long been the objects of terrorist attacks and military operations in the region, September 11 demonstrated the potential for forces emanating from this region to destroy American lives and damage the welfare of the American people.

Second, the United States and its partners must prevent any single power from establishing hegemony over the Gulf. U.S. interests in the Gulf are so important that the United States and its allies must ensure they are not vulnerable to pressure or blackmail.

Third, the risk of conflict in the region must be reduced. Rivalries over succession, resources, ideology, and territory have already caused hundreds of thousands of deaths and untold economic losses. Moreover, the constant threat of external attack has served as the real or putative justification for highly repressive political structures. Persistent conflict has also contributed to the cultural feeling of being under siege, feeding the growth of terrorism. With the spread of missiles and WMD, the potential for a conflict to escalate out of control is growing yearly. The international community and region itself must find effective mechanisms for peaceful conflict resolution.

Finally, external intervention, even if stabilizing in the short term, has a corrosive effect the longer it continues. Yet simply withdrawing from the U.S. commitment to regional security would be self-defeating. Over the long run, therefore, the United States must find ways, through aid, diplomacy, and influence, to foster enduring stability through evolutionary political and economic development.

These objectives are easy to state but more difficult to attain because, in many cases, the apparent solution to one problem only aggravates others. For example, the most obvious way to ensure that the flow of oil is not

endangered by the hegemonic ambitions of a hostile power is to base a robust U.S. or coalition force in the Gulf on a permanent basis. Yet doing so would fuel the anti-Western attitudes from which terrorism springs and reduce the likelihood that regional states will pursue the reforms on which long-term stability depends.

There are similar tensions between the oil importing countries' interest in low prices and our countervailing interest in the oil producing states' investing adequately in national defense. Moreover, if oil prices are low, every riyal spent on defense—including those spent to support foreign forces—is a riyal taken away from social spending, fueling public dissatisfaction with friendly regional governments. Yet money spent on social services rather than defense capabilities serves to perpetuate the need for the presence of U.S. forces, which also stirs popular disgruntlement.

Finally, Iraqi recalcitrance about living up to the cease-fire and disarmament resolutions passed by the UNSC over the past 12 years has made it necessary to keep a significant force in the Gulf to maintain limits on Iraqi forces and to enforce the sanctions regime as well as defend against renewed Iraqi aggression. Paradoxically, however, the measures required to contain the Iraqi threat have also eroded the regional consensus that containment is desirable.

Within this complex environment, U.S. success in achieving its strategic objectives in the Persian Gulf over the coming decade depends mainly on three key variables:

- how effectively the Gulf Cooperation Council (GCC) states respond to pressures for domestic change
- how Iran's political evolution plays out and is reflected in Iranian foreign policy
- whether the Iraqi regime survives and reconstitutes its hegemonic threat.

The GCC States: Evolution or Revolution?

The moderate Arab countries of the Persian Gulf region clearly are facing social and economic pressures that could transform their politics within the next decade. In addition, Saudi Arabia, Kuwait, and Oman are almost certain to undergo leadership successions, strictly on the basis of actuarial realities. There is always the possibility of illness, whether unexpected or not, claiming the lives of other leaders as well. Moreover, there are uncertainties in many of these countries as to who the next rulers will

be, whether because the process of succession is unclear, the candidates for office beyond the current aging generation of rulers have not been identified, or the designated heirs' political sustainability is open to question.

On the other hand, the imminent demise of the hereditary monarchies of the Gulf has been predicted ever since the Egyptian and Iraqi armies overthrew their respective royal families in the 1950s. Moreover, while some threats to regime stability have grown in recent decades—notably the violent form of radical political Islam characterized by al Qaeda—others seem to have subsided. Ba'thism is an ideology without popular appeal, even on its home turf. Iranian efforts to subvert the Shia populations of Saudi Arabia and Bahrain, which were extremely active immediately following the 1979 revolution, are also largely a thing of the past, a casualty of Iran's expanding ties to Riyadh, Manama, and Kuwait.

Iran: Prolonged Confrontation or Détente?

The future direction of Iran is murky. The long-term internal trends seem positive, and it is not inconceivable that the United States may some day work productively with Tehran on behalf of regional security. If that should come to pass, the United States would be able to diversify its relationships, making them less dependent on cooperation with the GCC states. More realistically, however, change in Iran may take years to play out and would be unlikely to yield a regime that is as fully responsive to U.S. blandishments and pressures as Washington might like. Moreover, any Iranian government will see itself as the dominant power in the Gulf, while any U.S. administration that learned the lessons of the 1980s will be loathe to entrust the Iranians with that role. Thus, even under optimal conditions, there will be tensions between Washington and Tehran over the structure of regional security, and conditions are likely to be far less than optimal as Iran continues pursuing the acquisition of nuclear weapons, other WMD, and long-range missiles. In short, political evolution in Iran very likely will eventually allow the United States to adjust its commitments and deployments in the Gulf but not to shed them altogether, at least not soon.

Given the history of the U.S.-Iranian relationship since 1979, American ability to influence how developments unfold in Iran is bound to be modest. That history also suggests that either obvious support for reform or steadfast hostility to the regime is apt to be detrimental to liberalization and moderation. Even apart from Iran's internal political dynamics, however, the United States faces important strategic decisions on how to deal with this traditionally most powerful of Gulf states. As already noted, the United States and Iran have both contradictory and

complementary interests. The administration must therefore decide not between resolutely condemning or wholeheartedly embracing Iran, but whether seizing opportunities for tactical cooperation on discrete issues, such as Iraq and Afghanistan, is necessarily incompatible with maintaining pressure on other issues, such as terrorism and WMD. In other words, can and should the United States develop the kind of relationship with Iran that it maintains with other countries, such as China, with whom simultaneous cooperation and conflict are the norm?

In any case, Iran should not be seen as the major determinant of U.S. military presence in the Gulf region—especially non-naval presence—under foreseeable circumstances. It is true, as discussed in chapter four, that Iran has been significantly upgrading its military capabilities in the past several years, but primarily in the areas of naval forces, air defense, and ballistic missiles. Iran has no plausible way of bringing land force to bear against the GCC states, other than in such limited ways as it has used on Abu Musa and the Greater and Lesser Tunbs, the islands whose ownership it disputes with the United Arab Emirates. Its amphibious warfare capability is extremely limited, while the Iraqi Army, even in its currently reduced state, blocks an attack overland.

Iran could more seriously challenge U.S. interests through terrorism and renewed support for subversion; through acquisition or threat to use WMD; or by attempting to interfere with the seaborne movement of naval forces or commerce. In a wartime situation, it could mount airstrikes against petroleum infrastructure in the eastern parts of Saudi Arabia or missile attacks against shipping in the Gulf. The Gulf Arab states are quite capable of dealing with the possibility of airstrikes, and the U.S. Navy can easily handle any attempt to close the sealanes. Otherwise, none of the other threats would require the presence of significant U.S. land-based forces, with the possible exception of relatively small, low-visibility missile defense units. This is not to say that the Iranian WMD threat is negligible or that it will not change the security dynamic of the Persian Gulf in very substantial ways. But the nature of the dangers posed by Iran is such that they cannot be countered merely by the physical presence of conventional forces in close geographic proximity. They certainly would not require a presence beyond that already required to deter an Iraqi invasion of Kuwait.

Whither Iraq?

Of the three variables, the future of Saddam Husayn's Iraq will have the greatest short-term impact on the U.S. military presence. As long as Iraq threatens American interests in the Gulf, the United States has little

choice but to maintain the capability to deter or defeat that threat with a combination of in-theater and rapidly deployable forces. Baghdad's refusal to comply with the requirements of the cease-fire that ended the 1990–1991 Gulf War, and the Clinton administration decision to deal with this refusal primarily through a policy of containment, drove the United States to eschew a more sustainable concept of Gulf security at reduced levels of presence, as was envisioned immediately after the war.

At least as long as Saddam remains in power, the U.S. military footprint in the Gulf must therefore be determined by the military concept of operations for the region's defense against Iraq. Without a presence along approximately existing lines, prepared and capable of responding immediately to any Iraqi force movement well before an actual invasion, forward defense of Kuwait is impracticable. Moreover, the forces that have been maintained in place since the late 1990s make it possible to respond rapidly to other Iraqi provocations or to transition quickly to offensive operations if the President decides to do so. Maintaining a robust force in the region and sustaining its pattern of military operations are of immeasurable value in being able to execute such a plan on short notice. The use of the no-fly zones to keep Iraqi air defenses suppressed is particularly valuable because it allows the early stages of a major operation to be compressed by at least 48 to 72 hours. One lesson of the past decade is that opportunities to damage the Iraqi regime must be seized quickly when they present themselves; otherwise, diplomatic actions to alleviate tensions—by negotiating a compromise between Iraq's desires and its existing international commitments—tend to move more quickly than the diplomatic and military actions necessary to enforce those commitments. Iraq's proclivity for "cheating and retreating" and its ability to draw the international community into extended negotiations—a proclivity being played out anew in the game of cat and mouse Baghdad is playing with the UN Monitoring, Verification, and Inspection Commission (UNMOVIC)—demonstrate that it is crucial to be able to act rapidly if one is to act at all.

The assured capability of applying overwhelming U.S. force on short notice is therefore crucial to any undertaking to oust the Iraqi regime. The Bush administration is well on its way to assembling that capability and may finally have succeeded in crafting the diplomatic trap for Baghdad that will enable the United States to act when the time comes. If it does so, the attempt must not only be quick; it must also be decisive.

Any attempt at regime change—especially one overtly backed by the United States—cannot be permitted to fail. The attempt itself will

inevitably cause diplomatic damage, but the damage can probably be repaired if the attempt succeeds. If it fails, the damage will be so serious that there will be no second chance. The United States must also have a credible plan for managing the post-conflict phase of regime change that could require a sustained, expensive, and politically risky commitment to nation-building and regime protection, as well as a prolonged commitment of U.S. forces to a multinational occupation force.

What if the United States ultimately elects not to proceed with imposing regime change in Iraq? The rationale for such a decision would presumably be that the Iraqi threat is limited and manageable for the foreseeable future under some kind of UN-brokered compromise and that the likely costs to the United States—in human, economic, and political terms—would exceed the benefits gained by ousting the regime.

Undertaking regime change in Iraq would clearly draw the United States into a much more ambitious involvement in Iraqi affairs over a much longer period than most Americans would wish. Considering the damage done by decades of Saddam Husayn's rule, the challenges of building a minimally humane state, let alone a democracy, are staggering. The prospects for full success may well be even slimmer than elsewhere in the region. At best, a new government imposed by the United States will face major hurdles in terms of popular and regional legitimacy.

Nevertheless, imposed regime change seems the least bad of the apparent choices. The most obvious alternative, long-term containment, must confront the reality that sanctions will soon be all but impossible to enforce. It is widely suggested that Iraqi cooperation with UN weapons monitors can safely be traded for the dropping of economic sanctions. Surely the lesson of the UN Special Commission (UNSCOM) is that no inspection regime can provide an acceptable degree of certainty that Iraq is abiding by its obligations to forgo WMD. For 7 years, the only way UNSCOM ever got anything approaching acceptable access was at the point of American guns. There is no basis for believing things will be different for UNMOVIC.

Long-term containment would therefore look much more like containment of North Korea than the approach that was used with Iraq in the early to mid-1990s. Replicating the Korean approach in the Persian Gulf, however, seems highly problematic. In the first place, doing so would generate even greater popular resentment in the region, both against the United States and friendly countries whose security we are trying to ensure. In the Far East, the United States maintains a forward presence of

roughly 100,000 personnel devoted primarily to the North Korean threat, notwithstanding that the South Korean armed forces alone match up far more credibly against North Korea than the GCC states would against Iraq. To maintain long-term containment of Iraq under circumstances in which sanctions had eroded, Iraqi capabilities were being rebuilt, and the consensus that now permits intrusive U.S. air operations in peacetime had vanished would require a U.S. peacetime presence on the order of 50,000. The problems surrounding the U.S. military presence in Korea and Okinawa would pale in comparison with those that would result from an open-ended U.S. presence of this size in the much more xenophobic and less populous Persian Gulf. Even from a purely geographic point of view, Kuwait is ill-suited to the role of South Korea, with less than one-quarter the land area and less than half the strategic depth. An even more crucial question is whether the American public and Congress would be prepared to support an ongoing commitment on this scale, particularly if they perceived that the people most immediately affected by the threat—the inhabitants of the region—were hostile to the United States and to American military personnel.

Another possibility would be to accept Iraq's reconstitution as a major regional threat, perhaps this time with nuclear weapons and delivery means, and to rely on the threat of overwhelming retaliation to deter Iraqi adventurism. The apparent success of this strategy in deterring Saddam Husayn from using chemical weapons in 1991 may suggest that such a policy can succeed again, but assuming that it would work again is fraught with risk, particularly in light of Saddam's track record of miscalculating U.S. options, intentions, and capabilities. Both North Korea's likely possession of one or two nuclear weapons and its conventional military capabilities have deterred the Bush administration from using military force to eliminate Pyongyang's nuclear program. Indeed, these facts are a sobering reminder of how Iraq's possession of nuclear weapons might alter the future geostrategic landscape in the Gulf.

Conclusion

America's historic interests in the Gulf were unaltered by the events of September 11. If anything, the terrorist attacks demonstrated that conditions and events in the Gulf, and in the wider Middle East, are of even more immediate importance to the security and safety of the American people than we realized on September 10. It is that lesson that should lead the U.S. Government to begin taking the difficult actions necessary for

the long-term, orderly evolution of the Gulf and its security environment. Of particular importance is the reduction of the standing American military presence. Ultimately, that presence cannot and need not go to zero, or even return to the modest level of the era before the Iraqi invasion of Kuwait. But it does need to be less visible, and less seemingly permanent, than it is today—an option that might become more militarily feasible in the future, as suggested in chapter five, as U.S. Armed Forces incorporate new technologies and operational concepts, and if Saddam is removed from power. Yet making any far-reaching reductions in the U.S. military presence absent offsetting enhancements would be imprudent—even reckless—as long as a hostile Iraqi regime remains in power and the promise of transformation is years away from reaching fruition. Indeed, the survival of the Iraqi regime would make it just as necessary to maintain a robust U.S. military presence in the near term as it is to reduce that presence in the long term. The only safe way to reduce U.S. forces is after Saddam's regime is destroyed and his WMD programs are eliminated.

Notes

¹ Department of Defense, Office of International Security Affairs, *United States Security Strategy for the Middle East* (Washington, DC: Department of Defense, May 1995), 6.

² Lisa Anderson, "Arab Democracy: Dismal Prospects," *World Policy Journal* 18, no. 3 (Fall 2001), 53–60.

³ Francis Fukuyama, *The End of History and the Last Man* (New York: Free Press, 1992), 162–173, 237.

⁴ See, for instance, such diverse sources as President Clinton's October 6, 2001, speech at Yale University, accessed at <<http://www.yale.edu/opa/news/clinton.html>>; Benjamin R. Barber, "Beyond Jihad vs. McWorld," *The Nation* 274, no. 2 (January 21, 2002), 11–18; and Robert Kagan and William Kristol, "The Bush Doctrine Unfolds," *Weekly Standard*, March 4, 2002, 11.

⁵ Energy Information Administration, *International Energy Outlook 2002*, Report No. DOE/EIA-0484 (Washington, DC: Department of Energy, 2002).

⁶ Energy Information Administration fact sheet, "Caspian Sea Region," February 2002.

⁷ However, any benefit from a shift to Caspian sources would be undermined to the extent that production flowed by pipeline to the Gulf and then out the Strait of Hormuz. This is all but inevitable for at least the Iranian share of Caspian Basin production.

⁸ The Center for Strategic and International Studies puts transpeninsular pipeline capacity at roughly seven MBD. See its report "Strategic Energy Initiative: Task Force Report on the Middle East" (1998), accessed at <<http://www.csis.org/sei/work/Metfreport.html>>.

⁹ The author uses the term *strategic* to mean as viewed by the regional states themselves, not necessarily as constituting an existential threat to the United States itself.

¹⁰ For a detailed exposition of these issues, see Steven L. Spiegel, "Arms Control: In the Region's Future?" in *The Middle East in 2015*, ed. Judith S. Yaphe (Washington, DC: National Defense University Press, 2002), 195–212.

¹¹ This was to be the top priority: "It should be clear that we seek full compliance for all Iraqi regimes," Martin S. Indyk said. "We will not be satisfied with Saddam's overthrow before we agree to lift sanctions. Rather, we will want to be satisfied that any successor government complies fully with all UN resolutions."

¹² The inconsistency between this concern and the administration's denial that it intended Iraq and Iran to balance one another seems to have gone unremarked.

¹³ Or, as it was subsequently and less boldly stated, "containment until regime change."

¹⁴ "Saddam's actions over the past decade make clear that his regime will not comply with its obligations under the UN Security Council resolutions designed to rid Iraq of WMD and their delivery systems. Because of that and because the Iraqi people will never be free under the brutal dictatorship of Saddam Hussein, we actively support those who seek to bring a new democratic government to power in Baghdad. We recognize that this may be a slow and difficult process, but we believe it is the only solution to the problem of Saddam's regime." See *National Security Strategy for a New Century*, December 1999.

¹⁵ The standard statement of these red lines was: "We currently maintain a credible force in the region and are prepared to act at an appropriate time and place of our choosing if Iraq reconstitutes its weapons of mass destruction programs, threatens its neighbors or U.S. forces, or moves against the Kurds." This sentiment was most recently repeated by Assistant Secretary of State Edward S. Walker, Jr., testimony before the Senate Armed Services Committee, September 19, 2000, accessed at <<http://usinfo.state.gov/regional/nea/iraq/walker919.htm>>.

¹⁶ Barbara Crossette and Steven Lee Myers, "U.S. Forswears Force Over Iraq Inspections," *The New York Times*, September 13, 2000, 1.