

Issue Paper

RAND

A New Persian Gulf Security System

Andrew Rathmell, Theodore Karasik, and David Gompert

INTRODUCTION

Ever since Britain's 1968 announcement that it planned to withdraw from east of the Suez Canal, there have been repeated efforts to find an effective Persian Gulf security system. The region is continually at war or stands on the brink of it, is a source of international terrorism, and has two important states seeking weapons of mass destruction. These facts are depressing testimony to the failure of attempts by regional and outside actors alike to develop a functional security system.

Today's system depends on the readiness of the United States to wage large and, with weapons of mass destruction in the region, increasingly dangerous wars and to maintain a military presence despite local ambivalence to it. With Gulf oil supplies as vital as ever to the global economy, the quest for reliable security has never been more important. Yet, even during this conflict, there has been little public debate in the region, Europe, or the United States, and little genuine analysis, on the shape of a post-war system to help break the cycle of instability and conflict that has plagued the region.

Opponents of war argue that it is destabilizing the region, which may or may not be so. But they have furnished no practical ideas on how to improve or replace the current security arrangement, which has lurched from crisis to crisis. Meanwhile, U.S. planners are giving due attention to the political and economic reconstruction of Iraq; yet these plans cannot be formulated in isolation. Reconstructing and democratizing Iraq, while necessary,

will be insufficient if a more stable system is not put in place across the region.

The reconstruction of Iraq intersects with two other, more subtle developments that, when combined with Saddam's removal, amount to a watershed that permits a new and better security system to be built. One is the growing acceptance by elites in Saudi Arabia and the smaller Gulf Cooperation Council (GCC) states of the need for domestic reform. The other development, obscured by rhetoric on both sides, is the growing possibility that America and Iran can do business with each other.

This issue paper examines options for a post-Saddam Gulf security system. It assumes that the Iraqi regime will be comprehensively defeated in the war, that Iraq will not implode into civil war, and that a U.S.-led coalition will oversee the emergence of a new Iraqi government that will have a modicum of internal legitimacy and external acceptance. A fundamentally new Iraqi regime is necessary but, we argue, insufficient for lasting Gulf security.

The paper analyzes the strategic challenges of Gulf security and outlines the disadvantages to the United States and to the region of today's heavy dependence on a forward U.S. military presence and readiness to fight increasingly risky expeditionary wars. The paper argues that two alternative models for the Gulf, a unilateral U.S. attempt to impose liberal democracy or a return to an old-fashioned balance-of-power approach, will not work. Instead, the paper suggests that a multilateral U.S.-European effort to build a more robust intra-regional

balance of power, underpinned by broad political reform around the Gulf, could lay the basis for long-term stability.

THE GULF'S STRATEGIC CONDITIONS

Many complexities face would-be architects of a lasting security system in the Gulf. First, there are three potential poles (Saudi Arabia and the other GCC states, Iran, and Iraq). While Saudi Arabia has preferred the strategic and political power status quo,¹ Iran and Iraq have not. Neither one is content with the existing balance of power or with the American sword of Damocles that preserves it. (At times—like now—it is not clear that even the largest equity holder in the status quo, Saudi Arabia, welcomes U.S. intervention to preserve regional security.) Iran feels that its rightful position as leading power in the Gulf has been denied; Iraq has both ambitions to be a major player in the Arab world and deep insecurities resulting from the fact that actual and potential enemies sit astride its oil export routes.

Reconstructing and democratizing Iraq will be insufficient if a more stable system is not put in place across the region.

Second, there is no symmetry among the three poles. Iran's geography and population give it a naturally dominant position and strategic depth. Iraq was able to race with Iranian power in the 1970s and 1980s, but only by an unsustainable and oppressive militarization of its society and economy. The GCC states have tremendous fossil and financial power, but they have been unable to translate this into the strategic weight needed to balance Iran or Iraq.

This dynamic means that the region has been run according to the principles of realpolitik but without the preconditions of success, namely the ability to find balance and general acceptance of the status quo. Consequently, this region has remained dangerous to its peoples and to the rest of the world even as other regions have become more secure. On a global level, the new security thinking championed, ironically, by Gorbachev and Reagan in the 1980s coincided with a broader definition of security in Western thinking to include economic and

political legitimacy. The decline of a traditional realist perception of international relations and an end to zero-sum notions of national security allowed more room for cooperative security.² Concepts of cooperative security gained ground in Europe, East Asia, and Latin America during the 1990s. In these regions, recast security systems were reinforced by political transformation, which provides the underlying stability—the kind that both fosters and depends on meaningful reform—that is missing in the Gulf.

However, despite talk of a Gulf cooperative security regime in the mid-1990s, such concepts had little traction. The balance of power has remained unstable even in the traditional sense. None of the three poles showed any interest in cooperating with the other two—even the GCC is a defensive alignment against the other Gulf powers, rather than a real cooperative security system. Even as the United States found itself able to rely more on organic regional progress and less on military force to ensure security in Europe, East Asia, and Latin America, no such relief came in the Gulf.

PAST ATTEMPTS TO BUILD A GULF SECURITY SYSTEM

Since the West's thirst for oil transformed the Gulf from a backwater into a key node of international politics in the early 20th century, external powers have dominated the regional security system. For the first seven decades of the last century, the United Kingdom extended its security umbrella over the region. With a combination of proxy regimes, troops in well-chosen bases, seconded officers in key places, and offshore naval forces, Britain created, supported, and propped up friendly governments and kept competition among them within limits.³ In spite of sometimes dramatic changes in the region, notably the Iraqi revolution in 1958, successive coups, and such destabilizing pressures as Arab nationalism, Britain avoided major conflicts. Iraqi threats to Kuwait were deterred, insurgents in Oman were defeated, and Nasserites in Saudi Arabia were marginalized. Nonetheless, the rise of Arab nationalism and a declining economy forced Britain to give ground, first in Aden and then in a wholesale withdrawal from the region in 1971.

With Britain's withdrawal, the United States took over the role of security manager of the Gulf. From the outset, the United States sought to avoid a costly and unwelcome forward presence in the region, instead relying on regional allies to police the security system and on its own ability to project force to the region if they could not. In the 1970s, the United States used the twin pillars of Iran and Saudi Arabia to ensure stability and to contain threats to

the status quo. Iran was effective in the 1970s in helping to crush Dhofari rebels in Oman and in marginalizing Soviet-backed Baathist Iraq.

But the dependence of the United States on Iran and Saudi Arabia tied its fortunes to regimes of dubious legitimacy (and uncertain tenure). The United States supported Iranian and Saudi autocrats out of strategic expedience and fear of radical alternatives. Political reform was not on the American agenda; American diplomats and intelligence operatives had virtually no contact with reformist and other opposition elements.

This policy ended badly for the United States in Iran. A strategy based on structures of power without regard to internal governance proved to be only as stable as its least stable pillar. Learning that stability demands legitimacy is crucial for building a new Gulf security order. Similarly, U.S. dependence on local powers to spare it the costs and risks of a major presence of its own can be self-deluding if the local powers are prone to fail or change. We will return to these lessons later.

The initial U.S.-managed system collapsed when a popular uprising spearheaded by radical clerics swept away the Shah. Fearing Iranian revolutionary expansionism, during the 1980s the United States turned, with misgivings, to Iraq to balance the Islamic Republic, as well as to the newly enriched GCC states to bankroll the Iraqi military. At the same time, given the military weakness of the GCC states and lacking the strong pillar previously provided by Iran, the United States began to be drawn more directly into the region, against its better judgment.⁴ After the Shah's fall, the Rapid Deployment Force, organized by the U.S. Department of Defense, and growing U.S. investment in regional military bases, such as Masira and Bahrain, highlighted this trend. Dependence on Iraq to contain Iran backfired when the former attacked the latter in 1980. And plans to build up the GCC military proved futile, as the Gulf Arabs showed little aptitude for, or interest in, modern warfare.

In August 1990, the U.S. strategy of relying on Iraq and the Gulf states came to a spectacular end when the former attacked the latter. (The principal U.S. enemy at the time, revolutionary Iran, acted prudently in the Gulf during and after that war.) Under the rubric of dual containment—the very term contradicts balance of power—and lacking confidence in the ability of the GCC states to contribute to their own defense, the United States shifted from reliance on regional friends to an even more muscular forward presence. This involved a large-scale build up of U.S. forces in the region, as well as basing, prepositioning, and exercises to support reinforcement in crises.⁵ This forward presence was accompanied by even larger

arms sales to the GCC states (notwithstanding their inability to use what they had previously bought) in the attempt to provide some pro-U.S. indigenous military capability to complement U.S. forces.

After Desert Storm, the Department of Defense began to treat a conventional military threat to the Gulf from either Iran or Iraq as one of its canonical major-war scenarios.⁶ With Soviet threats to Europe and East Asia gone by 1991, the Gulf became the central theater in U.S. strategic thinking and force planning. From then on, the requirement to conduct large-scale expeditionary warfare in the Persian Gulf, spurred on by both Iran and Iraq's use of asymmetric military strategies, has accounted for a large share of total U.S. military operating, force-structure, and investment costs.

During the 1990s, important intra-regional developments occurred beneath the U.S. security blanket. Within the GCC, the emergence of Qatar as an independent player shook up relationships within the six-member grouping. More important, Iran gradually, and in zigzag fashion, moved toward accepting some tenets of a more moderate security approach, albeit with the proviso that what Tehran saw as Iran's natural leadership in the Gulf be recognized. This was accompanied by the appearance of a pro-reform movement and the holding of (fairly) democratic elections in Iran. Of course, Iran's support for Hamas and Hizbollah and its quest for weapons of mass destruction prolonged American antipathy toward Tehran, even as Iran's revolutionary fervor began to fracture and abate.

Iranian moderation in the immediate region even led to hopes that, between the GCC and Iran at least, tentative steps toward cooperative measures, such as Confidence Building Measures (CBM), could be taken.⁷ By the late 1990s, the evolution of Iran and its external conduct held out the promise that the daunting challenge of dual containment of the Gulf's two strongest states would not be required in perpetuity. In one of history's crueler ironies, it was the U.S. failure to contain Iraq that was the time bomb.

THE PROBLEM TODAY

We entered the 21st century with the United States preserving stability in the Gulf via an extensive forward military presence. This presence was motivated by the understanding that when the balance of power shifted, as in 1980 and 1990, war could result, and an over-the-horizon intervention threat was not enough to deter it. The U.S. buildup is also a reflection of the fact that efforts to create a security system that did not require a major presence had failed. At the same time, given the practical

and political difficulty of building a forward presence large enough to meet worst-case military needs, the United States has also increased investment in its ability to mount massive expeditionary operations, even against an Iraq or Iran harboring weapons of mass destruction.

It is important to be clear about Washington's strategic dilemma, which was apparent long before September 11, 2001. Oil and proliferation mean that the United States has a clear national interest in ensuring a stable and pro-Western Gulf security system. There are ongoing debates over the exact degree of U.S. dependence on Gulf oil in the long term; but the simple fact is that the United States is vitally dependent on the health of an integrated world economy. Instability in oil supplies has a rapid impact on the world economy and thus on that of the United States. In addition, it is an established interest of the United States to prevent development of weapons of mass destruction by regimes that may threaten those oil supplies. One of the most serious shortcomings of the current security system is that it exposes U.S. forces, bases, local allies, and eventually U.S. territory to the threat of weapons of mass destruction, which can in turn weaken the credibility of the U.S. threat to intervene in the event of some new regional aggression.

Until 1990, the United States stuck to the British approach of maintaining a low-cost security system by relying on regional allies and a naval presence. After the Gulf War, this approach was replaced by one involving extensive forward basing and regular military engagements, sometimes escalating into large-scale deployments (e.g., in 1990, 1992, 1994, 1998, 2002, and 2003). By the late 1990s, the U.S. military had made a conscious decision to concentrate on smaller, easily defendable peninsulas and islands. This strategy helps the United States to be more efficient in its current military posture, but it does not relieve the basic problems of maintaining a presence in the Gulf.

In addition to the direct costs, U.S. presence has become a lightning rod for political discontent. The United States has contributed to that discontent through its support for Israel (the pros and cons of that support aside) and for autocratic Arab regimes. In most countries, the deeper cause of political discontent is the socio-economic malaise that grips the region, which was highlighted by the 2002 United Nations Development Programme (UNDP) report on Arab human development.⁸ At a more philosophical level, discontent reflects the Arab and Islamic world's struggle to adapt to modernity and a divisive debate within Islam about its response to the modern world. Al Qaeda is the most extreme expression of this discontent, encompassing a minority of

Muslims. This generalized discontent, which is focused on existing regimes and the United States, threatens remaining U.S. allies, especially Saudi Arabia, in ways that the U.S. strategy of military presence plus reinforcement cannot address—a reminder that balance of power alone cannot suffice.

Moreover, now that terrorists operate in global networks and have attained global reach, radicalism in the Gulf also poses a direct threat to U.S. homeland security. Since September 2001, it is apparent that the ballooning costs of the U.S. posture in the Gulf are now accompanied by mortal dangers.

In sum, the United States is relying on an increasingly costly and risky direct military strategy combined with support for and reliance on the weakest of the three local powers, the political stability of which is in doubt. Even if the United States removes one unfriendly regime (Saddam's), it faces another (Iran), which is also flirting with nuclear weapons. This is hardly a comforting situation. Yet the United States does not have the option of withdrawing from the Gulf as the British did 30 years ago (knowing the United States would take over). Therefore, it is an important U.S. interest to support a more favorable, affordable, and durable Gulf security system—one that takes advantage of and promotes political change rather than resists it.⁹

It is apparent that the ballooning costs of the U.S. posture in the Gulf are now accompanied by mortal dangers.

Of course, a requirement of any security system is that it be able to reduce, prevent, or meet potential threats. Gulf security threats will not all go away just because Saddam does. The largest concern for now, obviously, would be Iran. Important elements in Iran still favor the spread of revolution, possibly through subversion of moderate regimes in the Gulf, including post-Saddam Iraq. While weak militarily, Iran can also pose a sea-denial threat in the Gulf with missiles, mines, gunboats, or submarines, which could wreck havoc in world energy markets. Iran may also acquire nuclear weapons. Even if meant to assure deterrence of Iran's nuclear-armed neighbors—Israel, Pakistan, and Russia—its possession of

nuclear weapons would place all other Gulf states under a nuclear shadow, which could affect their policies toward the United States, the West in general, and oil. Iran is unlikely to be the only threat to Gulf security, and it is not predestined to be a threat at all, depending on the security system and Iran's role in it. But a security system that cannot handle Iran may prove no better than the current one.

TWO UNATTRACTIVE POST-SADDAM OPTIONS

Whatever the future threat or threats, there is no question that the sine qua non of any future Gulf security system will be a U.S. military umbrella. The importance and volatility of the region demand it. But how will the umbrella be used, and what happens underneath it, after Saddam? Over the past year, the U.S. security posture has been adjusted tactically (e.g., the increased military role of Qatar at the expense of Saudi Arabia) but not structurally. The question is whether the posture can be recast and made less costly and less risky.

There are two widely canvassed options for a post-war Gulf security system that could form the basis for a redesign of the region. One calls for, and counts on, a radical political transformation; the other for a return to the realism of the 1970s. Neither would provide an assured, adequate basis for a stable regional system.

Leaping "Ahead" to the 1920s

Perhaps, in order to progress, we need to look back to the dawn of the modern Middle East after World War I. In the 1920s, when the region's contemporary political and economic structures were forged, London and Paris took advantage of Russian preoccupation with civil war and American isolationism to carve out states from former Ottoman territories. A new, post-Ottoman order was constructed, to be managed from Europe.

While the exact form of the nation-building effort in a post-war Iraq is likely to be different from that seen recently in Bosnia, Kosovo, and Afghanistan, there is nonetheless some resemblance to the template built by the British and the French when they carved up the Middle East under the Sykes-Picot and San Remo agreements. Explicit parallels have been drawn by those who today describe a "new liberal imperialism."¹⁰ Perhaps the international community is more disinterested in Iraq than were the British and the French. Then there were only imperial strategic and economic ambitions. Now there is also a desire to create a state that follows the rules, respects its borders, does not threaten its neighbors, and governs with competent legitimacy. Of course, the new Iraq will also be a state that awards oil, construction, and arms contracts to its special friends.

However, the democratizing vision goes further than Iraq to remake the Middle East. Democratization, it is

argued, will enable countries across the region to defuse domestic dissent and become productive members of the international community rather than remain in a developmental and political ghetto.¹¹ In this argument, democratic transformation cannot and need not stop at Iraq. Its advocates call for exploiting the domino effect, using Iraq as a lever to bring about change in other Arab states.¹²

Undemocratic Arab rulers are naturally frightened by this vision of democracy, especially if brought at the point of metaphoric American bayonets. Partly to preempt these pressures, Saudi Arabia's Crown Prince Abdullah has taken significant steps, by Saudi standards, to demonstrate that Saudi Arabia is part of the solution, through his drive for internal reform in Arab states and his proposals to settle the Palestinian problem. Most recently, he floated trial balloons proposing elections to the Saudi consultative body, the Majlis al-Shura, and the removal of U.S. troops from Saudi Arabia.¹³

Many other GCC states have also taken reformist steps. In Bahrain, elections to their Majlis al-Shura, including 6 women out of 40 representatives, and the creation of legislative committees are unprecedented in Gulf politics. Oman's October 2003 Majlis al-Shura elections will, for the first time, involve universal suffrage.¹⁴ In Qatar, efforts are under way to reform the educational system.¹⁵

These measures do not satisfy those in the democratizing camp who see drastic change now as better than violent change, with uncertain results, later. However, the full-blown democracy-now option is neither practical nor entirely prudent, let alone an assured path to a secure Gulf.¹⁶ This is not to say that democracy is incompatible with the Gulf, or with the Arab world generally—similar doubts about democracy's applicability have proved flatly wrong in other regions of the world over the past 20 years. However, the prescription of a unilateral effort by the United States to impose democracy on the Gulf states and the wider Arab world fails to deal with an important fact: Precisely because of firm Arab authoritarianism (supported by the United States), the only organized alternatives to the existing regimes are radical Islamist movements. Well-resourced fundamentalist opposition forces are ready to exploit the introduction of sudden free elections and representative rule. That preparations for democracy should have begun with reform years or decades ago does not alter the fact that radicals are now well positioned to pounce if given a chance to replace today's monarchs.

Leaping Back to the 1970s

A more pragmatic model for a post-war Gulf security system would be a throwback to the 1970s twin-pillars approach, this time relying on the GCC and Iraq. The GCC is trying to absorb huge quantities of advanced

weaponry, especially since 9/11; professionalizing its militaries; and taking steps toward integration. On paper, it should be capable of deterring Iranian air or naval operations in the Gulf, as well as interdicting any new Iraqi adventurism. A post-war Iraq is likely to cut back but modernize its military. It could act as the other pillar. Thus, the United States could once again become the balancer, maintaining over-the-horizon support for its regional allies against the larger power, Iran, that does not accept the status quo.

This model is unlikely to succeed because the past three decades have not resolved some of the underlying issues of Gulf insecurity and because recent changes have made life more challenging. There are three sets of complications.

Intra-Gulf Geopolitics. Even a post-Saddam Iraq would be a very dubious pillar on which to lean. Whether a future Iraqi government is a narrow Sunni clique or a broad-based, multiethnic coalition in a federal structure, the essential challenges of Iraqi state building—indeed, nation building—remain. While Iraq is a breed apart from Afghanistan, and Iraqi society has tremendous potential, it has been hollowed out by decades of totalitarian misrule, war, and sanctions. The return to tribal communities in the north, south, and center of Iraq would slow the emergence of a stable state structure.¹⁷ Further, if a post-Saddam Iraq no longer defines itself in ideological (Baathist) terms or no longer sees itself as the Arab frontier state, then what will it be? The stresses and self-absorption of nation/state/identity building will make Iraq an importer rather than an exporter of security.

Moreover, in simple geopolitical terms, any Iraqi regime faces the problem that it is essentially landlocked and that its critical export routes are dominated by powers it has learned from bitter experience it cannot trust. Particularly in the face of an Iran that will remain at least a nationalist power, any Iraq may have revanchist ambitions that could reemerge once the transitional period is over.

The GCC and Saudi Arabia, we know from experience, also constitute a weak pillar. In geostrategic terms, the GCC states are a long way from living up to their theoretical military potential. They should be a match for Iraq or Iran in any high-intensity conflict scenario.¹⁸ However, there are societal and structural reasons why this potential is unlikely to be realized. The best evidence of this is the fact that Saudi Arabia, after decades of massive military investment, had essentially no operational capability to defend itself when Iraq invaded Kuwait in 1990; nor could it do so today.

Furthermore, socioeconomic and political malaise in Saudi Arabia raises concerns over the internal stability of

the nation in the medium term. It would be imprudent to place much weight on the Saudi pillar as long as serious structural and political internal reform remains off the agenda. Saudi Arabia is the most glaring case of a conservative regime blocking any avenue of domestic dissent except that which it most fears—radical Islam—and therefore tries to manage.

The Embedded Gulf. The Gulf today is more deeply embedded than it was during the 1970s, or ever, in an increasingly interconnected wider region. Connections include nuclear weapons and missile proliferation (Israel, Pakistan, and India), the Israel-Palestine conflict, Israel's growing strategic ambitions, Iranian-Saudi-Pakistani rivalries in Afghanistan and Central Asia, and spillover from international radical Islam.

All of these factors mean that Gulf security is not a simple matter of great power hegemony, cold war confrontations, or dynastic regional rivalries, as in the past. Any future Gulf security system is going to have to be resilient in the face of wider international forces. It will have to withstand internal political upheaval, unsettled territorial disputes, shocks from adjacent regions, the ups and downs of Israeli-Arab relations, the ever-present possibility of nuclear proliferation, and the economic uncertainties associated with excessive dependence on a single product with a fluctuating price. This is a tall order, and the removal of Saddam Hussein alone will not fill it.

U.S. Attitudes and Capabilities. Another complication lies in the attitudes and the capabilities of the United States. There are three factors that make a return to the 1970s impossible. First, a noticeable difference between the present and the 1970s is that the then-pariah, Iraq, was treated as a legitimate actor, if an opponent. Once Iraq is dealt with, there will remain a strong current of U.S. opinion that denies the legitimacy of Iran as a regional actor and that seeks to exclude or even change the regime. U.S.-Iranian relations are crucial to any future Gulf security system: Only if they improve can the security system improve—i.e., more security at lower cost and risk to the United States. But even if U.S.-Iranian relations do improve, it is unlikely that the United States will be willing any time soon to rely on Iran to help maintain regional balance.

Second, U.S. military power is much greater than it was in the 1970s in both relative and absolute terms; yet the use of that power involves greater dangers. As American military capabilities grow through force transformation and as their effectiveness is demonstrated, it will be easier for the United States unilaterally to use or threaten to use force in order to restore order. However, the possession of weapons of mass destruction by those states that U.S. military power might be called upon to

counter—at least after using military power against Saddam—raises questions about the credibility of U.S. armed intervention as the final guarantee of what could be a shaky Iraq-Iran-GCC balance of power.

Third is the fundamental transformation of U.S. strategy that is being wrought by the global war on terrorism. Insofar as counterterrorism is the organizing principle for U.S. strategy and insofar as the Gulf states, notably Saudi Arabia, contribute to the problem, then we are far removed from the twin-pillars approach of the 1970s. Conceivably, it could be an environment of “no pillars”—Iraq being rebuilt, Iran being contained, and Saudi Arabia being mistrusted.

ENTER EUROPE

If a unilateral U.S. attempt either to impose a democratic order or to act as sole external balancer via unsteady regional allies is unworkable, then we need to look more imaginatively at a combination of approaches and a greater sharing of burden, risk, and responsibility with Europe, as America’s strategic partner.

Having and being a partner are never easy. Today’s Europe is not cohesive, decisive, or capable enough to be a strong one for the United States in the Persian Gulf. Despite its shortcomings, however, Europe already expects a voice in Gulf and wider Middle East affairs. If and as Europe becomes more capable, that voice will become louder and more insistent. Yet, as is painfully clear from the current Iraq crisis, European views can differ sharply from those of the United States.

Conceivably, it could be an environment of “no pillars”—Iraq being rebuilt, Iran being contained, and Saudi Arabia being mistrusted.

Nonetheless, the European voice is crucial to the debate over a future Gulf security system. So, too, will European capabilities become increasingly important if the United States expects to share the burdens and risks of Gulf security. Europe has a strategic interest in the Gulf, being more dependent than the United States is on Gulf energy supplies. Europe is bound to the region by a web of economic and political linkages. The current disarray in European approaches to Iraq has damaged the credibility of key European capitals to be active participants in

regional diplomacy in the Gulf. Still, a distinct European approach to the region could emerge, involving engagement and using the instruments of soft power.¹⁹ Europe needs to recognize that these instruments have had limited effects on the region’s key strategic challenges—the Saddam Hussein regime in Iraq, the attempt to “moderate” Iran, and the effort to reform the GCC states. European soft power has not worked even with the threat of U.S. hard power as the alternative. It needs to be backed up by European military power and put to work as part of a more unified U.S.-European approach.

Europe will doubtless be called on to help mop up after U.S. military operations in Iraq. Aside from the immediate role it will have in rebuilding Iraq’s physical infrastructure, Europe’s inclinations and capabilities can be harnessed to promote practical reform. Europe can thus use its considerable economic and institutional ties to make a real contribution to stability.

The European approach, as evidenced in the European Union (EU)–GCC dialogue and the Barcelona Process, has been to stress good governance.²⁰ Governance includes free market reforms, institution building, modernized education, an active media, and the rule of law. It is not so much the lack of parliamentary democracy that has bred extremism in the Nejd heartlands as the lack of accountability, which has spawned corruption, arbitrary and inefficient rule, and economic mismanagement. Prospects for regional integration—as proposed in the late 1990s through such schemes as Shimon Peres’s “New Middle East” or an organization for security and cooperation in the Middle East—may have faded.²¹ However, a program to promote good governance and economic integration from Egypt to Iraq and the Gulf is feasible and could be a foundation stone of a new security system. The European functional approach could be blended with the U.S. democratization impulse to support political transformation.

A NEW AND IMPROVED GULF SECURITY SYSTEM

For reasons discussed above, no single paradigm will be sufficient to build a Gulf security system. Instead, a Gulf security system needs to be constructed from three interlocking elements: balance of power, reform, and multilateralism. Only such a combination will provide both the progress and the stability needed for enduring security, while also relieving the United States of excessive costs and exposure to risk as the sole security provider.

Balance of Power

As demonstrated by Gulf history, it is important to find a local power equilibrium. Two important prerequi-

sites of such an equilibrium, never before met in the Gulf, are that no single power can outweigh a combination of the others and that the powers are all reasonably content with the status quo.

For the foreseeable future, the balance of power in the Gulf will, as now, be underwritten by the United States. But removal of the need to contain Iraq militarily, combined with U.S. expeditionary force transformation, should enable the United States to reduce its presence.²² Over the longer term, building a stable intra-regional balance should help further reduce the need for a large U.S. presence and should make it less likely that the United States would need to send a large intervention force to the region in crises.

Europe can thus use its considerable economic and institutional ties to make a real contribution to stability.

Building a lasting regional balance requires a number of geopolitical and military steps. In geopolitical terms, some challenges need to be tackled that could otherwise leave Iraq and Iran dissatisfied with the status quo and ultimately inclined to aggressive behavior.²³ It is clear that any Iraqi regime will be concerned about its access to the Gulf, its main oil export route, where Iran can all too easily interdict Iraqi shipping. It would not be unreasonable for post-Saddam Iraq to look to its neighbors, Europe, and especially the United States to give credible assurances of unimpeded access. Otherwise, Iraq may again raise the question of its boundary with Iran along the Shatt al Arab.

For Iran, the vulnerability of its export routes through the Gulf, as demonstrated in the 1987–1988 Tanker War, is a symptom of its susceptibility to pressure from the United States. Confidence-building measures, including a drawdown of U.S. naval forces in the Gulf, may help assuage Iranian fears in the context of an overall U.S.-Iranian rapprochement. Both Iran and the United States will have to acknowledge and come to terms with the fact that Washington will have the potential for a 360-degree presence around Iran.

In military terms, the ability of Iran to project power must remain limited by restraint in arms sales by suppli-

ers such as Russia. At the same time, Iran needs to be permitted forces that will give it confidence that it can protect its offshore oil and gas assets in the Gulf. If U.S.-Iranian relations can be placed on a new footing (see below), it should be possible to persuade Iran not to acquire destabilizing arms (e.g., nuclear weapons and long-range missiles) while also persuading the United States to accept that Iran be able to meet its legitimate national defense needs.

The Iraqi military needs to be rebuilt and modernized so that it is able to reassert control over Iraqi territory but not to develop long-range offensive capabilities that pose a threat to Kuwaiti or Iranian territory. The GCC states need to pursue their defensive integration and to enhance their strike capability to deter any Iraqi or Iranian aggression. They also need to enhance their ability to protect Kuwait from Iraqi threats. Saudi Arabia needs to gain at least modest operational military capabilities from its large investments. But this will require transformation of its dysfunctional defense establishment as part of broader transformation.

Reform

To build a more stable regional system that will pose less of a burden to external powers and reverse the growth of extremism, reform of the region's political, economic, social, and—as just noted—defense structures is essential. Reform also at last seems feasible, now that some of the Gulf Arab regimes admit that they must permit pluralism and provide better administration. But precipitate and externally forced democratization may lead to short-term destabilization without any assurance of long-term gains. Therefore, the United States, Europe, and their local friends need to engage in an ambitious but gradualist program of irreversible progress toward good governance, accountability, and regional integration.

Such a program of reform could benefit from lessons learned in the transformation of societies in Latin America and Eastern Europe.²⁴ But the most important lessons of all come from the region itself: The failure to tolerate dissent leaves radicalism as the only alternative to the old regime; and left to their own devices, the rulers, with some exceptions (e.g., the Emir of Qatar), will resist fundamental reform. Consequently, transformation must be deliberate, broad, and insistent, avoiding the twin perils of radicalism and tokenism. This effort will require the United States and Europe working together.

A program of reform should not focus on high-profile but cosmetic steps, such as the holding of democratic elections. In the absence of a free press and responsible political parties, elections are at best unrepresentative. Instead, transformation should initially concentrate on structural

and cultural changes that will lead to the rule of law and democracy. Real reform of educational systems, better governance, and broader participation in decisionmaking are important steps at the local level. In addition, bilateral and multilateral cultural and financial investments can have positive effects at a minimal cost.

Reform in the smaller GCC states will be easy to manage, but in Saudi Arabia there is a real risk that precipitate reform will only strengthen the hand of Islamist extremists. Nonetheless, reform in Saudi Arabia is essential if the GCC pillar is at last to become strong. It will take a combined U.S.-European effort to induce the Saudis to overhaul their institutions and permit nonradical opposition groups to form.

Multilateralism

Stable balance and broad reform cannot be accomplished at an affordable cost, if at all, by the United States alone. Given the Gulf's importance to the world, the American public ought not be expected, and will not be content, to shoulder this burden alone. Nor is it in anyone's interests that the new Gulf security system be seen as a Pax Americana. Instead, the United States and the EU need to partner in this process—from helping build a new Iraqi state, to encouraging reform and moderation in Iran, to convincing the Gulf Arabs to change. Although the quartet (the United States, the EU, the UN, and Russia) may be a useful multilateral diplomatic vehicle, leadership needs to come from the United States and the EU, since they have the requisite military, economic, and diplomatic assets and the democratic experience.

The United States will clearly be the dominant player in building and backing a more stable balance of regional power. However, despite its political-military shortcomings, Europe should also play a greater security role. Europe may be well placed to assist with such matters as restructuring the Iraqi armed forces, enforcing bans on the

To forestall the creation of an Iranian nuclear arsenal and to bring Iran into the Gulf security system, the United States would be well advised to talk to Iran about its security concerns.

supply of destabilizing military technologies to Iran or Iraq, and promoting military CBM. It should also establish a modest regional presence and improve its expeditionary capabilities in order to shoulder some of the burden that the United States now bears nearly in its entirety.

The promotion of reform should not be left either to the United States or the Europeans alone. Suspicion of the motives of both the current superpower and the old imperial powers is deep-rooted. Nonetheless, a combination of U.S. diplomatic leverage and European work on economic and social reform and promotion of good governance could strengthen the region's reformers and lay the groundwork for stable democracy.

Key Issues

U.S.-Iranian Relations. To have a chance of succeeding, this vision of a new and improved Gulf security system requires both innovative policy and harsh pragmatism. The innovative policy is in terms of U.S. relations with Iran. Iranian-U.S. relations are in a state of flux. At the moment, they are not good, though they may have bottomed out with President Bush's 2002 State of the Union address. While the long-term outlook for reform in Iran may be good, the prospects are much less certain in the near term; some important national institutions are dominated by anti-reform clerics. In any case, it is clear that the demise of America's number one enemy in the Gulf, installation of pro-American regimes in Kabul and Baghdad, and the continued U.S. military presence in the Gulf and Central Asia are unlikely to make any Iranian regime feel more secure.

One obvious option, even for a moderate Iranian regime, is pursuit of nuclear weapons.²⁵ To forestall the creation of an Iranian nuclear arsenal and to bring Iran into the Gulf security system, the United States would be well advised to talk to Iran about its security concerns—e.g., Pakistan, Afghanistan, Russia, Israel, and Iraq. It should also be possible to communicate to Iran that responsible international behavior in the Gulf and beyond would reduce the danger of confrontation with the United States itself, which may be the ultimate motivation for an Iranian nuclear weapons capability.

Such discussions would help to make Iran feel comfortable enough to broaden its relationship with the United States. In the end, the real problem is political: Will the reformists in Tehran have enough maneuvering room and authority to pursue better relations with the United States, and will Washington see the advantage of rewarding these reformers with dialogue, followed by an easing of sanctions? Iran's current policies toward terrorism and the peace process provide ammunition to anyone seeking to block any improvement in the relationship or even to

see the regime replaced. Those in the United States ready to square off with Iran may be emboldened by the fall of Saddam. The question is whether the promise of a new Gulf security system is enough to convince U.S. decision-makers to be alert to signs that Tehran is moderating and wishing to engage. An effort by the United States to build a new Gulf security system as an anti-Iran alliance, using the GCC and post-Saddam Iraq as its regional allies, would involve the same costs and fragility of past systems that eventually broke down.

Palestine. Harsh pragmatism, meanwhile, is required in relation to the Israeli-Palestinian conflict. There is no doubt that constructing a more stable security system and promoting reform in the Gulf would be easier if there were a settlement to the Israeli-Palestinian conflict. Such a settlement would have the benefits of ameliorating anti-American populism, undermining popular support for Islamist radicals, and assuaging Israeli security concerns about its eastern neighbors.

However, even with intensive U.S. and European involvement, a rapid settlement cannot be assumed. Therefore, although it is essential in the wake of an Iraqi war that the United States and Europe drive forward a new peace process, the new system in the Gulf cannot wait for the Israelis and Palestinians to settle their conflict. Indeed, if a more stable system can be constructed in the Gulf, one that constrains Islamist extremism and engages Iran, it may actually prove easier to make progress on the Israeli-Palestinian front.

CONCLUSION

It is important to begin fashioning a model for a post-Saddam Gulf security system. Assuming that regime transition in Iraq goes ahead with some success, then the United States will face the same choices that British planners grappled with when they were dominant in the Gulf. The United States will be committed to long-term involvement in local affairs and to the risks associated with maintaining large numbers of troops to contain any conflict. The removal of Saddam will not remove all enmity toward the United States, and a large continued military presence and intervention threat will perpetuate that enmity. So the United States has a strong interest in constructing a system that works and lasts.

The alternatives of an imposed democratic revolution or a reversion to dependence on a balance of power among regional allies are unlikely to succeed. Instead, the United States and Europe need to work together to construct a more durable Gulf security system based on a combination of balance and human progress of the sort other regions have experienced.

A future Gulf security system should consist of two synergistic components. One would be structured along a traditional vertical axis: a balance of military power among Iran, Iraq, and the GCC, each reasonably content with stability. The other should be structured along a horizontal axis: promoting good governance, including free market reforms; institution building; modernized education; an active media; the rule of law; and, brick by brick, democracy itself. The post-war system needs to go further than merely bringing together “securocrats” in incumbent governments. It needs to attack the economic, social, and political breeding grounds for discontent and extremism.

The vision laid out in this issue paper is ambitious and would face many obstacles in implementation. The alternatives are, however, likely to lead to further Gulf crises. An unstable regional balance of power is likely to force the United States to remain militarily active and could accelerate Iran’s pursuit of nuclear weapons. A failure to reform governance in the Gulf states and the wider Middle East could permit slow socioeconomic decline, which would translate into political instability and in the end undermine any security system. The combination of balance and reform—of stability with progress—could give relief to the Gulf, and those who depend on it, from a history of conflict and oppression.

ENDNOTES

¹Unlike in the first decades of the 20th century.

²See B. Buzan, *People, States and Fear: An Agenda for International Security in the Post-Cold War Era* (New York: Harvester Wheatsheaf, 1991); J. Chipman, "The Future of Strategic Studies," *Survival*, Vol. 34, No. 1 (1992), pp. 109–131.

³J. E. Peterson, *Defending Arabia* (London: Croom Helm, 1986).

⁴U.S. officials and analysts were well aware at the time the Shah fell that conditions were not right to build up a large permanent military presence in the Gulf (and larger Middle East) of the sort the United States relied on in Europe and Northeast Asia. Consequently, they looked for bases around the larger Indian Ocean littoral. Nevertheless, they were constrained by time-and-distance factors to secure at least some bases near and in the Gulf, as well as to build up naval activity levels.

⁵"In Heart of Gulf, U.S. Fleet Keeps Wary Eye on Saddam," *International Herald Tribune*, January 31, 1996; "US Military Presence in Persian Gulf," *Defense News*, December 19–25, 1994.

⁶W. J. Clinton, *National Security Strategy of the United States, 1994–1995* (Washington, D.C.: Brassey's, 1995), pp. 27–28; S. Simon, "U.S. Strategy in the Persian Gulf," *Survival*, Vol. 34, No. 3 (Autumn 1992), pp. 81–97.

⁷Lawrence G. Potter and Gary G. Sick, eds., *Security in the Persian Gulf: Origins, Obstacles, and the Search for Consensus* (New York: Palgrave, 2002).

⁸Nader Fergany et al., *The Arab Human Development Report 2002: Creating Opportunities for Future Generations* (New York: UNDP, Regional Bureau for Arab States, c2002).

⁹This issue has been examined in a broader context by Andrew J. Bacevich, *American Empire: The Realities and Consequences of U.S. Diplomacy* (Cambridge, Mass.: Harvard University Press, 2002).

¹⁰Robert Cooper, "The New Liberal Imperialism," *The Observer*, April 7, 2002.

¹¹This debate is reminiscent of the use of "modernization" and "democratization" by the United States from the 1940s onwards as a tool by which to resist that era's subversive threat—communism. Italy and Greece provide successful examples of this approach.

¹²Paul Wolfowitz, "Iraq: What Does Disarmament Look Like?" speech to Council on Foreign Relations,

January 23, 2003; Fouad Ajami, "Iraq and the Arabs' Future," *Foreign Affairs*, January/February 2003.

¹³Patrick E. Tyler, "Saudis Plan to End U.S. Presence," *The New York Times*, February 8, 2003

¹⁴Ravindra Nath, "Oman Poll on Oct. 2; Women Get Right to Vote," *Khaleej Times*, February 5, 2003.

¹⁵Susan B. Glasser, "Qatar Reshapes Its Schools, Putting English over Islam," *Washington Post*, February 2, 2003.

¹⁶Rosemary Hollis, "Getting out of the Iraq Trap," *International Affairs*, Vol. 79, No. 1 (2003), pp. 23–35.

¹⁷Sami Zubaida, "The Rise and Fall of Civil Society in Iraq," www.opendemocracy.net.

¹⁸Andrew Rathmell, *The Changing Military Balance in the Gulf* (London: RUSI, 1996).

¹⁹Mohammed el-Sayed Selim, *Arab Perceptions of the Euro-Mediterranean Partnership* (Abu Dhabi: Emirates Center for Strategic Studies and Research, n.d.), Emirates Occasional Papers, No. 42.

²⁰H. Jawad, *Euro-Arab Relations: A Study in Collective Diplomacy* (Reading: Ithaca Press, 1992); Matthias Struwe, *The Policy of "Critical Dialogue": An Analysis of European Human Rights Policy Towards Iran from 1992–1997* (Durham: Durham Middle East Papers, No. 60, 1998).

²¹Israel looks likely to separate from the Palestinians rather than integrate with them; Turkey is focusing on Europe.

²²For a discussion of the regional military balance, see Daniel L. Byman and John R. Wise, *The Persian Gulf in the Coming Decade: Trends, Threats, and Opportunities* (Santa Monica, Calif.: RAND, MR-1528-AF, 2002).

²³Including, for Iran, the future acquisition of weapons of mass destruction.

²⁴Patrick Chabal, "The Quest for Good Government and Development in Africa," *International Affairs*, Vol. 78, No. 3 (July 2002), pp. 447–462.

²⁵Julian Borger, Dan De Luce, and Helena Smith, "Iran Poses Third Nuclear Threat to US," *The Guardian*, February 11, 2003.

RAND is a nonprofit institution that helps improve policy and decisionmaking through research and analysis. Results of specific studies are documented in other RAND publications and in professional journal articles and books. To obtain information about RAND studies or to order documents, contact Distribution Services (Telephone: 310-451-7002; toll free 877-584-8642; FAX: 310-451-6915; or email: order@rand.org). Abstracts of RAND documents may be viewed at www.rand.org. RAND® is a registered trademark.

RAND

1700 Main Street, P.O. Box 2138, Santa Monica, California 90407-2138 • Telephone 310-393-0411 • FAX 310-393-4818
1200 South Hayes Street, Arlington, Virginia 22202-5050 • Telephone 703-413-1100 • FAX 703-413-8111
201 North Craig Street, Suite 202, Pittsburgh, Pennsylvania 15213-1516 • Telephone 412-683-2300 • FAX 412-683-2800

IP-248-CMEPP (2003)