Post–Cold War U.S. Security Strategies for the Persian Gulf

Marcy Agmon

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Marcy Agmon

Prepared for the
United States Air Force
United States Army

RAND

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PREFACE

This report reviews the constraints that global cold war objectives imposed on the ability of the United States to craft security strategies for the Persian Gulf. It suggests ways in which the end of the cold war may permit more U.S. policy flexibility and a broader range of choices among elements of strategies to promote American interests in the Gulf region. This study is one of a series of publications developed to provide a political-military assessment of security prospects in the region over the next several years, the challenges the U.S. military is likely to encounter as it supports U.S. national objectives in the region, and implications for future U.S. security planning. It should be of interest to policymakers and regional analysts tasked with the planning of strategy and policy initiatives to promote U.S. interests in the Persian Gulf area.

SPONSORSHIP AND CONDUCT OF RESEARCH

The report is one of a series of publications documenting work on the Future Security Requirements for the Gulf project. The project was jointly sponsored by the Director of Plans, Headquarters, U.S. Air Force, and the Office of the Deputy Chief of Staff for Intelligence, U.S. Army; it was conducted through a joint effort by two of RAND's federally funded research and development centers (FFRDCs): Project AIR FORCE (Air Force) and the Arroyo Center (Army).

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George Donohue is Vice President and Director, Project AIR FORCE. Those interested in further information on Project AIR FORCE should contact his office at the RAND address.

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Army Regulation 5-21 contains basic policy for the conduct of the Arroyo Center. The Army provides continuing guidance and oversight through the Arroyo Center Policy Committee (ACPC), which is co-chaired by the Vice Chief of Staff and by the Assistant Secretary for Research, Development, and Acquisition. Arroyo Center work is performed under contract MDA903-91-C-0006.

Lynn E. Davis is Vice President for the Army Research Division and Director of the Arroyo Center. Those interested in further information about the Arroyo Center should contact her office at the RAND address.

SUMMARY

The end of the cold war and the disappearance of the threats the Soviet Union posed to the Persian Gulf have presented the United States with an opportunity to pursue a fundamentally different type of strategy in that region: a policy of friendly but more detached and contingent relations with the regional states, in distinction to the existing U.S. policy of close and enduring political, military, and personal ties with friendly regimes. The former can be termed "insulating strategies," because they are intended to distance the United States from the risks attendant to the endemic political instability of the region. The latter can be termed "controlling strategies," because they focus on managing and subduing those risks. Whether the United States should avail itself of this opportunity is not clear. The purpose of this report is to assess the costs and benefits of doing so.

Three concepts are critical to the discussion that follows. The first is the distinction between "government" and "regime." Regimes are systems of government, characterized by accepted theories of political legitimacy and enduring institutions. Particular governments, on the other hand, are made up of individuals who arrive and depart in prescribed periods of time. Individuals who make up particular governments cannot themselves change their system of government, and the regime circumscribes their freedom to make policy. In the West, the distinction is sharp. In the Middle East, the distinction is substantially blurred. With the exception of Israel and Turkey, Middle Eastern governments are personalized authoritarian systems, to one degree or another, and regimes in the region are highly contingent on the preferences of particular leaders. Frequently, when the personalities change (often by violence), the regime changes too.

The second concept is "political instability." Political instability denotes the unpredictability of the structure or framework of foreign relations and the rules governing those relations. This unpredictability means that sudden and dramatic shifts in policy, in perceptions of national interest and fundamental strategy, are possible. In the Middle East, radical policy shifts can arise in more ways and with a greater probability than in the West. They can arise from regime change or at the wish of a particular authoritarian leadership, because the inhibition to depart sharply from precedent is much weaker without an accepted theory of government. This characteristic makes stable, long-term security relationships with the states of the Middle East

less reliable than those the United States has enjoyed with its European allies, for example.

The third concept is "robustness." In the Persian Gulf, a special virtue of any security strategy will be its resistance to being overturned by any of a number of possible contingencies, political and military. While no single strategy can prepare ideally for all possibilities, the United States will need to identify those elements that would suffer least from the types of instabilities that are typical in the Middle East.

THE SHAPING OF U.S. OBJECTIVES AND STRATEGIES IN THE PERSIAN GULF

During the cold war, the strategy pursued by the United States in the Persian Gulf was shaped fundamentally by U.S.-Soviet strategic and ideological competition. That competition led to the formation of close associations with specific conservative regimes, whose continued stability and alignment with the West were critical to the policy of containment.

The objectives pursued by the United States in that period were containment of Soviet influence in the region, continued access to Persian Gulf oil at reasonable prices, and preservation of the security and stability of friendly states. The Soviet Union, acting directly or through proxies or clients, was viewed as the principal long-term threat to all three objectives.

Britain was largely responsible for the military security of the Persian Gulf until 1971. Reluctant to fill the subsequent security vacuum itself, the United States chose friendly Iranian hegemony as the principal means of military protection of western interests against Soviet influence in the region. Saudi Arabia became the second pillar in this "twin pillar" policy.

An important feature of U.S. relations with Iran and Saudi Arabia during the cold war was their conspicuously personal character. The United States essentially undertook commitments to both the security and independence of the two states, and to the "stability" of their regimes, their particular leaderships. In each case, the United States acted to preserve the respective monarchies from internal or external threats. With the Iranian revolution of 1979, however, the Carter Administration found unpalatable the steps that would have been required to prolong the Shah's reign. Because U.S. relations with the Shah had been so personalized, Iranian revolutionary bitterness

against the regime of the Shah was extended with equal vehemence against the United States.

Subsequently, it became clear that expectations of long-term friendship with Iraq were also mistaken. The consequence of the failure of the strategy of reliance on friendly regional hegemons was the high price paid by Kuwait, the United States, and their coalition partners to counter Iraqi military power and to restore balance to the region in the wake of Iraq's invasion of Kuwait.

THE POST-COLD WAR ENVIRONMENT

With the end of the cold war, containment of the former Soviet Union is no longer a key U.S. objective in the region. Therefore, alignments and the ideological content of regimes should be of less concern.

However, the end of the cold war has not yet reduced U.S. concern about regional instability. At least two main types of instability at play could threaten western access to the region's oil: military instability and political instability. The maintenance of a military balance that would discourage aggression against U.S. friends may not be easy, but it is a relatively straightforward problem to understand in principle. The maintenance of political stability is anything but straightforward. Whereas it is true that the United States was instrumental in maintaining regime stability in Saudi Arabia in the 1960s and in Iran in the 1950s, it was unable to do so in Iran in 1978. Moreover, the relationships established with the regimes of Saudi Arabia and Iran offered the United States no protection from the oil embargo of 1973, led by those two states.

Strategies that would perpetuate the linkage between U.S. national interests in the region and the survival of particular Gulf regimes flow from a fundamental belief that the region's political instability is dangerous but controllable through close relationships with preferred regimes.

The potential benefits of close relations with regimes include some expectation of stable, moderate oil policies, some measure of military access and defense cooperation, and the continuation of a framework of relations that is familiar and that has proven to be relatively successful—with notable exceptions. The general problem of the approach is that the necessity for a close relationship with a particular regime may, paradoxically, increase its vulnerability to political instability. Also paradoxical, relationships with highly controlled authoritarian regimes can make information on potential threats to regime stability harder to obtain. Finally, this approach presupposes

that measures to reduce instability, once identified, are available, acceptable, and effective. In fact, many uncertainties accompany actions of the sort required to maintain the stability of the regimes of developing countries.

Another broad category, "insulating strategies," flows from the belief that political instability is insufficiently controllable; that efforts to do so may make the consequences of instability worse for U.S. interests over the long term; and that, in any case, the United States now can afford to worry less about regime change should it come. This approach would seek out policies to insulate U.S. interests, to the greatest degree possible, from the consequences of regime change. Insulating policies could include statements of the intent to form relationships with, and make security commitments to, states as distinct from regimes, and refraining from involvement in the internal affairs of other states. The assumption is that a neutral policy that does not appear to dictate, manipulate, or stand in the way of change, particularly change that may be popularly supported, may have a greater probability of perpetuating benign relations or minimizing policies actively hostile to U.S. interests. Finally, this approach would place relatively greater emphasis on an energy policy that reduces U.S. dependence on imported oil.

The insulating approach has a number of potential drawbacks. Substantial effort has been expended to establish effective personal bonds and channels of communication, the traditional mode of interaction in the region. Personal distance could generally make it harder to communicate diplomatically or to get things done, and it could reduce U.S. military access to regional military facilities.

THE POST-GULF WAR ENVIRONMENT

The credibility of future U.S. unilateral commitments in the Persian Gulf was substantially enhanced by the demonstration of national will and capability to project power effectively, even from a great distance. In the aftermath of the war, several Gulf states showed a greater willingness than before to accept a visible presence and an explicit U.S. role in regional security arrangements. Over time, that trend has begun to diminish and it may diminish further in relation to more traditional considerations of the liabilities associated with close relations with the United States (such as fear of contamination by western culture and values, the undermining of regional Islamic leadership credentials, and fear of external domination). Although a number of states in the region have concluded bilateral security agreements with the United States, most have been restrained in

their willingness to permit a visible U.S. presence. Moreover, both Saudi Arabia and Kuwait are pursuing enhanced self-defense capabilities.

The attention and interest of the American public quickly turned to domestic affairs after the Gulf War, particularly the state of the economy, and to the issue of the degree of desirable U.S. engagement in the post–cold war world. The economic implications of whatever approach is selected by the U.S. government to protect U.S. interests in the Persian Gulf are likely to be an important dimension of the debate about engagement.

FOUR SECURITY ALTERNATIVES

This analysis evaluated four regional security alternatives in terms of their requirements, U.S. peacetime and wartime roles, benefits, risks and costs, and failure modes and their consequences. Two are examples of insulating strategies; two are controlling strategies. The four also represent broadly the policy options under consideration by the Gulf states and by the United States.

Saudi Defense Independence would be characterized by a large defense expansion in Saudi Arabia, with the goal of establishing a unilateral Saudi capability to defend the Arabian Peninsula. The military buildup would necessitate major cultural/societal accommodations and could, therefore, generate tensions that might increase the likelihood of political instability in Saudi Arabia. A high level of U.S. assistance in managing the buildup would be required, including training of Saudi forces. The United States would need to be prepared to defend Saudi Arabia, at least in the nominal five-to-ten-year transition period. Benefits could ultimately include a reduction in costs to the United States, foreign sales for the U.S. arms industry, and less Saudi vulnerability to criticism of its dependence on the United States. The risks could include the exercise of Saudi power in ways that would be undesirable to the United States, a Saudi inability to establish an effective expanded military, a regional arms race resulting in an even greater Saudi disadvantage relative to potential opponents with established military infrastructures, and a continuing highly visible U.S. role. U.S. involvement and interests would be vulnerable to political instability.

U.S.-Saudi Security Condominium would be characterized by U.S. and Saudi cooperative defense of the Arabian Peninsula—the Saudis acquiring the capability to hold an aggressor for 10–30 days until U.S. forces could deploy to the region. Requirements would include a mod-

erate defense expansion, societal change, and intensive and continuing U.S.-Saudi contact and coordination. Benefits could include foreign arms sales for the United States and continuing U.S. access to Saudi bases and facilities. Risks could include increased costs if a regional arms race ensues, the undermining of the Saudi regime's regional political legitimacy, gradual erosion of cooperation with the United States if the Saudis acquire a false sense of security, and vulnerability of the security arrangement to regime change.

U.S. Reliance on All-Arab Defense of the Gulf would be characterized by U.S. reliance on security arrangements that were purely regional in character, with formal participation of only Middle Eastern and South Asian states (e.g., Egypt and Syria). Participating non-Gulf states would require a capability to transport their forces to the Gulf and to reinforce them, if necessary. Long-term cooperation and coordination among participants would be necessary. Benefits to the United States would accrue from arms sales, a reduced need for costly and potentially destabilizing direct military involvement in the region, and lowered political vulnerability to Saudi regime change. Among the risks is the requirement for long-term cooperation and congruence of interests of states that are, at best, competitive and, at worst, sometimes hostile to one another. Within Saudi Arabia, maintenance of internal security could be complicated by the presence of forces of a variety of nationalities and, possibly, ideologies, with the potential for subversion.

U.S. as Disengaged Balancer would be characterized by U.S. disengagement from the internal affairs of the Gulf states and by maintenance (with or without multilateral participation) of a stable military balance in the region through regulation of arms transfers and/or through military intervention to deter or defeat potential hegemons. To implement this alternative, the United States and any combination of external actors must possess the military resources sufficient to function as the balancer to maintain regional military stability. The size of those resources must be responsive to the growth of regional military capabilities. The United States would also need to maintain the ability to intervene unilaterally. With arms control, this strategy could lower U.S. costs and force requirements for intervention, and also reduce U.S. dependence on the survival of potentially unpopular regimes. The risks include circumvention of agreed arms transfer controls, or, if no arms control is in place, high costs and difficulty of intervention to restore the balance.

CONCLUSIONS

Figures S.1 and S.2 summarize the performance of the four alternatives along five criteria, ranking them from low (most desirable) to high (least desirable).

The following conclusions are suggested by the analysis.

First, because of the inherent uncertainty about how Gulf security arrangements that depend on the cooperation of regional states will evolve, it would be prudent for the United States to maintain the capabilities needed to implement Alternative IV, the U.S. as Disengaged Balancer, regardless of which other alternative, or combination of alternatives, is chosen for implementation by the states of the region. Broadly speaking, the more independence the United States maintains in its ability to defend its interests, the more "insulated" its military strategy will be from the political instabilities that may arise in the region.

Second, two alternatives would pose high military risks and are highly sensitive to political instability: All-Arab Defense and Saudi Defense Independence. Therefore, the choice is between the other two alternatives: U.S.-Saudi Security Condominium (which most closely resembles the present policy) or the U.S. as Disengaged Balancer. If the United States places greatest priority on maximizing military effectiveness, then U.S.-Saudi Security Condominium looks better. If the priority is to minimize provocativeness and vulnerability to political instability, then the Disengaged Balancer alternative is most attractive.

Third, there is a means by which the United States can free itself from this dilemma of needing to choose between focusing on military instability and political instability: regional arms control. Arms control in the Persian Gulf would exercise great leverage on the costs and benefits of all four alternatives, making all four less costly and more beneficial. No other policy instrument examined has that impact.

Given the character and complexity of intraregional relations, it is unlikely that a conventional arms control agreement can be negotiated in the near term. Arms supplier constraints appear a more realistic near-term possibility, and a particularly urgent one, given the already growing momentum to transfer weapons to regional actors.

This discussion should not be construed as optimism that arms control can be concluded successfully in the near term. However, al-

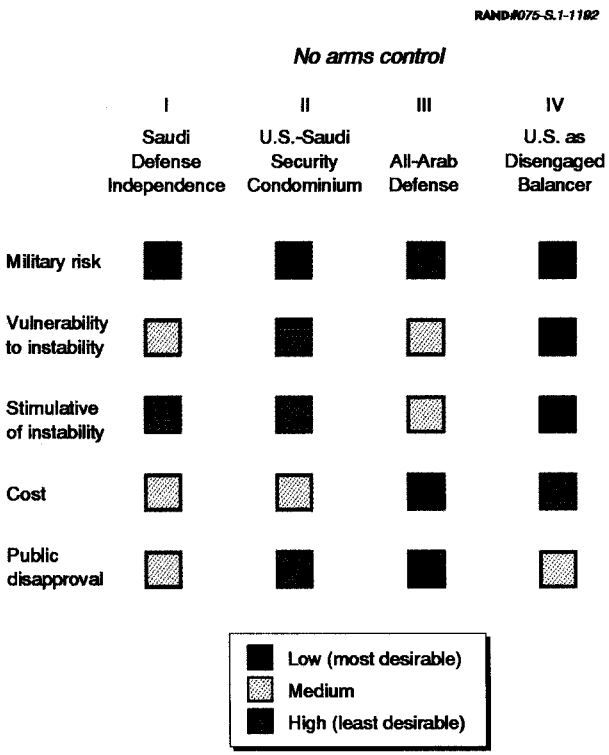

Figure S.1—Performance of Alternatives with No Arms Control

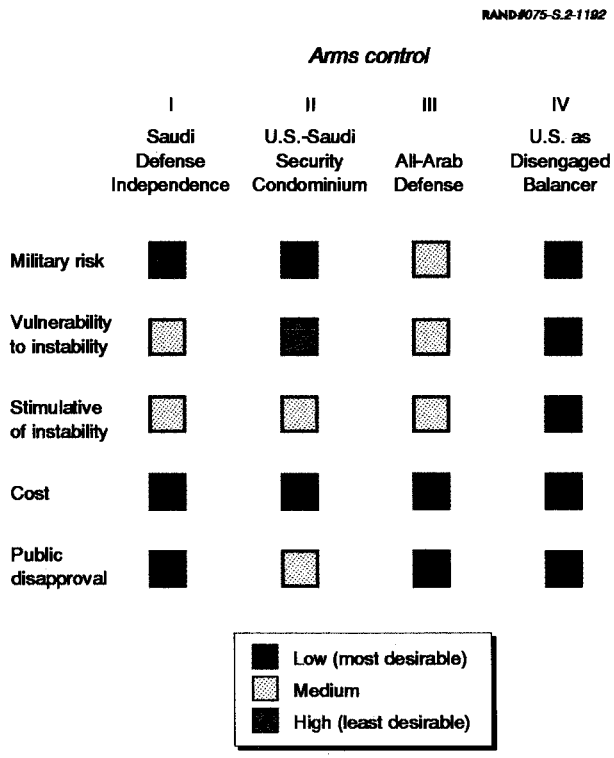

Figure S.2—With Arms Control, Alternative IV Is Most Attractive

though poor, the odds are better now than ever before because of the transformation of the former Soviet Union and because the parties do have incentives to reduce or stabilize arms levels. This, combined with the benefits of arms control to the United States, suggests that initiatives to limit arms to the region are deserving of energetic exploration and, perhaps, higher priority. In the event that arms control proves to be a chimera, at least for now, the United States is left with the original dilemma.

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1. INTRODUCTION

The disintegration of the Soviet Union and the disappearance of the political and military threats it posed have presented the United States with an opportunity to pursue a fundamentally different type of security strategy for the Persian Gulf. This alternative policy would entail friendly but more detached and contingent relations with the regional states, in distinction to the existing U.S. cold war policy of very close and enduring political, military, and personal ties with friendly regimes. The former can be termed "insulating strategies," because they are intended to distance the United States from the risks attendant to the endemic political instability of the region. The latter can be termed "controlling strategies," because they require a focus on managing and containing those risks.

Whether the United States should avail itself of this opportunity is not clear, and the purpose of this report is to assess the costs and benefits of doing so. To accomplish this, Section 2 will first consider the ways in which U.S.-Soviet competition during the cold war has been the prism through which U.S. regional objectives have been perceived and the organizing focus of U.S. policy strategy in the region. Section 3 examines the possible implications of the end of the cold war for those objectives and strategies. Section 4 describes the post–Gulf War security environment, and Sections 5 and 6 evaluate four postwar regional security alternatives in terms of their military effectiveness and their robustness in the face of regional instability.

Several concepts are critical for this analysis. The first is the distinction between *government* and *regime*. In the West, *regimes*—that is, systems of government—are characterized by accepted theories of political legitimacy, orderly succession, enduring institutions that exist independent of current occupants, shared civic values, and a world view. These give rise, generally speaking, to continuity in national priorities and national interests. Particular *governments* consist of individuals who arrive and depart in prescribed periods of time. When a regime is well established, these leaders cannot themselves change their system of government—short of extreme violence. The regime and its institutions circumscribe their freedom to act and to make policy. In the West, that distinction between regime and government is

sharp. It is substantially blurred in the Middle East,[1] although the distinction does exist, at least to some extent, in some states.

What distinguishes Middle Eastern governments is that they are all personalized, authoritarian systems to one degree or another.[2] Unlike western states, Middle Eastern regimes are highly contingent on the particular makeup of Middle Eastern governments and on the preferences of particular leaders. Frequently, when the personalities change (often by violence), the regime changes too. Again, this is not to suggest that regimes always change with changes of leadership. In Egypt, the transition from Anwar Sadat's presidency to that of Hosni Mubarak did not involve a change in regime, nor did the transition from King Khalid to King Fahd in Saudi Arabia. But, as was the case in the transition from the rule of the Shah to that of the Ayatollah Khomeini in Iran in 1978, it is generally the personal prerogative of the new leadership to maintain or to change the structure of government in a way that is not the prerogative of leaders in the West.

The second concept to be elaborated is *political instability*. Much of the discussion on this subject has tended to focus on the longevity of governments and regimes as a measure of their stability. In fact, Syria, Iraq, Egypt, Saudi Arabia, Jordan, and Libya have had the same regimes and, in some cases, the same governments, for over twenty years. By this criterion, some of these governments are more stable than that of the United States. Nevertheless, it is generally accepted that these governments and regimes are more vulnerable to irregular and unpredictable challenges. President Assad's violent overthrow would be far less surprising than that of the leader of the most loosely governed western state.

Why is this the case? It is true, at least in part, because it is so much easier to change the policy direction of a Middle Eastern country through a change in leadership than it is in the West. In the West, the anticipation of general continuity in domestic and foreign policy and the continuity of institutions removes much of the incentive to eliminate any particular national leader. By the same token, in the Middle East, where the system of government is embodied in a particular governmental leadership, the elimination of a person can be sufficient to change a system and to radically affect policies. The as-

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[1]The reader will note references to both the "Middle East" and the "Persian Gulf." The two are not used interchangably. The former refers to considerations with more general application than to the Persian Gulf alone. References to the "Persian Gulf" are meant to denote considerations specific to that subregion only.

[2]With the exception of Israel and Turkey.

sassination of President Sadat of Egypt could have resulted in a regime change and a shift in Egypt's strategic orientation in a way that the assassination of President Kennedy, or even of a post–Stalin Soviet leader, could not have. Thus, in the Middle East there are more potential sources of dramatic shifts in policy, some flowing from the incentives to eliminate leaderships and some from the dependence of policy on the preferences of individuals.[3]

"Political instability," then, denotes the unpredictability of the structure or framework of foreign relations and the rules governing those relations. This unpredictability means that sudden and dramatic shifts in policy, in perceptions of national interest and fundamental strategy, are possible. What are the main sources of such major shifts? In the West, the main source is regime change, but this happens only rarely. In Spain, there were two regime changes in the 20th century. In Britain, there were none. Without regime change, the range of policy choices available to western leaders is strongly proscribed by the weight of precedent and the influence of well-entrenched institutions. Change is certainly possible, but it is almost never sudden or radical. Incrementalism is more characteristic. In the Middle East, radical policy shifts can arise in more ways and with a greater probability than in the West. They can arise from regime change. Also, they can be brought about at the behest of a particular authoritarian leadership, because the inhibition to depart sharply from precedent is much weaker without an accepted theory of government and enduring institutions. This is the crux of the structural unpredictability of policy in the region. President Assad could change the strategic direction of Syria's policy dramatically tomorrow in a way that H. Ross Perot could not if he were elected president of the United States.[4]

Stable, long-term relations among states are possible when the basic security interests of those states transcend whatever governmental leadership is holding power at any particular moment. This is largely true of western systems of government, and it is this basic continuity

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[3]In fact, the longevity of a particular Middle Eastern government can actually increase the unpredictability of its policies. As a leadership consolidates its power over time, it can acquire even greater leeway to change policy radically.

[4]Daniel Pipes observes that "today's regimes have immense coercive power despite their crises of legitimacy. While Iraq has the most notoriously repressive apparatus in the Middle East, comparable institutions exist in nearly all Arabic-speaking countries. Even such apparently fragile governments as those of Saudi Arabia and Jordan engage in what Michael Hudson has dubbed 'monarchy by *mukhabarat* [security apparatus].' Their power permits considerable leeway in pursuing unpopular policies." Daniel Pipes, "What Kind of Peace?" *The National Interest*, Spring 1991, p. 11.

of strategic policy that has permitted long-term security relationships between the United States and its European allies. It is precisely this characteristic which is absent among most of the states of the Middle East. Therefore, to equate relationships in the Middle East with the kinds of long-term alliance relations the United States has enjoyed in other regions, such as Europe or Japan, would be to apply a paradigm that may be maladapted for the Middle East.

The third concept to be elaborated is *robustness*. For the United States, the issue of security in the Middle East is complicated by the unpredictability of policy. There is a high potential for surprise, for the rapid change of conditions not anticipated when a particular U.S. policy was crafted. Therefore, in the Persian Gulf, a special virtue of any policy will be its *robustness*—that is, its resistance to being overturned by any of a number of possible contingencies, political and military.

No single strategy can prepare for all possibilities; each will have its own strengths and vulnerabilities. But as the United States crafts a strategy for the Persian Gulf, it will need to look for those elements that would suffer least from the types of instabilities and the types of surprises that are common or typical in the Middle East. The *robustness* of a strategy will depend on both political and military factors. A strategy that incurs no political risks (e.g., one that would never permit deployment of forces to the region) may not be militarily robust. Similarly, one that would take no military risks (e.g., one that would require the permanent presence of a large U.S. force) may not be politically robust. This study will evaluate the relative advantages of potential components and the robustness of mixes of components of a strategy for the Persian Gulf.

A potential component, arms control, will be shown to make successful protection of U.S. regional interests much more likely and inexpensive, regardless of which strategy is chosen. No other component of U.S. policy seems to exert such high leverage. Therefore, arms control will receive special attention in the concluding section. Its discussion here should not be taken to suggest that arms control can serve as a substitute for efforts to resolve the sorts of interstate tensions and conflicts that provide the motivation to acquire arms. There is no doubt that fundamental conflicts of national interests drive arms acquisition to a considerable degree. However, many of the region's disputes have been in existence for generations and have defied serious efforts at resolution. Although diplomacy and continued offers of the good offices of the United States toward that end are to be encouraged, where appropriate, such efforts may not be success-

ful in the near term. In the meantime, restraint in the transfer of arms is one measure that could reduce the likelihood or, at least, the lethality, of interstate military conflict in the Middle East, should deterrence fail. To the extent that military calculations affect decisions to resort to force, some regional balances must be preferable to others.

The disintegration of the Soviet Union has opened up strategic policy alternatives for the United States in the Persian Gulf that were foreclosed during the cold war. Specifically, a primary U.S. strategic objective in the region during the cold war was containment of Soviet power. To this end, the United States pursued a policy of close political, military, and personal relationships with friendly regimes such as Saudi Arabia and Iran. Because the containment of Soviet political and ideological influence was deemed to be paramount, the U.S. strategy included a willingness to protect these regimes from internal as well as external opponents in the belief that the region's endemic political instability was dangerous to U.S. interests, advantageous to the Soviets, and controllable by the public commitment of U.S. power to friends. This strategy committed the United States to trying to resist changes in the status quo in the region, even when those changes might have arisen from local developments consistent with greater liberalization of local civic cultures.

The rhetoric of rivalry and conflict in the Middle East reflects continuing challenges to the political legitimacy of individual regimes, particularly to the remaining monarchies. As a consequence, even longstanding regimes continue to be fragile. They frequently behave as though they perceive mortal threats from within as well as without. Maintaining close relations with friendly regimes and helping to preserve their stability have demanded a high political price, including perceptions in some quarters that the United States was responsible for the perpetuation of unpopular, illegitimate forms of government. Such perceptions have resulted in intensely hostile policies directed against the United States, as they were in the wake of Iran's 1979 revolution. More generally, one explanation for the suspicion and popular animosity in the region directed at the United States lies in the history of American support for and protection of unpopular rulers. Given the importance of regional alignments during the cold war, American decisionmakers of that period saw little choice.

With the end of the cold war, the United States has a choice. After analysis, maintenance of the existing policy may still be the best strategy for the United States to pursue. However, for the first time in decades, another broad approach is feasible. This new strategic approach would retreat from cold war commitments to regimes in the

belief that political instability is insufficiently controllable, and that efforts to control it may paradoxically make its likelihood and consequences worse for U.S. interests over the long term. Issues of cost, practicability, and military effectiveness still may make the status quo more attractive over the near term than a new strategy that is less vulnerable to instability. However, with the containment of the USSR no longer necessary, a significant motivation for the existing strategy is gone. A reconsideration of the U.S. regime-focused strategy in the Persian Gulf is in order. This report contributes to such a reevaluation.

2. THE SHAPING OF U.S. OBJECTIVES AND STRATEGIES IN THE PERSIAN GULF

COLD WAR OBJECTIVES

U.S. policy in the greater Middle East during the cold war period was influenced to a considerable degree by perceptions of Soviet objectives in the region and the threat they posed to U.S. interests there. In the Persian Gulf, the objectives pursued by the United States included the following:[1]

- Containment of Soviet influence in the region[2]
- Continued access to Persian Gulf oil resources at reasonable prices[3]
- Preservation of the security and stability of friendly states.[4]

THREATS TO U.S. OBJECTIVES

During much of the cold war period, the Soviet Union, acting directly or through proxies or clients, was viewed as the principal long-term threat to free world access to Persian Gulf oil at reasonable prices and as the main threat to the security of friendly regional states. At worst, it was feared that the Soviets might achieve hegemonic-

[1]These three long-standing objectives were defined as such by Secretary of State George Shultz and by Under Secretary of State for Political Affairs Michael H. Armacost, in statements before the Senate Foreign Relations Committee, on June 16–17, 1987. United States Department of State, *U.S. Policy in the Persian Gulf*, Special Report No. 166, July 1987, pp. 9, 10.

[2]According to U.S. Defense Secretary Dick Cheney, "The containment strategy dictated that part of our regional interests derived directly from Moscow's expansionist strategy and our own efforts to counter that expansionism." Dick Cheney, Secretary of Defense, "America's New Defense Policy," presented at the Walsh Lecture, Georgetown University, Washington, D.C., March 21, 1991, p. 6.

[3]It is widely held that the United States and the West will continue to be dependent on the stable supply of Persian Gulf oil well into the next century. This objective derives from the fundamental U.S. goal of the maintenance of the well-being and prosperity of U.S. citizens. The approach taken in this paper on the issue of the relationship among U.S. goals, objectives, and strategy is loosely based on conceptual frameworks devised by Glenn A. Kent. See Glenn A. Kent, *A Framework for Defense Planning*, RAND, R-3721-AF/OSD, August 1989.

[4]It could be argued that the objectives of containment and preservation of the security and stability of friendly states derived from, and were subordinate to, the maintenance of access to Gulf oil.

monopolistic control of the oil market, which they could manipulate to control western economies. In early 1957, Secretary of State John Foster Dulles testified before the United States Senate that the most credible Soviet threat to western Europe, without the risk of open war, was control of western economies through control of the Middle Eastern oil resources required to fuel them.[5] This view of the threat endured throughout the cold war.

"Regional instability" was also viewed as a threat, insofar as it could benefit the Soviet Union.[6] The region's importance, coupled with its chronic instability—not only its proneness to interstate conflict, but also the frequency and unpredictability of challenges to regime legitimacy—tended to draw considerable U.S. attention to the internal affairs of Gulf states. Sources of political instability such as radicalism (secular or religious), internal dissention, irredentism, economic duress, and even aspirations for democracy could undermine regimes or otherwise threaten shifts in superpower alignment, if exploited by the Soviets. With the Soviets poised to exploit such opportunities, several U.S. presidents felt compelled to attempt to manage or control political instability, some with more success than others.

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[5]"In the first place, there is a threat which, if it led to an international communist control of this area [the Middle East], would mean that the communists could win without open war, areas which are endangered, but which probably the communists or the Soviet Union would not want to risk open war to get.

"I refer particularly to western Europe. They are very eager, of course, to get control of western Europe. The vast manpower, industry, raw materials, that exist there would, if it fell under their control, decisively alter to their advantage and our disadvantage the balance of power in the world.

"Now, there are two ways of getting that control. One is by fighting to get it. The other is to get control of its economy so that it cannot exist except on Soviet communist terms.

"And if international communism gets control of the Middle East, they will be in precisely that position. They can, in effect, have their hand on the throttle which can either give or can cut off what is the lifeblood of Europe.

"And I would not expect under those conditions it would be feasible for Europe to stay independent of Soviet communist control." United States Congress, Senate, *The President's Proposal on the Middle East*, Part I, Hearings before the Committee on Foreign Relations and the Committee on Armed Services on SJ Res. 19 and JH Res. 117, 85th Cong., 1st Sess. 1957, p. 66.

[6]Further evidence of the focus on the Soviet Union is the prominence of the Soviet threat to the Southwest Asia region in the Secretary of Defense's annual posture statements. Concern about regional *internal* instabilities also derived from the opportunities they offered for Soviet exploitation. "Regional internal instabilities and intraregional conflicts provide frequent opportunities for Soviet intervention through proxy states or Soviet-backed sympathizers." Caspar W. Weinberger, Secretary of Defense, *Annual Report to the Congress*, Fiscal Year 1983, p. III-101.

COLD WAR EFFORTS TO CONTROL REGIONAL POLITICAL INSTABILITY

Until 1971, the United States largely relied on the British to maintain *military* stability in the Persian Gulf region. Although the United States had concluded a military agreement with Saudi Arabia in the mid-1940s that permitted the United States to construct and use Dhahran airfield, the airfield was not sought for the purpose of regional defense. Rather, the United States wanted a forward Strategic Air Command (SAC) base. Interest in the airfield in this period lasted only until early 1961. With the advent of intercontinental bombers and ballistic missiles, overseas SAC bases were no longer cost-effective, and the United States elected not to renew the agreement on use of Dhahran airfield. The Saudi interest at the time of the agreement, according to David Long, was a "desire for evidence and reassurance of a U.S. commitment to protect the regime against foreign threats." At the same time, the Saudis were highly sensitive to criticism by other Arab states of their decision to "relinquish any portion of sovereignty to a foreign power by granting base rights."[7] The tension between these interests and concerns has been typical of U.S. relations with the region since the 1950s.

The United States did not want to become entangled in regional conflicts, but it was interested in supporting and promoting friendly relations with as many regional regimes as possible. The policy of containment of Soviet influence generated intense efforts to acquire and maintain friends and clients—in many instances, merely to deny them to the Soviet Union. Threats to the internal stability of pro-U.S. regimes were of considerable concern, whether they were generated outside the country in question or inside. In 1963, for example, President Kennedy secretly sent U.S. forces to Saudi Arabia to guard against an Egyptian-sponsored and equipped Saudi insurgency intended to kill the royal family.[8] The United States also intervened against a purely internal challenge to the monarchy of Iran mounted by its nationalist opposition. The Iranian military coup of 1953 was largely engineered by the United States to restore Mohammed Reza Shah to his throne after he was exiled by the Iranian parliament (*majlis*) under the nationalist leadership of Prime Minister

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[7]David E. Long, *The United States and Saudi Arabia: Ambivalent Allies*, Westview Press, Inc., Boulder, 1985, pp. 35–36, 39.

[8]WETA-TV, *The Secret Files*, Transcript #106, air date February 17, 1992, pp. 12–13.

Mohammed Mossadegh.[9] With the cold war overlay, the stakes seemed high and the incentives great enough to outweigh the political discomfort associated with becoming embroiled in the internal affairs of other states, and, in the latter case, risking the alienation of a fundamentally pro-U.S. Iranian public.[10]

After 1971, with the withdrawal of the British from east of Suez, the United States also had to attend to the military security of the oil supply. Reluctant to fill the security vacuum directly, the United States asked Iran to accept the role of protector of western interests in the Gulf. According to Secretary of State Kissinger:

> Alone among the countries of the region—Israel aside—Iran [under the Shah] made friendship with the United States the starting point of its foreign policy. That it was based on a cold-eyed assessment that a threat to Iran would most likely come from the Soviet Union, in combination with radical Arab states, is only another way of saying that the Shah's view of the realities of world politics paralleled our own. Iran's influence was always on our side. . . .[11]

Friendly Iranian hegemony became the principal instrument for the prevention of Soviet domination of the region. Iran was provided extensive access to some of the most sophisticated conventional military technology available in the United States.[12] It was believed in the

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[9]Subsequently, real political activity was suppressed by the *de facto* banning of political parties and monitoring of Savak, the internal security police. The educated classes of Iran no longer had a legitimate political outlet. J. B. Kelly, *Arabia, The Gulf and the West*, Weidenfeld and Nicolson, London, 1980, p. 291.

[10]As the dispute between the Iranian government and the British over Iran's nationalization of the Anglo-Iranian Oil Company grew, it began to take on an East-West coloration and it engaged the United States in a way that it had earlier tried to resist. When the dispute began, the United States tried to play the role of honest broker. At the time, pro-Americanism was a striking feature of Iranian nationalism. See Richard Cottam, *Nationalism in Iran*, University of Pittsburgh Press, Pennsylvania, 1964, p. 206. Britain maintained a hard line in negotiations, complicating the U.S. position. Ultimately, the United States supported the British. Simply stated, Britain's role in the western alliance and assurance of western access to Iranian oil were more important to the United States than pluralism in Iran in this instance. To make matters worse, Iran's Prime Minister Mossadegh believed that he could enlist the competitive interest of the United States by turning to the Communist Tudeh Party for political support. His efforts backfired. The British were able to exploit the spector of a Communist threat and place the dispute in the context of the East-West struggle. For a broader discussion of the dispute and the U.S. role in it, see Ethan B. Kapstein, *The Insecure Alliance: Energy Crises and Western Politics Since 1944*, Oxford University Press, New York, 1990, pp. 76–95.

[11]Henry Kissinger, *White House Years*, Little, Brown and Company, Boston, 1979, p. 1262.

[12]In a memorandum to President Nixon, Secretary of State Kissinger summarized the policy as follows, "We adopted a policy which provides, in effect, that we will accede

United States that the friendship of the Shah and overwhelming Iranian military superiority in the Gulf would provide the stability required to protect western oil interests against hostile control over the long term. This policy depended critically on the continued stability of the monarchy of Reza Shah Pahlavi, a regime that had endured for thirty-seven years as a relatively "benevolent dictatorship," and one that appeared to possess an effective security apparatus for protection against internal threats.[13]

As a hedge, the United States also took steps to increase its ability to withstand the economic dislocations that would accompany any future reductions in oil supply of the sort that had been so disruptive in 1973. The Strategic Petroleum Reserve was one such measure. Another was a "special relationship" with Saudi Arabia. It was hoped this association would contribute to the maintenance of an adequate supply of oil at relatively stable prices, as well as provide some assurance against manipulation of investments and surplus oil revenue deposits in the United States. This strategy led to the establishment of a network of military and economic arrangements (including the sale of large quantities of sophisticated weapons systems and aircraft). The sum of these arrangements was a *de facto* U.S. commitment not only to the security and independence of Saudi Arabia, but

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to any of the Shah's requests for arms purchases from us (other than some sophisticated advanced technology armaments and with the very important exception, of course, of any nuclear weapons capability. . .)." Gary Sick, *All Fall Down*, Random House, New York, 1985, p. 15. According to former Secretary of State Kissinger, "Presidents Ford and Carter encouraged the Shah's military strength for the same reason that Nixon approved the first increment: It was considered in the overwhelming strategic interest of the United States, of Iran, and of the stability of the region." Henry Kissinger, *Years of Upheaval*, Little, Brown and Company, Boston, 1982, p. 670.

[13]In late 1977, only one month before serious riots broke out in Qom, President Carter made his now infamous reference to Iran as "an island of stability in a turbulent corner of the world." On the occasion of Crown Prince Reza's birthday in October 1978, President Carter expressed his support for Iran and for the Shah in the following statement: "Our friendship and alliance with Iran is one of the important bases on which our entire foreign policy depends. We wish the Shah our best and hope the present disturbances can soon be resolved. We are thankful for his move toward democracy, and we know that it is opposed by some who do not like democratic principles. But his progressive administration is very valuable, I think, to the entire Western world." Sick, pp. 30, 62.

also to the "stability" of the nation's regime—a monarchy which, like that of Iran, had endured for decades.[14]

An important feature of U.S. relations with both Iran and Saudi Arabia was their conspicuously personal character. In his account of the events and decisions of the 1970s, Henry Kissinger argues persuasively that Iran's intrinsic importance transcended the personality of its leader, but he acknowledges that,

> We were blinded not only by the loyalty to the Shah for which we are criticized—and there are worse indictments to be made of a nation than steadfastness in support of an ally. . . .[15]

> he was for us that rarest of leaders, an unconditional ally. . . . The Shah of Iran chose friendship with the United States. He had been restored to the throne in 1953 by American influence when a leftist government had come close to toppling him. He never forgot that; it may have been the root of his extraordinary trust in American purposes and American goodwill, and of his psychological disintegration when he sensed that friendship evaporating. . . . By the same token he was unprepared for an America vacillating in his hour of tragedy.[16]

On relations with Saudi Arabia, Kissinger recalls,

> America's relationship had been on the whole with the world of the princes; they were good friends of our country; I saw no alternative to their rule that would not be worse for us. I wished them every success in their efforts to adapt themselves to the new challenges invoked by their own oil decisions, which accelerated the process of change and hastened an unpredictable future.[17]

The region's authoritarian regimes have had a predilection for highly personalized relations. The United States accommodated this form of diplomacy to cement relationships, given its aversion to the risks associated with political change, even popularly motivated change. Thus, until the late 1970s, the United States pursued this highly personalized "twin pillar policy" (Iranian military hegemony coupled with Saudi political and economic power), which rested heavily on the stability of its relationship with the Shah of Iran and with the Al Saud family of Saudi Arabia.

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[14]See J. B. Kelly, *Arabia, the Gulf and the West,* Weidenfeld and Nicolson, London, 1980, pp. 263–284.

[15]Kissinger, *Years of Upheaval*, p. 672.

[16]Kissinger, *White House Years,* p. 1261.

[17]Kissinger, *Years of Upheaval*, p. 878.

The United States undertook these commitments at a time when the Soviets themselves appeared to be losing their relationship with Egypt but had begun forging stronger ties in the Gulf region, in particular with Iraq. In April 1972, Soviet Prime Minister Kosygin signed a renewable five-year treaty of friendship and cooperation with Iraq's President Ahmad Hasan al-Bakr.[18] Iraqi discomfort with its own Communist Party created some friction in the relationship.[19] Nevertheless, Ba'ath objectives in the Gulf remained consistent with those of the Soviets and antithetical to those of the West—namely, to undermine traditional Gulf monarchies and replace them with leftist revolutionary regimes, and to be recognized as the champions of Arab nationalism, especially against the threat of U.S.-sponsored Iranian hegemony. Thus, the massive Iranian buildup in the 1970s was accompanied by an accelerated buildup of Iraqi military capabilities.

In sum, it was the policy of the United States in the 1970s to funnel massive quantities of highly sophisticated military hardware to Iran and, to a lesser degree, to Saudi Arabia. These arms transfers were made in some measure in exchange for friendship and an economic and political *quid pro quo*, particularly in the case of Saudi Arabia. As part of the Nixon Doctrine, Iranian hegemony in the Gulf was intended to promote regional stability and to deter or to defend against threats to western economic interests in the Gulf by the Soviets and their proxies. It was also a relatively inexpensive way to buy security, and one that permitted the United States to maintain some physical distance from the region at a time when the U.S. military involvement in Vietnam was domestically so divisive.

It may be argued that this U.S. strategy succeeded in deterring the Soviets from direct aggression in the Gulf for almost a decade. Obviously, the success of deterrence is difficult to confirm. What is apparent, however, is that the policy did not secure regional security and stability over the longer term. The implicit "bet" made by the

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[18]According to J. B. Kelly, the articles of this treaty, taken together, "could be construed as constituting a limited offensive and defensive alliance, with Iraq providing military and naval facilities to Russia in return for a guarantee of protection. . . . Article 8 of the treaty bound each side, in the event of a threat to the other, to 'hold immediate contacts to co-ordinate their positions in the interests of eliminating the developing danger and re-establishing peace'; while in Article 9 they undertook 'to develop co-operation in the strengthening of the defence capabilities of each,'" pp. 282–284.

[19]In 1973, the Iraqi Communist Party was permitted to participate, with the Ba'ath Party, in the Iraqi government, a concession that had come about as a result of Soviet pressure. But by 1979 the Communists were expelled from government because of the Ba'athists' fundamental distaste for Communism and distrust of their agenda. J. B. Kelly, p. 284.

United States in its dependence on the "stability" of Iran, the key military pillar of its "twin pillars" policy, was not a winning one. The internal control and external military power that the Shah was able to accumulate did not protect him from the formidable internal threat to the stability of his regime, and the United States proved unable or unwilling this time to undertake the measures that would have been required to restore his rule. Because the U.S. relationship with Iran had been a personal association with the Shah rather than with the state of Iran, U.S.-Iranian cooperation had been viewed by opponents of the Shah as complicity in measures to resist any internal change and to consolidate the monarch's control. As a consequence, Iranian revolutionary bitterness against the Shah of Iran was extended with equal vehemence against the United States.

Whether the United States could have rescued the regime of the Shah of Iran a second time is an open question. Despite frequent statements of friendship, the Carter Administration found unpalatable the steps that would have been required to prolong the Shah's reign. One problem of such strategies is that U.S. leaders will sometimes find that the price of rescue is too high, despite the cost of acquiescence for U.S. interests. However, the collapse of the Shah did not fundamentally sour the United States on a strategy based on close, personalized relationships with friendly regimes. Indeed, the Reagan Administration believed the decision not to save the Shah to have been a fundamental error. According to President Reagan,

> Now, with regard to 4 1/2 years ago, I wasn't here then. And Iran—I have to say that Saudi Arabia, we will not permit to be an Iran.[20]

He later elaborated,

> I don't believe that the Shah's government would have fallen if the United States had made it plain that we would stand by that government and support them in whatever had to be done . . . if we will make it plain . . . that we are going to stand by our friends and allies there . . . I don't think that the same thing will happen, [that] that kind of an overthrow would take place.[21]

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[20]"The President's News Conference of 1 October 1981," *Weekly Compilation of Presidential Documents,* 17/41, Government Printing Office, Washington, D.C., 8 October 1981, p. 1067. Quoted in Maxwell Orme Johnson, *The Military as an Instrument of U.S. Policy in Southwest Asia,* Westview Press, Boulder, 1983, p. 40.

[21]"Interview with the President," *Weekly Compilation of Presidential Documents,* 17/43, U.S. Government Printing Office, Washington, D.C., 22 October 1981, p. 1155. Quoted in Johnson, p. 41. See also M. E. Ahrari and Omar Khalidi, "The Emerging

This statement revealed the intent to continue the policy of reliance on the stability of a friendly regime for the protection of U.S. interests, and it appeared to suggest a new, more explicit, commitment to protect the regime of Saudi Arabia from internal threats. It also revealed a remarkable degree of confidence in the continued ability and willingness of the United States to do so.

Thus, the "twin pillar" policy and the arms race it fueled created in Iran a friendly Gulf hegemon which, with a change of its regime, became a hostile hegemon. Saudi Arabia could not take the place of Iran as the guarantor of regional stability—this time, against Iran as well as the USSR. The obvious candidate for that role was Iraq, and the United States, directly and indirectly, took steps to strengthen its ties with, and to bolster, the regime of Saddam Hussein. Cold war tensions between the superpowers had begun to relax, as did the exclusivity of the bond between the Soviet Union and Iraq. Arms transfers to Iraq by western suppliers (including the United States) and others proceeded officially and unofficially, essentially uncontrolled. In the United States, a tilt toward Iraq was fueled in part by anti-Iran sentiments and the conviction that the Iranian pillar of stability of the 1970s now constituted the greater long-term hegemonic threat to Gulf stability. The regional level of arms rose to such heights by the end of the 1980s that, when Iran was decisively defeated, regional military stability was dramatically undermined. Iraq retained a very large and still well-equipped military, Iran emerged from the war too weak to balance it, and no other regional state was in a position to do so.

By the end of the Iran-Iraq war, Iraq was the region's new military hegemon, but soon thereafter it became clear that expectations of long-term friendship with Iraq were mistaken. The consequence of the failure of this strategy is the high price that Kuwait, the United States, and their coalition partners have had to pay to counter Iraqi military power—in significant measure, western-supplied—and to restore balance and stability to the region in the wake of Iraq's invasion of Kuwait.

Shape of Strategic Competition in the Persian Gulf," *Strategic Review,* Vol. 18, No. 4, Fall 1990, p. 26.

3. THE POST-COLD WAR ENVIRONMENT

Superpower competition has ended, and this should permit a major difference in the way the United States can define and pursue its regional policy objectives. Containment of the Confederation of Independent States (CIS), in the Persian Gulf will not constitute a key U.S. objective, at least for the near- to mid-term, when Russia and other successor states are likely to be preoccupied with multiple domestic crises and hobbled in their ability to threaten their neighbors militarily. There can be no certainty that U.S. relations with the member states of the former Soviet Union will continue to be as cooperative as they are now. Enduring geopolitical interests still could engender some measure of competition in the region. But shorn of its ideological content, this competition will resemble more the normal, "routine" rivalries or frictions faced by most states, rather than the "life-and-death struggle" characteristic of the cold war. Moreover, the difficult economic situation in the CIS will mean a continuing degree of dependence on western goodwill and may offer some opportunities for leverage over emerging policies. With the end of containment, two U.S. Gulf objectives remain, although the two differ in type. The first represents the principal U.S. objective in the Persian Gulf. The second is largely a derived objective, instrumental in accomplishing the first.

- Continued access to Persian Gulf oil resources at reasonable prices
- Preservation of the security and territorial integrity of the states of the region from hegemonic threats.[1]

What, then, are the policy and strategy implications of the elimination of regional containment of the Soviet Union as a principal U.S. policy objective? First, assessment of regional power balances need not be driven by U.S.-Soviet competitive considerations. Gulf states do not need to be heavily armed to serve as bulwarks against the Soviets and their proxies. In fact, there are important reasons why it

[1]The Pentagon's February 18, 1992, draft of the Defense Planning Guidance for the Fiscal Years 1994–1999 identified domination of the region by hegemons or alignments of powers as an important threat: "As demonstrated by Iraq's invasion of Kuwait, it remains fundamentally important to prevent a hegemon or alignment of powers from dominating the region. This pertains especially to the Arabian peninsula." *New York Times*, "Excerpts from Pentagon's Plan: 'Prevent the Re-Emergence of a New Rival,'" March 8, 1992, p. 1.

may be in the mutual interest of the United States and the states of the former Soviet Union to restrict the sale of arms to this region. Second, with no fear of Soviet opposition, nor of superpower confrontation, U.S. activities in the region will be significantly less constrained. At the same time, with no superpower competition, the United States may in many cases feel less compelled to involve itself reflexively in regional affairs.[2] There have been instances of U.S. intervention that appeared largely to be counterpoises to Soviet involvement, or the threat of it. A recent example was the Kuwaiti request for protection of its tankers threatened by the violence of the Iran-Iraq War. Initially, the United States decided not to accede to the Kuwaiti request. That decision was quickly reversed when the Soviet Union offered to do so.

Third, the United States can afford to be less concerned with the ideological content of regimes—in particular, that of the conservative "friendly regimes" that were traditionally ideologically anti-Soviet. This is not to suggest that new ideologies antithetical to the interests of the United States will not emerge, or that existing ones, such as the radical Iranian brand of Islam, will not spread and strengthen. Anti-U.S. sentiments are present in the region quite independent of traditional cold war alignments. In part, those sentiments have been fueled by the identification of U.S. interests with the preservation of conservative, repressive regimes, as well as U.S. support for Israel. Over time, a reduction in the appearance of U.S. intrusion into the internal political affairs of the region could diminish the intensity of suspicion that has been typical in the region since the 1960s.

Nevertheless, pockets of suspicion and anti-U.S. sentiment may remain strong. On balance, these sentiments are important but may be of less consequence than they were at the height of the cold war, when they could have increased the apparent risk of eventual Soviet control of the Middle East. In the current environment, the United States might be able to rely more on economic self-interest, even on the part of nonfriendly states, to maintain the flow of oil to the world

[2]Reflecting on these new choices in the post–cold war period, Secretary of Defense Cheney described the recognition on the part of U.S. allies that the new environment may permit a greater degree of disengagement: "Such leadership means we must remain engaged. Our allies around the world want us to and expect us to, whether it is in Europe or in Southwest Asia and the Pacific, it is the same everywhere I go. . . . Our new friends, our old friends, our counterparts say to us, America, stay engaged this time, America, do not abandon us, America, we have seen too often what happens when in this sort of new environment you leave the world stage, you were not on the scene." Reuter Transcript Report, House Armed Services Committee Hearing, Topic: "The President's fiscal 1993 defense authorization request," Witnesses: Defense Secretary Dick Cheney and Joint Chiefs of Staff Chairman Colin Powell, February 6, 1992, p. 47.

market. Because long-term regime and policy stability in this part of the world have been uncertain, strategies that have relied on the stability of friendly regimes and on the consistency of their policies have been inherently risky. To the degree that cold war–related ideological concerns have motivated the United States to depend on the survival of such regimes, decisionmakers will find that they now have the freedom at least to consider strategies that do not.

INSTABILITY IN THE POST–COLD WAR ENVIRONMENT

Despite this potential freedom from traditional policy constraints in the region, the end of the cold war has yet to reduce U.S. concern about regional instability. Without the cold war overlay, what is the nature of the U.S. interest in stability in the Persian Gulf? It lies in the continuing importance of maintaining access to the region's oil resources at reasonable prices.

Generally speaking, it is in the mutual economic interest of the United States and the states of the Persian Gulf that the international oil market thrive. Although previous U.S. experiences with oil supply manipulation were initiated by "friends" in the region for largely political purposes, a prudent Saudi or Iranian oil policymaker, friendly or unfriendly, would have ample reasons to refrain from excessive manipulations of the market—among those reasons, to avoid encouraging consumers to develop new energy resources or to invest in alternative sources of oil supply. On the other hand, the stability of the oil market could be threatened seriously by the emergence of a single regional hegemon or by a coalition of regional states that could exercise monopolistic control over the region's oil resources. For this reason, a future Saddam Hussein would again constitute an unacceptable threat to U.S. interests.

At least two main types of instability in this region could threaten regular western access to the international oil market at reasonable prices: *military* instability and *political* instability. The oil supply could be endangered by military conflict, threatening the territorial integrity of regional states and leading to the inadvertent or intentional disruption of oil production and supplies. The value of the region's resources invites challenges to the territorial integrity of weaker states by regional hegemons or aspiring hegemons. Still, the maintenance of military stability is a relatively straightforward, though not an easily achievable, goal: the maintenance of military balances that discourage offensive action. The magnitude and complexity of the problem are substantially reduced with the elimination of the Soviet Union as a potentially hostile player. Moreover, al-

though implementation of policies to address this type of instability may be complex and challenging, the approaches are plain: prevention of the emergence of regional hegemons through establishment of defensively stable balances, effective defense if deterrence fails, and the provision of assistance to defuse and resolve potential and existing interstate conflicts.

A variety of strategies has been proposed to create the sort of military balance that would reduce the likelihood of regional military conflict or to restore the balance if it were upset. These range from all-regional defense to U.S.-dominant solutions. All have military costs and benefits, but they also have political costs and benefits. Among the political costs of various security strategies for the Gulf is the degree to which they depend for their robustness on the stability and longevity of local regimes, or the degree to which they may themselves undermine the stability of the regimes upon which they depend.[3] Indeed, for some strategies, military effectiveness and political robustness may be in tension with each other.

The second threat arises from political instability which could result in regimes in one or more major Gulf oil-producing states with a motivation to engage in manipulation of the oil market specifically to harm the United States. This threat probably constitutes the main reason for continued concern about the stability of Gulf regimes and continuity of policies that are friendly to the West. Can political instability in the Gulf be controlled by U.S. strategy, at least to the extent that the odds of adverse political developments are substantially decreased? This question is anything but straightforward. Although it is true that the United States was instrumental in maintaining regime stability in Saudi Arabia in the 1960s and in Iran in the 1950s, it was unable to do so in Iran in 1978. Moreover, the friendly relationship established with the regime of Saudi Arabia offered the United States no protection from the embargo and oil shock of 1973, led by the government of Saudi Arabia, nor from the price increases encouraged by Iran.

The likelihood of political instability—the weakening of the internal security of monarchies through riots, rebellion, subversion, and coups—will grow as a result of popular demands for a greater voice in political processes, economic problems, and a variety of ethnic, religious, and other societal strains. Upon evaluation of the relative

[3]For a discussion of one aspect of this problem, see Abdul Kasim Mansur, "The American Threat to Saudi Arabia," *Armed Forces Journal International*, September 1980, pp. 52–53.

costs and benefits of a strategy aimed at controlling political instability, is the effort still worthwhile?

ELEMENTS OF STRATEGIES FOR CONTROLLING INSTABILITY

Strategies that would perpetuate the linkage between U.S. national interests in the region and the survival of particular regimes in the Persian Gulf flow from a fundamental belief that the region's political instability is dangerous but controllable to an acceptable degree, and that close relationships with preferred regimes are an effective means of reducing political instability. Among the most intrusive kinds of instability-controlling policies is the training of a regime's secret police. But there are also less intrusive, albeit more visible and much more frequently used policies, such as the provision of massive economic aid to enhance stability. The spectrum of potential controlling policies will offer a range of possible benefits and also pose a range of differing costs and risks.

Active measures to press for democratization would not be a feature of a strategy intended to control political instability. During the cold war, the United States was reluctant to encourage democratization of friendly conservative governments in the Gulf because of the expectation that such transformations might entail potentially destabilizing consequences with respect to East-West alignments.[4] With the end of the cold war, it would be easier for the United States to encourage democracies where they appear to be emerging on their own. However, although the promotion of freedom and democracy has been central in post-cold war U.S. policy toward eastern Europe, there appears to be no similar inclination with respect to the Middle East.[5] In part, this reluctance actively to promote democracy in the region derives from the desire to maintain the friendship and good will of the regional monarchies. In part, it is an indication of continuing concern

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[4]Moreover, as Henry Kissinger observed, "In the Persian Gulf the alternative to friendly authoritarianism is almost inevitably hostile totalitarianism. And the political concepts we try to transplant must appear to them as essentially destructive of their social cohesion; if that is the only way out, they may well prefer to make their own accommodation with the radical currents sweeping the area." *Years of Upheaval*, p. 673.

[5]See Martin Indyk, "Watershed in the Middle East," *Foreign Affairs*, Vol. 71, No. 1, 1991/92, p. 87.

about unstable transitions and the uncertainties that could accompany regime change.[6]

In general, the potential benefits of instability-controlling policies are clear. Successful containment of internal and external threats to the survival of friendly regimes is likely to encourage policies favorable to U.S. interests. These benefits could include a greater likelihood that stable, moderate oil policies and some measure of military access and defense cooperation would be maintained[7]. They would also permit the continuation of a framework of relations that is familiar and that has proven to be relatively successful, at least in the case of Saudi Arabia.[8]

But to achieve robustness, these strategies require that the United States be able to recognize threats to regime stability and to respond effectively to them. The general problem of these strategies is that the necessity for a close relationship with the regime may, paradoxically, increase its vulnerability to political destabilization. For example, it was a condition of the U.S. relationship with Iran that the United States was not permitted to communicate with Iranians who opposed the Shah's regime, nor even to accumulate information on possible internal political threats, severely handicapping any potential for early measures to anticipate, prevent, or forestall the eventual outcome. This is substantially the case in Saudi Arabia as well. It is a closed and relatively secretive society, so information about the inner workings of the Saudi government, or even about Saudi public opinion, is difficult to obtain. In the absence of adequate information, including politically acceptable access to potential oppositions, a free press, public opinion polls, or other means of evaluating the security of particular regimes, the task of managing political instability is difficult. In the case of Iran, years of close relations with, and protection of, the regime of the Shah did not bring an understanding of the

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[6]Nonetheless, it is recognized in the region that the end of the cold war has brought the United States a greater degree of freedom to encourage democracy in the Arab world, and perhaps it has also raised expectations of a more active U.S. role in its promotion. A prominent member of the Saudi opposition, Tawfiq al-Shaykh, has observed, "In our view, Western fears that democracy in the Arab world could bring the leftist groups allied with the Eastern camp to power ended after the collapse of the Soviet Union, even though the fear of political Islam's domination still exists and has its justifications in the West." "Oppositionist al-Shaykh Views Pressure for Reform," *Al-Quds Al-Arabi* [in Arabic], 19 February 1992, p. 3, *FBIS*, Near East and South Asia, 21 February 1992, p. 26.

[7]Again, even regime stability and friendship offer no guarantee of stable and moderate oil policies, as was abundantly clear during the 1973 Saudi-led oil embargo.

[8]Some might argue that the policy was a success in Iran as well, although that contention is less obviously supportable.

range of public sentiment about the Shah, nor did they enable the United States to become acquainted with the most prominent individuals opposed to his rule. The United States was effectively surprised by the animosity of those who eventually overthrew the Shah's regime and, apparently, by the animosity of a substantial proportion of the Iranian population as well. Worse, these strategies can stimulate the indigenous hostility to the regime and to the United States that they are intended to control.

Finally, these strategies presuppose that measures to reduce instability, once identified, are available and effective. In fact, many uncertainties accompany actions of the sort required to maintain the stability of the undemocratic regimes of developing countries. As Kissinger has observed,

> Assuming we had understood the peril [facing the Shah of Iran], what should the United States have advised? Do we possess a political theory for the transformation of developing countries? Do we know where to strike the balance between authority and freedom, between liberty and anarchy in feudal, religious societies? It is easy to argue that a more rapid liberalization would have saved the Shah; that moves toward parliamentary democracy to broaden political participation would have defused the pressures. Leaving aside the question of whether we had the power to bring this about, it is likely that these "enlightened" nostrums would have speeded up the catastrophe. The challenge to the Shah's rule came in the main from groups who had no interest in such Western ideas. His truly implacable enemies were the conservative feudal group deprived of their social privileges; or radical leftists. Neither was remotely interested in parliamentary democracy. Indeed, after the Shah's overthrow, they crushed the few advocates of democratic institutions before turning to settling their own quarrels by mutual extermination.[9]

Similar concerns probably motivated the Bush Administration's decision to refrain from lending public support to the outcome of democratic elections in 1991 in Algeria, in which the victory by members of Algeria's Islamic fundamentalist party was suppressed by the incumbent leadership.

Kissinger maintains that, in the final analysis, we simply do not know how to maintain regime stability in the Persian Gulf.

> In the Persian Gulf today, many traditional friends of the United States face this perplexity with us. We know that their domestic base is precarious, but we have no conclusive insight into how to strengthen it; indeed, to buttress the current rulers is as surely incompatible with

[9]Kissinger, *Years of Upheaval*, p. 672.

> democratic theory as it may be vital for our national interest. In the Persian Gulf the alternative to friendly authoritarianism is almost inevitably hostile totalitarianism. And the political concepts we try to transplant must appear to them as essentially destructive of their social cohesion; if that is the only way out, they may well prefer to make their own accommodation with radical currents sweeping the area. The dilemma remains one of the foremost intellectual challenges to American and Western political thought.[10]

INSULATING STRATEGIES

Another broad category of strategies for the region flows from the belief that change in the region is inevitable over the longer term and that the political instability that may accompany such change is insufficiently controllable.[11] Further, efforts to prevent change may make the consequences of instability worse for U.S. interests over the long term; in any case, the United States now needs to worry less about regime change should it come.[12] These strategies are referred to as "insulating," in that they are intended to insulate the United States from the effects of instability. Friendly relations with the regimes of the states of the Persian Gulf region are to be preferred, but these strategies would emphasize and pursue means to insulate U.S. interests to the greatest degree possible from the consequences of regime change.

The concrete policy elements of this approach could include one or more of the following. First, such a strategy would require explicit statements indicating the U.S. interest and intention to form enduring relationships with *states*, as distinct from *regimes*. Toward that end, an insulating strategy requires careful and public delimitation of military and political commitments to the security of friendly *states*. Commitments, explicit or implicit, to the preservation of particular national leaderships, would be excluded. (For example, the United States would refrain from rhetorical commitments to the survival of a

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[10]*Ibid.*, p. 673.

[11]Some instability will be a natural part of the region's development process. In more repressive and static societies, where change is resisted, the process may be particularly turbulent.

[12]Controlling and insulating strategies are somewhat rigidly defined to sharpen analytically the implications of various policy choices. The author recognizes that the United States is unlikely to choose either of these two strategies as a complete package. Decisionmakers will select combinations of these policy choices depending on circumstances, to promote a variety of short- and long-term goals, even though such choices may not be logically consistent with one another.

particular leadership or from relationships with repressive organs, such as those involved in maintaining internal security.)

Second, this strategy would represent a return to a more traditional form of diplomacy that emphasized keeping hands off the internal affairs of other states. Logically, active measures to impose or even to promote any particular political system in the Middle East would be proscribed, despite the desirability of democratization in this region and elsewhere. Over the years, many regional critics of the West have complained vigorously about western cultural and political imperialism. Efforts to encourage western-style democracy in the region could be perceived as a perpetuation of unwelcome interference, however altruistic the intentions. An insulating strategy emphatically would, however, permit free determination—that is, the freedom of each state in the region to select and develop its own appropriate political frameworks without outside interference. An insulating strategy is indifferent to the choices any population makes for itself—not out of altruism, but the opposite: the assumption that such indifference is the best basis for productive relations.

Thus, a strategy intended to insulate the United States from instability associated with regime change would refrain from any efforts to control that process. The United States would neither constitute an obstacle to change nor stimulate it. What differentiates an insulating strategy from a strategy intended to control instability is that the former would tolerate and even welcome the process of democratization, despite uncertainty about the political orientation of a new regime.[13] By the same token, an insulating strategy would logically tolerate (though not welcome) new Islamic republics, radicalization, harsh dictatorship, or the like. Indeed, democracy itself could be overthrown through democratic processes, as was almost the outcome of the Algerian elections of early 1992. In other words, insulating strategies cannot be ideological. Moral and humanitarian principles would motivate decisions to lend assistance to those who ask for it *in extremis*. Assistance to the Shi'a and the Kurds of Iraq in their struggle against the regime of Saddam Hussein is one instance in which such considerations could dominate. However, intervention to shape the character of a Gulf regime would not generally be permitted by an insulating strategy. The assumption is that a neutral policy that does not appear to dictate, manipulate, stimulate, or stand in the way of change, particularly change that may be popularly supported

[13]For example, Algeria's recent exercise in democracy could have been welcomed, despite its uncertain consequences.

(political Islam, for example) may have a greater probability of fostering benign relations, or minimizing the degree to which policies actively hostile to U.S. interests emerge and are pursued by regional states. No strategy should be rigidly enforced in every situation. There may be circumstances that require outside political intervention. Genocide is one. So even the strictest insulating strategy is a general orientation, a sensibility, a model policy, not a dogma.

Third, less reliance on local political and economic good will would require greater efforts to reduce the U.S. dependence on imported energy. Such efforts would be prudent in the context of an instability-controlling approach as well. But, in that context, close, friendly relations with regional oil producers would constrain, and sharply have constrained, efforts in this direction.

Measures could be sought to protect the economy from the effects of rapid rises in oil prices, such as the early declaration during a regional crisis of the intent to draw on the Strategic Petroleum Reserve (SPR) to maintain consumer confidence in the national economy.[14] Again, the friendly relations with regional regimes characteristic of controlling strategies make such use of the SPR difficult—as evidenced in the war with Iraq. Consumption could be reduced through increases in taxes on gasoline and petroleum products. Additionally, there could be a conscious shift toward the use of natural gas. Although two thirds of the world's proven oil reserves are located in the Middle East, two thirds of the world's natural gas reserves are outside the region. A move in this direction would reduce dependence on oil and could also act as a deterrent to OPEC's (Organization of Petroleum Exporting Companies') ability to make unilateral price increases.[15] Given the linkage between U.S. oil production and the international oil market, as well as the interdependence of western

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[14]See Bobby R. Inman, Joseph S. Nye, Jr., William J. Perry, and Roger K. Smith, "Lessons from the Gulf War," *The Washington Quarterly*, Winter 1992, pp. 66–68. They argue that consumer confidence in the U.S. economy plummeted as a result of the increase in the spot price of oil in August 1990, resulting in a sharp decline in the purchase of consumer durables. Had George Bush announced on August 8, 1990, that the United States would be prepared to draw on the Strategic Petroleum Reserve, "fears about an oil shortage would have been eased, and with them fears about the economy (especially since Saudi Arabia did not announce for another 10 days that it would increase production). Because of this omission the Gulf War was far more costly than most people think. The total cost in forgone output—labor willing to work but unable, capital available but underutilized—may be in the hundreds of billions of dollars by the time full recovery occurs. The war itself, measured in direct outlays for military expenditures, only cost about $50 billion."

[15]See discussion of U.S. energy strategy in Hobart Rowen, "Shifting Our Strategy for Energy Security," *The Washington Post*, March 29, 1992, pp. H1, 8, 9.

economies, broader efforts and solutions will be required to reduce the vulnerability of the United States to future oil disruptions.

The insulating strategy, characterized by one or more of the elements described above, has potential disadvantages. First, the desirability and feasibility of effective U.S. responses to domestic threats to friendly regimes (coups, riots, etc.) have always been complex and thorny. Nevertheless, the appearance of a U.S. commitment, however uncertain its effective application, almost certainly has provided some deterrent benefit to friendly Gulf regimes. Unless implemented carefully over time, it is possible that the withdrawal of commitments to the preservation of particular national leaderships could itself undermine and destabilize existing regimes, inviting opportunistic challenges. While an insulating strategy would be more indifferent to the particular character of regimes, it would not seek to stimulate or provoke change.

Second, the insulating approach would be a departure from modes of Middle East diplomacy to which the United States has become accustomed. In the Persian Gulf region, as well as in the Middle East as a whole, political, economic, and military relations tend to be dominated by personal, rather than institutional, interactions at the highest levels.[16] Substantial effort has been expended to establish effective personal bonds and channels of communication. Putting relations on a more traditional footing could make it harder to get things done. Personal distance could lead to a lower U.S. military profile in the Gulf, a return to conditions in which the United States is denied military access to regional military facilities. The U.S. military strategy for defense of its Gulf interests would then have to be adjusted so as to reduce its dependence on peacetime access to regional bases, as will be discussed in greater detail in Sections 4 and 6 below.

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[16]This applies to authoritarian regimes in other regions as well.

4. THE POST–GULF WAR ENVIRONMENT

Expectations of substantial change in the U.S. strategic position in the Middle East after the recent Gulf War ranged from the pessimistic to the optimistic. Pessimists predicted groundswells of radical anti-U.S. sentiment in the region that would topple moderate, friendly regimes during and in the wake of the U.S. intervention. Optimists expected that U.S. and Arab mutual gratitude and trust in the aftermath of their successful partnership in liberating Kuwait would translate into a near-term resolution of the Arab-Israel conflict, as well as long-term U.S. military access to facilities in the Gulf. Both expectations were largely based on well-reasoned analyses, but neither has yet been realized. The Gulf War itself probably was not responsible for the most dramatic and significant recent changes in the U.S. strategic position in the Middle East, nor for important changes in domestic U.S. priorities. More likely, it was the end of the cold war that changed U.S. objectives and opportunities, as was discussed in the previous section.[1] But the Gulf War did reveal some of the implications of those changes in important ways.

THE U.S. STRATEGIC POSITION IN THE MIDDLE EAST

The Gulf War provided the first practical demonstration of the dramatic reduction of Soviet influence in the Middle East and of the ability of the United States to dominate as the sole remaining superpower. Although the Soviet Union was consulted and informed about U.S. policies, and the United States was careful to enlist the support and participation of regional and extra-regional allies, the success of these efforts conveyed a powerful image. The United States was shown to have the ability to bring together and lead successfully, politically and militarily, a complex coalition of western and Arab states. After the war, the United States was able to exploit its enhanced position in the region to induce Arab states, including Saudi Arabia, to moderate their positions somewhat and participate in U.S.-sponsored peace negotiations with Israel, although incentives actually

[1]See Charles Krauthammer, "The Lonely Superpower," *The New Republic,* July 29, 1991, p. 23.

to conclude agreements may be unchanged.[2] But this new level of influence was also due, in large measure, to the end of the cold war.

THE ARAB-ISRAEL CONFLICT

During the cold war, part of the reluctance of the United States to visibly strengthen ties with Israel in areas such as security cooperation reflected concern that such cooperation would further exacerbate radical Arab opposition to the United States and drive even the moderate Arab states to distance themselves from the United States, to the benefit of the Soviet Union. At the same time, to move too far away from Israel threatened to undermine Israel's security, given the role of the Soviet Union as the principal weapons supplier of the Arab confrontation states. Now that the United States is the only remaining superpower, two new conditions obtain.

First, the conventional military threat to Israel may be substantially reduced as the sources of support for the traditional confrontation states become more ambiguous and as states such as Syria turn to the United States for improved relations. Domestic pressures on the U.S. government to support Israel may also relax on many issues, since "existential" issues are now fewer. Whereas political distance from Israel may still be uncomfortable for domestic political reasons, the United States may be able to exercise more policy flexibility in this regard than it has in the past without appearing to jeopardize Israel's long-term security. There has already been some evidence of this new latitude. Israeli expectations that the restraint it exercised during Iraqi Scud missile attacks on Israeli territory would be rewarded in the postwar period by relaxation of pressure on settlement issues were not fulfilled. Expressions of Arab gratitude for U.S. leadership of the anti-Iraq coalition were perceived by the U.S. government as opportunities to make progress in the Arab-Israeli peace process. The net result was greater U.S. pressure on the Likud government of Prime Minister Shamir on the settlement issue and linkage of that is-

[2]Martin Indyk postulates six new elements generated by the end of the cold war and the results of the Gulf War that permitted the conversion of victory in the Gulf into a breakthrough in the Arab-Israel peace process: the shift in Soviet policy from competition to cooperation with the United States in the Middle East, the weakening of Syria with the loss of the Soviet Union as its patron, the change in the approach of Saudi Arabia, the discrediting of the PLO (Palestine Liberation Organization) for its support of Saddam Hussein, Israeli acquiescence to participation in an international conference, and the desirability of good relations with the United States. See Martin Indyk, pp. 88–89.

sue to Israel's request for a U.S. guarantee of loans Israel desired for the absorption of new Soviet immigrants.[3]

A second new condition in the post–cold war period is that while the friendship of Arab regimes may still be considered valuable, it will be valued for different reasons. The fact that the United States need no longer worry about shifts in East-West alignment gives it a greater degree of leverage with the Arab Middle East. In sum, the United States now has more freedom and flexibility in its relations with both Israel and the Arab Middle East than it did during the cold war.

These new features of the postwar and post–cold war environment could combine to enhance prospects for a negotiated settlement of the Arab-Israel conflict. Arab states, including Saudi Arabia, have already demonstrated their readiness to negotiate face to face with Israel. And Israel has relaxed some of its conditions with respect to the auspices of peace talks and Palestinian representation at such talks.

More pertinent to this report, the resolution of the Arab-Israel conflict may offer potential benefits to security arrangements for the Persian Gulf region. As will be discussed further below, Saudi Arabia may prefer an "over-the-horizon" U.S. role in Gulf security arrangements for traditional internal political reasons. If relations between Israel and the Arab states can be normalized, a greater degree of security cooperation between Israel and the United States may be tolerated by most of the states that are parties to the peace process. For example, Israel granting the United States the ability to preposition, train, and exercise in desert terrain might be acceptable and perhaps even privately welcomed by the Arab Gulf states, if it contributed to the U.S. ability to defend them and if it took pressure off the Saudi government, for example, to host such activities itself. Such speculation may be premature, but it is at least one potential new direction made possible by the recent changes in the region's security environment.

POSTWAR REGIONAL POSITIONS ON SECURITY ARRANGEMENTS

The demonstration of U.S. national will and the capability to project and use military power effectively, even at a great distance from the United States, appeared to enhance the credibility of future U.S. uni-

[3]Accommodation to U.S. requirements by the subsequent Labor Party government, led by Prime Minister Rabin, have led to U.S. approval of the loan guarantees.

lateral commitments in the region.[4] The desirability of alliance with the United States seemed to grow in the immediate postwar period. Several Gulf states have shown a far greater willingness than before to accept a visible presence and an explicit U.S. role in regional security arrangements. Over time, however, that trend may diminish in relation to more traditional considerations of the liabilities associated with close relations with the United States (such as fear of contamination by western culture and values, disadvantage in regional competition for legitimacy of Islamic leadership, fear of external domination, suspicion of U.S. self-interest motives, desires for defense independence, and the like).

U.S. security arrangements with the individual states of the Persian Gulf can be roughly characterized as follows:

Saudi Arabia. In the early postwar period, a new closeness emerged in the United States-Saudi relationship, with anticipation of alliance-like arrangements such as prepositioning of equipment, forward deployment of forces, regular joint exercises, and establishment of a Central Command (CENTCOM) headquarters in the region. But divisions within the Saudi ruling family regarding the desirability of highly visible relations with the United States have resulted in the incremental return to traditional policies—policies that increasingly have put the United States at arm's length and stress Saudi self-reliance instead. The substantial reduction of the threat from Iraq and the sense of remoteness of the threat from Iran have amplified these tendencies. An important wing of the royal family is pressing for increased acquisitions of arms and reduction of reliance on the United States for Saudi defense.[5]

Kuwait. Kuwait has demonstrated considerable interest in a close defensive alliance with the United States, despite some strain in the U.S.-Kuwait relationship resulting from the pace of political reform in

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[4]That credibility was shaken by a series of events, including the failure of the United States to come to the assistance of the Shah of Iran in 1979; the failure of Desert One, the hostage rescue mission; and the successful terrorist attack on U.S. Marines in Lebanon and their subsequent withdrawal.

[5]Concerned about the appearance that they could not defend themselves, the Saudis have resisted U.S. requests to preposition the equipment of one U.S. Army division. See Philip Finnegan, "Effort to Bolster U.S. Military in Gulf Inches Forward," *Defense News*, December 9, 1991, p. 43. According to one report, King Fahd would permit the prepositioning of as much as a division's worth of tanks and other equipment, if it could be done unobtrusively. "But the king's half-brother, Crown Prince Abdullah, speaking for religious and political conservatives, opposes any permanent U.S. presence in the Muslim kingdom. The conservatives say the presence of Western infidels is a sacrilege in the home of the two holiest shrines in Islam." John M. Broder, "Saudis Balk at Storing U.S. Arms," *Los Angeles Times*, October 22, 1991, p. 8.

Kuwait. A framework agreement has been signed to improve training, port access, and prepositioning. Such an agreement has also been concluded with Britain, and one is being discussed with France.[6] However, even the Kuwaitis are somewhat wary of relying exclusively on the West for their defense needs, and they have been sensitive about the way the new bilateral defense arrangements would be viewed in the Middle East. In May 1992, Kuwaiti Defense Minister Shaykh 'Ali Sabah al Salim spoke of the priority Kuwait attached to building its army, because it did not plan to rely solely on security agreements with the United States and Britain.[7] He did not rule out the future implementation of the Damascus Declaration, which called for Egyptian and Syrian involvement in Gulf defense. He even mentioned tacit agreements with Iran that would relate to the broader goals of maintaining Gulf security and stability.[8]

Bahrain, the United Arab Emirates (UAE), and Oman. Like Kuwait, Bahrain has signed an agreement with the United States on training, prepositioning, and access. The UAE is also reported likely to agree to such a framework. Bahrain may expand its previous prepositioning agreement to include lethal, as well as nonlethal, military supplies. Oman is reported likely to accept some ground equipment, in addition to the supplies already there.[9]

Iran. In the immediate postwar period, Iran undertook to derail any security arrangements that would exclude Iran or appear to be directed against Iran, such as the short-lived GCC+2 (Gulf Cooperation Council+2) formula. Initial efforts were made to improve Iran's image and standing in the international community through facilitation of the release of U.S. hostages held in Lebanon, and to improve Iran's economy through trade with the West. At the same time, Iran appears to be engaged in an arms buildup, including pursuit of a nuclear capability.

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[6]Reported in "Minister Outlines Foreign Policy Principles," Kuwait *KUNA* [in Arabic], 24 February 1992, *FBIS*, 26 February 1992, p. 22.

[7]Kuwait has sought India's help in rebuilding its defense forces, expressing interest in Indian tanks, armored cars, medium-range artillery, and surface-to-air missiles (SAMs). See "Kuwait Seeks Indian Arms," New Delhi *Pioneer* newspaper report, February 18, 1992, reported in *FBIS*, 19 February 1992, p. 57.

[8]See "Defense Minister on Iraq Border, Egypt Ties," Cairo, MENA, 4 May 1992, reported in *FBIS* Daily Report, Near East and South Asia, 7 May 1992, pp. 15–16.

[9]Finnegan, p. 43.

POSTWAR DOMESTIC ENVIRONMENT

With the end of the Gulf War, the attention and interest of the American public quickly turned to domestic affairs—in particular, the state of the economy. For the policy community, several important issues emerged and continue to be debated—the degree to which the United States should remain engaged in the post–cold war world, in general, and in the Middle East, in particular, and the economic implications of engagement. Given the current inclinations of the American public, an important dimension of this debate will continue to be the economic implications of whatever approach is selected by the U.S. government to protect the security of friends and interests in the Middle East.[10] Likewise, there will be strong incentives to be responsive to regional interests in the acquisition of U.S. arms—namely, expansion of the U.S. arms industry's foreign market at a time when domestic acquisitions will be shrinking and a sizeable number of U.S. jobs may be threatened.

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[10]For example, General J. P. Hoar, who has replaced General Norman Schwartzkopff as commander in chief of the Central Command, has urged Congress to continue generous funding for security assistance to the Middle East, on the grounds that, "Providing equipment and training necessary for our friends to meet their legitimate defense requirements reduces the potential need for U.S. forces to intervene directly in regional crises." On the other hand, Armed Services Committee Chairman Sam Nunn worries that the United States is "in danger of becoming the permanent policeman of the area. . . . It seems like the countries would rather have the United States take care of them. . . . We've found out over the years that as long as we're willing to pay for the cost of their defense, they love us. I'm not sure the American people want to continue paying." Quoted in William Matthews, "Central: Tensions Remain in Mideast," *Air Force Times*, March 16, 1992, p. 25.

5. FOUR SECURITY ALTERNATIVES

Thus far, we have developed the concepts of controlling versus insulating approaches to security strategies for the Persian Gulf. Now the concepts will be translated into more concrete alternative prototypes of these strategies. Ultimately, these will be compared across several criteria to arrive at judgments about their costs and benefits and the possibilities for advantageous mixes of individual elements from each. There are a large number of possible approaches to regional security to protect U.S. interests in the Persian Gulf. Four representative security alternatives will be presented in the subsections to follow. These have been chosen to encompass a continuum, anchored on one end by policies that rely on enduring close relations with regional regimes and, on the other end, by those entirely independent of such relations. Alternatives I and II are examples of the former approach, which emphasizes controlling political instability. Alternatives III and IV contain more elements intended to insulate the United States from political instability.[1] The four alternatives also represent broadly the policy options now under consideration by the Gulf states and by the U.S. government. No single alternative is intended to characterize the current U.S. strategy, although Alternative II may come closest to doing so.

The alternatives considered are the following:

- Saudi Defense Independence
- U.S.-Saudi Security Condominium
- All-Arab Defense of the Gulf
- U.S. as Disengaged Balancer

Not included among the four security alternatives is one which would specifically invite the participation in a security pact of all members

[1]An extreme example of the former (not included among the four alternatives) is the creation of a new friendly hegemon or U.S. surrogate to police the Gulf. This approach would represent no substantial departure from the U.S. "twin pillar" policy of the 1970s. At the present time, there is no obvious candidate for this role. Some analysts appear to support building up the military capabilities of Saudi Arabia, but it is generally agreed that the Saudis are unlikely to be capable of creating military forces large and capable enough to dominate and police the region. The undesirable risks of this course have already been discussed.

of the Persian Gulf region, including Iran and Iraq.[2] It has been asserted that the exclusion of specific regional states from Gulf security arrangements would polarize the region, exacerbate tensions, and make resolution of existing disputes more difficult. But the inclusion of possible regional aggressors (Iraq and Iran, for example) in a defensive alliance with the states of the Arabian Peninsula would be to invite the wolves to help guard the sheep (to borrow a frequently used aphorism).[3] Of the four alternatives, the one that is least exclusionary is the last alternative. It is designed to create a regional balance that would affect all of the states of the greater Middle East, although it would not involve them in a formal security arrangement.

The four alternatives are described below in terms of the following dimensions:

- Basic characteristics
- Requirements
- U.S. peacetime and wartime roles
- Benefits
- Risks and costs
- Failure modes and their consequences

Before considering the four alternatives, a special note about arms control in the region is in order. The level of analysis of this report does not permit a detailed discussion of the specifics of possible arms control schemes. For the purposes here, "arms control" will relate broadly to the issues of quantity and quality of armament in the region. The analysis below suggests that arms control makes successful protection of U.S. regional interests much more likely and inexpensive, regardless of which strategic alternative is elected. In brief, arms control can change fundamentally the balance of risks and benefits of virtually all U.S. security policies for the region; no other component of U.S. policy seems to exert such high leverage. Therefore, arms control warrants special attention, which it receives in the concluding section.

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[2]This approach has been advocated by Bobby R. Inman *et al.*, pp. 59–61, among others.

[3]This aphorism has been used by RAND analyst John Arquilla to describe such an alliance in the Gulf.

ALTERNATIVE I: SAUDI DEFENSE INDEPENDENCE

Characteristics

This alternative does not represent a substantial departure from past U.S. policies that were designed to help regional allies acquire the ability to defend themselves against likely military threats (as in Iran in the 1970s). It would be characterized by a large defense expansion in Saudi Arabia, in pursuit of the objective of a unilateral Saudi capability to defend the Arabian Peninsula. Ideally, it would ultimately involve a minimal U.S. presence or defense role.

Assumptions and Long-Term Requirements for Success

Military. The principal requirement of this strategy would be the maintenance by Saudi Arabia of adequate defense capabilities against potential enemies or realistic coalitions of enemies. In the post–cold war environment, Saudi Arabia may be in a better position to do so than before. It may be harder for potential Saudi enemies to counterarm than when the Soviet Union was motivated to balance U.S. regional influence. However, for a variety of political and cultural reasons, Saudi Arabia has in the past preferred not to maintain a large military force.[4] Given the small size and relative military inexperience of the Saudi population,[5] Saudi defense independence will require major societal changes. This strategy would likely require large-scale high-technology transfers, in which technology would compensate to some degree for the Saudi population disadvantage, as it has in Israel. The requisite level of defense expansion could be reduced by arms control arrangements in the region.

Political. Reliance on Saudi military strength to defend U.S. interests in the region would require the long-term congruence of interests between the United States and a friendly Saudi regime. Therefore, the success of this alternative would depend on the continued rule of

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[4]David Long explains, "Since the 1930s when King Abd al-Aziz had disbanded his tribally based army, the Ikhwan (Brethren), Saudi Arabia had remained one of the few countries in the Middle East in which the military played almost no political role. Signs of Nasserist-inspired unrest among the Saudi military during the stormy years of the 1950s and early 1960s had reinforced the regime's qualms over developing a modern armed force. These fears were further reinforced by the defection to Cairo of a number of Saudi air-force pilots early in the Yemen crisis." David E. Long, p. 40. See also Ghassan Salame, "Political Power and the Saudi State," in Berch Berberoglu (ed.), *Power and Stability in the Middle East*, Zed Books Ltd., London, 1989, pp. 75–76.

[5]Population size should not be construed as the principal constraint on Saudi military potential, as has been amply demonstrated by Israel.

members of the Saudi royal family with similar strategic orientations or their replacement with a regime that regarded Saudi interests in the same way.

U.S. Peacetime and Wartime Role

In peacetime, the United States would provide assistance in the planning of Saudi defense expansion, training, and intelligence, as well as large arms transfers. The transition period is apt to be a time of considerable tension in the region and in Saudi Arabia itself. The United States will have to be the guarantor of the transition. Because Saudi capabilities are likely to be inadequate for the next five to ten years, the United States will need to be ready to back them up quickly, if necessary. Such a capability will need to be maintained in peacetime with or without Saudi facilitation. In the absence of regional arms control, the United States must also prepare for the accelerated growth of regional militaries that may emerge in response to Saudi growth, and size its own capability accordingly.

In wartime, the United States would need to be prepared to deploy and fight, at least in the nominal five-to-ten-year transition period.

Possible Benefits of Saudi Defense Independence

This strategy would be congruent with growing U.S. inclinations toward insularity and defense expenditure reduction if Saudi defense independence permits less direct U.S. military involvement in the Gulf. Large Saudi weapons purchases would help to expand the foreign market for the U.S. arms industry at a time when domestic demand is decreasing.

For Saudi Arabia, pursuit of this alternative could offer the opportunity to reduce tensions within the royal family, within Saudi society, and with the Arab world about the desirable degree of visible closeness with and dependence on the United States, although a considerable amount of interaction would in fact be required, at least in the near to medium term, to expand and train a Saudi force.

Possible Risks

The risks associated with this alternative appear many and, on balance, pursuit of this strategy may ultimately create greater tensions and threats both to the Saudi regime and to Saudi security than existed prior to its implementation.

Military. Over at least the next three to five years, the weapons absorption capabilities of the other states of the region with established military infrastructures (such as Iran and Iraq) will be greater than that of Saudi Arabia, especially for ground forces. Moreover, it is possible that the Saudis will not be able to accomplish the process of defense expansion over the near to medium term. An important question is, will they be able to achieve the objective of defense independence at all?[6] If the strategy provokes a regional arms race and the states of the region pursue a largely unregulated competitive armament, the Saudis may find themselves at considerably greater disadvantage.

To the degree that the Saudis are able to expand their military capabilities, there is a risk of spillover into the Arab-Israeli arena (such as Israeli incentives to preempt in crisis).

Political. A major U.S. role in building Saudi military capabilities and in underwriting Saudi security in the five-to-ten-year transition period may increase the impression in the Arab world that Saudi Arabia is the U.S. surrogate in the region, much as that was the impression with respect to Iran, even after the direct U.S. role recedes. To the degree that the United States eventually relies on Saudi capabilities to defend U.S. regional interests, it will be dependent on the continued stability and friendliness of the Saudi regime. A successor regime to the Saudi royal family could perceive its interests in a manner inconsistent with those of the United States.

The process of military expansion itself may encourage policies undesirable to the United States. For example, the Saudis could exercise their new power to intimidate or even to undertake aggression against weaker neighboring states on the Arabian Peninsula, or to pursue an assertive policy toward Iran and Iraq, with uncertain military and political consequences. At a minimum, it is likely to feed the suspicions of other peninsular states about Saudi ambitions. It could also exacerbate political tensions and polarization of the region, especially with respect to Iran and Iraq. Although Egypt is not a regional state, growing Saudi military power could fuel traditional Egyptian-Saudi rivalry for political dominance in the Arab world.

Saudi Defense Independence likely would require major societal changes to permit an expansion of forces and the development of a sizeable professional military, at least at the officer and noncommissioned officer (NCO) levels. Such expansion would necessitate a

[6]Many defense analysts express scepticism that such an objective is achievable.

much greater degree of social participation in military service which, in turn, might produce pressures for concomitant political participation or challenges to traditional authority. Similarly, the development of military professionalism implies the promotion of values and a culture that could be in tension with the current Saudi political fabric. None of these factors *necessarily* predicts political instability. However, they almost certainly mean tensions that increase the *chances* of political instability. Because threats to the stability of regimes in the Middle East have often emerged from their militaries, the Saudis traditionally have been cautious about the size, location, leadership, and composition of their armed forces. Finally, the process of defense expansion could perpetuate friction and create potential instability within the royal family to the degree that it would be necessary to continue intensive military interactions with the United States and other western states, at least in the transition period.

Finally, there could be resistance or strong opposition by congressional supporters of Israel. Israeli attitudes, which could range from extreme concern to hysteria, would depend on progress in Arab-Israel conflict negotiations and the degree of normalization of relations with the Arab world. Absent such conditions, Saudi Arabia could be perceived as a serious new enemy of Israel.

Failure Modes and Their Consequences

1. *The Saudis' expanded military fails to deter aggression and the Saudis do not perform adequately under attack.* Such a failure would require a rapid U.S. response to aggression, with inadequate preparation. If a regional arms race is stimulated by the Saudi buildup, the U.S. response could be at substantially greater cost and against a better-equipped opponent. The magnitude of the consequences would depend on the degree to which the United States relies on the Saudi capability and fails to maintain an adequate capability of its own to intervene.

2. *Instability of the regional balance.* Saudi Arabia is unable effectively to absorb the weapons transfers and increase sufficiently the size of its forces. The Saudi buildup stimulates a corresponding competitive buildup in other Gulf states with established militaries better equipped to absorb and effectively use the new arms. The threat to Saudi Arabia is then greater than it would have been at lower postwar arms levels. The cost to the United States of restoring the balance at this point would be substantially greater. The U.S. ability to do so would depend on how early the inadequacy of Saudi forces was

recognized, the degree of imbalance at the time, and the U.S. domestic willingness to increase U.S. involvement.

3. *The overthrow of the Saudi monarchy by a regime hostile to the West.* The United States could face serious political and economic backlash from a successor regime if the United States were viewed as the unsuccessful protector of the Saudi monarchy or of a particular branch of the family. If forced to confront the Saudis militarily, the United States could face its own highly sophisticated equipment. Backlash could be even more threatening and difficult to counter if it led to a regional alliance based on anti-U.S. ideologies.

ALTERNATIVE II: U.S.-SAUDI SECURITY CONDOMINIUM

Characteristics

The key feature of this strategy is U.S. and Saudi cooperative defense of the Arabian Peninsula. The Saudis essentially would act as a rapid reaction force for the United States—that is, they would acquire the capability to defeat or hold an aggressor for 10 to 30 days until U.S. forces could begin to arrive in strength from the CONUS (continental United States). This strategy would limit the U.S. need to intervene to higher intensity contingencies. Of the four security strategies presented here, this one most closely resembles the strategy the United States is currently implementing.[7] Paul Wolfowitz, Under Secretary of Defense for Policy, has said,

> What the Saudis can do, given the will and the necessary equipment, is to build a force that would be capable of doing so much damage in a defensive role that any aggressor would have to think very seriously about invading Saudi Arabia. If deterrence fails, we would expect Saudi forces to slow and perhaps stop an attacking army long enough for reinforcements to arrive. The force we and the Saudis have in mind would then be able to operate effectively with U.S. and allied reinforcements and to provide capabilities, such as fire support and heavy armour, that we would not be able to lift quickly from the U.S.[8]

Bilateral security agreements with other states of the Arabian Peninsula would also be concluded.

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[7]Indeed, there are also present here elements of the strategy pursued in the 1970s in Iran, when Iranian forces were relied upon to slow the rate of advance of Soviet forces until sufficient U.S. forces could deploy to the region.

[8]"The effective defence that Saudi oil cannot buy," *Jane's Defence Weekly*, 3 November 1990, p. 883.

Assumptions and Long-Term Requirements for Success

Military. A substantial defense expansion would be required, especially of ground forces, but it would be considerably smaller than that required to accomplish Saudi defense independence. Saudi societal change would be a prerequisite and a result of the creation of a modern and effective army, although both the requirements and impact would be less than those for Alternative I. Intensive and continuing U.S.-Saudi contact, cooperation, and coordination would be expected, and some U.S. military presence or prepositioning of equipment might be necessary. With no arms control, large high-technology transfers would be expected, although at lower levels than those required for defense independence.

Political. It is assumed that an overt U.S. military role in the defense of the Gulf will be more practicable in the wake of the cold war, with little risk of provoking the counter-involvement of a competitive superpower. For this arrangement to endure, U.S. credibility (earned in the Gulf War), the desirability of alliance with the United States, and the congruence of interests between the United States and the Saudi regime must endure over the long term. Because of the central role of the United States, this strategy would be even more dependent than Alternative I on the ability of the United States to control Saudi regime instability. An ongoing U.S. commitment to regime survival, possibly against even popular internal opposition, might be necessary to reduce uncertainty about continued close defense cooperation.

U.S. Peacetime and Wartime Role

In peacetime, the United States would provide assistance in planning the requisite Saudi defense expansion, arms, training, and intelligence. Optimally, U.S. forces would train and exercise with Saudi forces in preparation for coalition operations. The U.S. pre–Gulf War deployment capability would probably be adequate if the Saudis are able to perform their 10–30 day holding role. In wartime, U.S. forces would conduct coalition operations with the Saudis, possibly on short notice.

Possible Benefits of U.S.-Saudi Security Condominium

Like Alternative I, this strategy offers potential economic benefits. It could permit the expansion of foreign arms sales at a time when domestic sales are decreasing. And with the current weakened state of Iraqi and Iranian military capabilities, no immediate expansion of U.S. force structure would be required. With continuing access to fa-

cilities in Saudi Arabia, U.S. forces could exercise the capabilities they would require to defend the Gulf.

Politically, U.S.-Saudi condominium may be more palatable to Egypt, Israel, and some other states in the Middle East than would Saudi defense independence. This arrangement would not likely bring with it the elevation of Saudi stature that would threaten Egyptian aspirations for participation in leadership of the Arab world. Saudi Arabia might look less like a new potential confrontation state to Israel. And, for the smaller states of the Arabian Peninsula, this strategy may be more reassuring than Saudi defense independence in terms of the implications for their continued independence and territorial integrity.

If regional armament can be maintained at low levels through some form of arms control, two benefits are possible. First, the Saudi defense expansion could be smaller, reducing the potential societal impact somewhat. Second, the Saudi 30-day capability might be sufficient to handle most contingencies that would arise, eliminating the need for U.S. deployments in most cases. Where U.S. intervention would still be necessary, airpower alone might be sufficient.

Possible Risks

Military. Like Alternative I, and perhaps to the same extent, this strategy is likely over time to provoke a major regional arms race unless arms control were implemented. The reassurance of a protective Soviet counterweight to U.S. power will no longer be available to the rest of the states of the region. There is no shortage of willing arms suppliers. Such an arms race could increase the cost or the difficulty to the United States of maintaining an adequate balancing capability. Another risk that would threaten the military effectiveness of this strategy is the possibility that the possession of a capability the Saudis believe sufficient to hold advancing enemy forces for 10 to 30 days might give the Saudis a false sense of security. Over time, they might decide to reduce the extensive and highly visible cooperation and coordination with the United States and revert to prior modes of behavior (including the denial of U.S. access to Saudi facilities and airspace).[9] Finally, the Saudis might be unable to build the capability to hold back an aggressor for 30 days.

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[9]According to an unnamed western diplomat, the Saudis have already begun to draw the conclusion from successful operations in the recent Gulf War that U.S. deployment of forces and prepositioning are not necessary. "I detect an air of complacency creeping in. If there's another flare-up, they are sure the Americans and

Political. Because this strategy would require some U.S. presence and extensive contacts with the Saudis, it could perpetuate friction and create instability within the royal family. Over time, this factor, as well as the false sense of security that may develop, could incline the regime to reduce its level of defense collaboration with the United States. The requisite defense expansion itself, combined with the more visible U.S. presence, could require social change and bring with it social disturbances. Like Alternative I, the process of expanding the military could also encourage undesirable Saudi policies vis-à-vis their weaker neighbors on the Arabian Peninsula. With the greater degree of U.S. direct involvement in Saudi Arabia if this strategy were implemented, it could prove difficult for the United States to avoid becoming embroiled in local conflicts unrelated to legitimate Saudi defense issues. A visible U.S. military role in the Gulf may exacerbate political tensions and polarization of the region. The Soviet Union is no longer a counterweight. This could encourage cooperation with the United States because of lack of a viable alternative, but it could also generate fear and suspicion on the part of Iran and Iraq and stimulate the rapid acquisition of improved military capabilities and the formation of opposing coalitions.

Like Alternative I, this strategy's requisite arms transfers to Saudi Arabia could face strong resistance on the part of congressional supporters of Israel, and the United States would depend heavily on the continued stability of a friendly Saudi regime.

Failure Modes and Their Consequences

1. *Saudi forces do not perform adequately under attack.* If Saudi forces are unable to hold back an aggressor until the arrival of U.S. forces in the theater, a window of vulnerability would result to the extent that the United States relied on that capability. A possible 30-day window of vulnerability is potentially important. Iraq's invasion of Kuwait made all too plain the fact that Saudi Arabia's oilfields could have been overrun and held hostage by D+30. The United States would need to maintain an early deployment capability to close this window—or to narrow it considerably.

2. *The Saudi monarchy is overthrown by a regime hostile to the West.* Even more than Alternative I, Alternative II depends on the continued stability of the Saudi monarchy or the rule of leaders who favor a

British will be back immediately. I think they may be drawing the wrong lessons from the war." See Peter Ford, "Gulf States Reorienting Future Security Strategy," *The Christian Science Monitor*, June 3, 1991, p. 1.

strong and, if necessary, visible relationship with the United States. If the United States appears to be the protector of the royal family, a successor regime could be hostile to the United States as well. At worst, a hostile successor regime could pursue policies intended to damage U.S. interests. At a minimum, it would force the United States to be prepared to defend its interests in a more heavily armed environment.

ALTERNATIVE III: U.S. RELIANCE ON ALL-ARAB DEFENSE OF THE GULF

Characteristics

Alternative III would involve U.S. reliance on security arrangements that were purely regional in character, with participation of the states of the Gulf Cooperation Council (GCC) and, perhaps, other Middle Eastern (e.g., Egypt or Syria) or South Asian states (e.g., Pakistan). The United States would have no formal role in this strategy. An arrangement of this sort was envisioned in the Damascus Declaration issued by Egypt, Syria, and the GCC states in March 1991, shortly after the end of the Gulf War, and it also had proponents in the West.[10] It was strongly opposed by Iran and subsequently rejected, principally by Saudi Arabia. At the time of this writing, Egypt is still a strong proponent of this approach.[11]

Assumptions and Long-Term Requirements for Success

Military. Participating non-Gulf states would likely require power projection capabilities. At a maximum, a rapid capability would be necessary for deployment of their forces if no peacetime military presence (for example, Egyptian or Syrian forces) were maintained in the Gulf. At a minimum, some such capability would be needed to reinforce and resupply the forces. Large arms transfers to participating

[10]See Richard Murphy, "Seven Steps to Contain Baghdad," *Washington Post*, November 29, 1990, p. A23. Shireen Hunter refers to this strategy as an "all-Arab pillar strategy." See Shireen T. Hunter, "Persian Gulf Security: Lessons of the Past and the Need for New Thinking," *SAIS Review*, Winter–Spring 1992, p. 163.

[11]In June 1991, Egyptian Foreign Minister Amir Moussa stated, "The starting point in Gulf security is Arab, and there can be no discussion or implementation of any security order in the Middle East without a role for Egypt, since Egypt is the biggest of the region's states and the most influential internationally and regionally, militarily and politically." See Nick B. Williams, Jr., "Gulf Security Effort Falters Again as Talks Are Canceled," *Los Angeles Times*, July 9, 1991. See also Moussa's later statements, reported in, "Notes 'Differences' Among Arab States," AFP, Paris, April 25, 1992, reported in *FBIS*, Near East and South Asia, 28 April 1992, p. 17.

states would be required, including equipment for forces and the means to transport forces. If participating states were unable to acquire the means to transport forces, such transportation would have to be provided by an outside party—possibly, the United States. All of these requirements would be substantially reduced if the level of armament in the region (and, as a result, the level of threat) were reduced through arms control.

Political. To work, this alternative would require long-term cooperation and coordination among the participants and, therefore, a long-term congruence of interests.

U.S. Peacetime and Wartime Role

The U.S. peacetime role would be minimal. Along with other arms suppliers, the United States would sell weapons and provide some training in their use. There would be no formal wartime role for the United States, unless it were called upon to assist in the movement of nonlocal Arab forces to the theater.

Possible Benefits of All-Arab Defense of the Gulf

Because the all-Arab defense of the Gulf would permit less direct U.S. military involvement in the Gulf, this would be congruent with growing U.S. inclinations toward insularity and defense expenditure reduction. Large Saudi weapons purchases would help to expand the foreign market for the U.S. arms industry at a time when domestic demand is decreasing.

To the degree that political and religious legitimacy can be undermined in the Middle East by the appearance of dependence on and collaboration with the West, maintaining distance from the West could enhance Saudi standing in the Arab world, or at least reduce opportunities to undermine it. Further, tensions within the Saudi royal family regarding the desirable degree of collaboration and dependence on the United States would be reduced. Likewise, this strategy could permit the United States to maintain some distance from particular regimes, reduce its perceived manipulation of the region, and retain more policy flexibility.

Possible Risks

Military. This strategy risks a formal military polarization in the region, as it would probably mobilize excluded states to unite in purpose against it. Without arms control, an arms race would be likely. Of

even greater concern is the apparent fragility of such an arrangement. The states that might participate in such a defensive coalition are at best competitive and, at worst, sometimes hostile to one another. For this alternative to be militarily effective—that is, to deter or defend—it would require the long-term cooperation and congruence of such states' interests. The defection of coalition members could undermine the effectiveness of the coalition and quickly destabilize any balance that may have emerged.

U.S. interests in the region, then, would be dependent on the changeable interests and intentions of several participating coalition members. Permission or facilitation of U.S. intervention, if it should prove necessary, could require complicated coalition consultation.

Political. Formal political polarization would accompany military polarization. Further, the acquisition of power projection capabilities by coalition members would be unsettling to many in the region and could result in serious agitation in Israel.

Within Saudi Arabia, maintenance of internal security could be complicated by the presence of armed forces of a variety of nationalities and, possibly, ideologies. That presence could be used by the governments of the Arab coalition members or by nongovernmental movements for subversive purposes.

Failure Modes and Their Consequences

1. *The coalition is outfought.* The coalition could be outfought for a variety of qualitative, military, organizational, and political reasons. If the United States chooses to depend on this arrangement, it could be unprepared to bail out the coalition if it were unable to prevail over an opponent. Political discord among the coalition members about the desirability or timing of U.S. intervention, should it become necessary, could add confusion, inefficiency, and other obstacles to a U.S. deployment.

2. *One or more coalition partners defect.* During peacetime, a defection could quickly and irreparably destabilize the existing regional balance and require extraregional commitments for deterrence. During wartime, a defection could so undermine the coalition that U.S. intervention would be required. Indeed, the most likely time for defection would be in crisis, leaving the United States to retrieve the situation, with the potential complications indicated above.

ALTERNATIVE IV: U.S. AS DISENGAGED BALANCER

Characteristics

Like the others, the objective of this alternative would be the maintenance of a stable military balance in the region. This would be done in two ways. First, the United States would attempt to regulate the regional military balances through a carefully regulated program of arms transfers. Arms control by the regional states would be highly desirable, as with the other alternative strategies. Obviously, the regulation of arms transfers will be best implemented if the other first-tier arms exporters (primarily the former USSR, Germany, France, Britain, and the United States) cooperate. One must acknowledge that creating even a loose cartel of arms exporters likely will be difficult.

In the event a regional state chooses to test the military balance by aggression of various types, this alternative strategy requires the entry of outside force to uphold or restore the balance. Thus, the second method of implementation is by intervention into the region, with or without arms control, to deter or repel potential hegemons that pose a threat beyond the capabilities of the other states to balance. Again, multilateral participation is greatly to be preferred, but the United States must be able to perform this mission by itself, if necessary.[12]

Most, if not all, of the elements of this alternative have a role in the other alternatives as well. What distinguishes the U.S. as Disengaged Balancer strategy is less the "balancing" than the "disengagement" from the internal affairs of the Gulf states. Unlike most of the other alternatives, this one would not involve the stationing of foreign equipment or personnel in regional states. Military-to-military contacts would be limited and kept unobtrusive. Indeed, the degree of foreign presence in all forms would be very small. Finally, no formal arrangements or commitments would be made with any regional state. The United States would strive for political neutrality and would pursue a fluid policy of maintaining the balance, willing to join or oppose any state or group of states as the situation demanded. The

[12]Lt. General Bernard C. Trainor (Ret.), for example, strongly advocates multilateral arrangements. "At the very least, [the United States] has to be the sheriff who puts together and leads the posse against international malefactors." But he also warns that the United States "must not be tied into security arrangements that will automatically draw us into conflicts we would prefer to ignore." "The United States must ensure unilateral freedom of action while selectively benefiting from alliances and security arrangements, including those under United Nations auspices." Lt. General Bernard C. Trainor, "Regional Security: A Reassessment," *Proceedings*, U.S. Naval Institute, May 1992, p. 38.

best analogy to this policy would be that of Great Britain in the 19th century.

Assumptions and Long-Term Requirements for Success

Military. A regional balance is difficult to engineer and maintain. Traditionally, power balances have not been self-regulating, but have required a "balancer"—that is, an actor willing and able to intervene to restore equilibrium if the growth in power of any individual regional state or grouping of states threatens an imbalance. To implement this alternative, the United States and any other individual or combination of external actors would need to be able to command and coordinate sufficient military resources to function as the balancer to maintain regional stability. The size of those resources must be responsive to the growth of regional military capabilities.

Although arms control and regulated arms transfers are greatly beneficial, they are not the *sine qua non* for implementing this alternative strategy. It may be possible to maintain a reasonably stable balance even without formal agreements. U.S. arms transfer policy will be a critical element.

Political. The end of cold war polarization and superpower competition in the Middle East makes U.S. unilateral intervention in the region less risky, with no danger of political or military superpower confrontation. Likewise, the absence of East-West tensions makes the enlistment of international organizations and the beneficial formation of *ad hoc* coalitions more feasible than they were in the past.

To be militarily effective, any coalition would need to be able to take action quickly and decisively. Should sufficient time for extensive consultation not be available, or should such action not be agreed upon or coordinated quickly enough, the United States would need to be prepared to take the necessary action unilaterally, assuming that vital U.S. interests were at stake. To prepare for such a contingency, the United States will need to maintain a military capability adequate to perform unilaterally.

U.S. Peacetime and Wartime Role

In peacetime, the United States would need to maintain forces for intervention and a rapid deployment capability. In wartime, U.S. forces would deploy and fight, possibly on short notice, if necessary to restore the regional balance. If the balance is maintained at low levels of arms, air forces may be sufficient, with minimal ground forces, to

restore stability. Similarly, if the balance exists at quantitatively higher but qualitatively low levels of arms, U.S. requirements may also be limited to airpower and minimal ground forces. If the states of the region are armed with high levels of sophisticated arms, force requirements for the United States could be substantially greater.

Possible Benefits

If regional armament can be maintained at lower levels, less will be required of an external power to play the role of balancer—that is, to maintain or restore regional conflict stability. It is even possible that United Nations or Arab forces would be adequate militarily to play that role, although the United States might prefer to retain it as a means of ensuring that its interests are adequately protected. Of course, uncertainties as to the stability or reliability of such arrangements would remain. But a balance at lower levels of armament would enhance the U.S. ability to act unilaterally to restore equilibrium, if other arrangements prove inadequate. Further, lower local force levels are likely to enhance regional stability by reducing possible levels of violence. Lower regional qualitative or quantitative capabilities could lessen U.S. force requirements for intervention at a time when the U.S. force structure is shrinking. Intervention could also become less costly at a time of greater concern about the health of the U.S. economy.

This strategy may provide the United States with a greater likelihood of maintaining the economic good will of regional oil-producing states over the long term through reduced regional visibility and less apparent linkage with the survival of potentially unpopular regimes.

Possible Risks

Military. This strategy is vulnerable to a variety of means of circumventing agreed arms transfer controls, such as attempts by regional states to accumulate covert capabilities, covert supplier violations, and enhanced second-tier[13] supplier capabilities to produce restricted systems. Shifting alliances could continually threaten the balance. Finally, the defection of one first-tier supplier from the cartel could render the cartel unviable.

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[13]Second-tier states include China, Brazil, Italy, North and South Korea, Yugoslavia, Bulgaria, Spain, and Israel.

If the region is armed at high levels, the task of intervening to restore the balance will be costly. It will also be difficult to insert sufficient power early enough to prevent the "creation of facts" in, say, the first 30 days of conflict. If an aggressor is able to occupy a large portion of the oil-producing area of the Gulf in that time, oil facilities may be held hostage. Intervention to dislodge an aggressor under these circumstances is likely to be costly. And disruptions to the oil supply could be very large.

Political. This strategy is likely to be opposed by American and other first-tier arms industries, which will be hoping for uncontrolled access to foreign markets to compensate for sharp reductions in domestic procurement. In addition, there is a possibility that regional suspicion will be aroused and economic backlash occur as the result of perceptions of western efforts to control the regional weapons environment.

Failure Modes and Their Consequences

1. *A state is able to accumulate arms covertly, and a rapid breakout dramatically affects the balance.* To the extent that the breakout catches the United States by surprise, it could be unprepared to deal quickly with the consequences.

2. *A first-tier supplier defects from the cartel.* The cartel is likely to collapse if a first-tier supplier defects.

3. *A hostile coalition is formed capable of upsetting the balance.* Such a development would constitute a failure of the strategy and an inadequacy of its conceptualization if, as a result, the United States were unable to restore the balance at a reasonable cost.

6. ANALYSIS AND CONCLUSIONS

The preceding discussion has identified two broad approaches to U.S. security policy in the Persian Gulf: controlling and insulating. It developed elements of each approach and then assembled those elements into four alternative strategies, two of which represent the "controlling" approach and two the "insulating" approach. Now the relative advantages and disadvantages of the four alternatives will be compared.

This section has two parts: analysis and conclusions. The analysis will bring together the four alternatives presented above and compare them along common criteria. The criteria correspond to the factors that have been discussed throughout this report: military risk and effectiveness, vulnerability to political instability, the potential for stimulating political instability, cost to the United States, and domestic acceptability. The alternatives will be arrayed on scales corresponding to these criteria. There is no truly rigorous way to place the alternatives on the scales; the author's judgment will be used to assess the relative advantages and disadvantages of the alternatives and to place them broadly in relation to one another.

The objective here is to identify strategies, or elements of strategies, that will prove robust—that is, strategies that will be resistant to being overturned by a wide range of contingencies, political and military. Those strategies that are highly vulnerable or highly stimulative of political instability will require active measures on the part of the United States to reduce the likelihood of political instability (namely, regime change and policy unpredictability). The cold war made such control imperative. Now the United States may choose more insulating policies and engage less in positive control.

To review briefly, the four alternatives under consideration are the following:

Saudi Defense Independence, characterized by a large defense expansion in Saudi Arabia, in pursuit of a unilateral Saudi capability to defend the Arabian Peninsula.

U.S.-Saudi Security Condominium, characterized by U.S. and Saudi cooperative defense of the Arabian Peninsula—the Saudis acquiring the capability to hold an aggressor for 10–30 days until U.S. forces can deploy to the region.

U.S. Reliance on All-Arab Defense of the Gulf, characterized by U.S. reliance on security arrangements that are purely regional in character, with formal participation only of Middle Eastern and South Asian states.

U.S. as Disengaged Balancer, characterized by maintenance by the United States (with or without multilateral participation) of a stable military balance in the region through regulation of arms transfers or through military intervention to deter or defeat potential hegemons.

MILITARY RISK AND EFFECTIVENESS

For all four alternatives, the objective would be to maintain a stable military balance so as to deter aggression in the Arabian Peninsula and to restore the balance if aggression occurs. All four contain potentially beneficial elements, and all pose risks. The specific risk assessed first is that of military failure. The causes for such failure could be many. For example, an alternative may be prone to failure because the commitments on which it depends are not likely to be honored. Or, an alternative may be risky because it requires a level of military competence that is unlikely to be achieved. In the theoretical ideal, they should all be able to perform equally well. However, the ideal is less likely to be attainable for some than for others.

Figure 1 displays roughly the relative risk of failure of the four alternatives.

The risk of failure is high both for All-Arab Defense and for Saudi Defense Independence. A particularly weak element of All-Arab Defense is its dependence on the continued cooperation of an alliance of mutually mistrustful regional states, as well as on the ability of

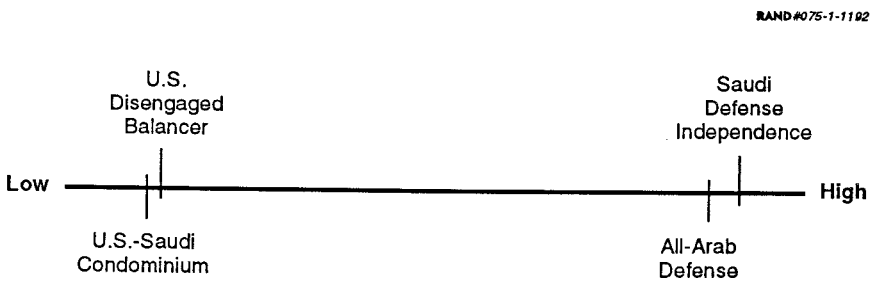

Figure 1—Military Risk

these states to project power and reinforce their forces in the Gulf. Saudi Defense Independence would require a major expansion of Saudi military forces and capabilities, a process that may be difficult to accomplish in the near to medium term for social and cultural reasons. At the same time, the armament and capabilities of potential opponents would not stand still in the face of Saudi military growth. With competitive regional armament, Saudi Arabia could find itself falling even farther behind potential regional opponents that could be adding capabilities to established and experienced forces.

The remaining two alternatives—the U.S. as Disengaged Balancer (henceforth referred to simply as the United States or the U.S. Balancer, although the United States may lead a coalition of extra regional states) and Saudi-U.S. Security Condominium—pose lower risks, in large measure because of the ability of the United States to participate in them formally and to rely less on others in the region. Both, nevertheless, pose some risks. Condominium would require reliance on Saudi Arabia's ability to hold back an aggressor for up to 30 days unless some U.S. forces were predeployed. A U.S. Balancer strategy would defend without reliance on Saudi active participation. Therefore, it would be faced with the challenging requirement to deploy forces of its own with a promptness and on a scale adequate to meet a heavily armed aggressor in that initial 30-day period.

Effective arms control could substantially improve the ability of participants in an All-Arab Defense alternative to defend the Arabian Peninsula. Nevertheless, All-Arab Defense remains highly risky, because arms control does not address its key vulnerability: the withdrawal of one or more participants. Saudi Defense Independence, on the other hand, might be made more viable with arms control. Arms transfer controls designed to create a rough balance in the region could improve Saudi capabilities relative to those of Iraq and Iran, for example, especially the Saudi ability to defend against attack. Under these circumstances, reliance on Saudi Arabia's determination to defend itself would involve less risk than reliance on the inclination of all members of an Arab coalition to do so.

With arms control, there is less of a distinction between defense by the U.S. Balancer and U.S.-Saudi Security Condominium. Condominium would offer the 30-day Saudi holding capability, a task that would be made easier at lower levels of regional armament. In fact, it could itself be sufficient to meet the requirements of many contingencies. Finally, arms control could produce a regional balance at low levels that would make intervention by the U.S. Balancer easier.

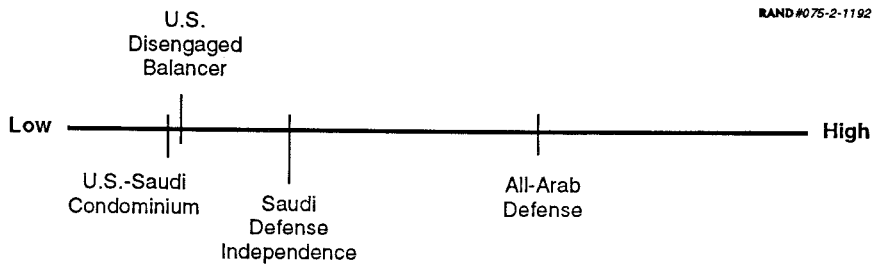

Figure 2—Military Risk (with Arms Control)

Indeed, the low levels of armament might permit the U.S. Balancer to intervene promptly and effectively with airpower alone, thus obviating the need for the military advantage to be gained by the availability of early Saudi defense capabilities. See Figure 2.

VULNERABILITY TO POLITICAL INSTABILITY

Political instability could affect U.S. interests in the Persian Gulf in two ways. First, it could cause the transformation or collapse of a security alternative upon which the United States has chosen to rely. Second, it could result in pointed hostility toward the United States and its interests. Of the four alternatives, U.S.-Saudi Security Condominium is most vulnerable to Saudi political instability. A regime change, or a strategic reorientation of the present regime, could lead to the collapse of collaborative security arrangements with the United States. There is even some possibility that the close relationship between the United States and an ousted Saudi regime could produce an Iran-like backlash against U.S. interests.

In general, Gulf security arrangements that depend on the participation or cooperation of regional states will be unpredictable. The United States is likely to have only limited influence over regional decisions about which alternative is implemented over the longer term. Security arrangements may evolve or become transformed over time for regional political reasons. For example, even a modest enhancement of Saudi military capabilities could change the way the Saudis evaluate the relative costs and benefits of highly visibile defense collaboration with the United States. They could decide gradually to reduce important elements of that collaboration. Thus, structurally, U.S.-Saudi Security Condominium could grow to resemble Saudi

Defense Independence, with significant military implications for the United States.

Both Saudi Defense Independence and All-Arab Defense would be somewhat vulnerable to Saudi political instability, but for different reasons. Both would be less vulnerable than U.S.-Saudi Condominium. In the case of the former, Saudi motivation to provide its own defense could reasonably be expected to survive a change of regime. Also, gradual elimination of the U.S. role in Saudi defense could be expected to reduce the risk of backlash to some degree. Nevertheless, a link between the United States and the Saudi regime during the initial five-to-ten-year transition phase could create the impression that Saudi capabilities were the creation of the United States (or the West), and that Saudi Arabia was effectively a U.S. (or western) surrogate, with the potential for hostility on the part of a successor regime.

An All-Arab Defense arrangement could be somewhat vulnerable to Saudi political instability. Either a Saudi regime change or a policy reorientation could result in a new structure of relations among the participants and a collapse of the security arrangements. However, the absence of any U.S. association with All-Arab Defense and, more important, with the Saudi regime, would offer the United States some insulation against backlash from a new regime.

A security alternative based on the United States as Balancer would offer the most insulation against Saudi political instability. It would both survive a regime change and provide no obvious reason for backlash. See Figure 3.

Arms control would have no impact on the potential for backlash against U.S. interests inherent in Condominium and in Saudi Defense Independence. See Figure 4. However, it would be consider-

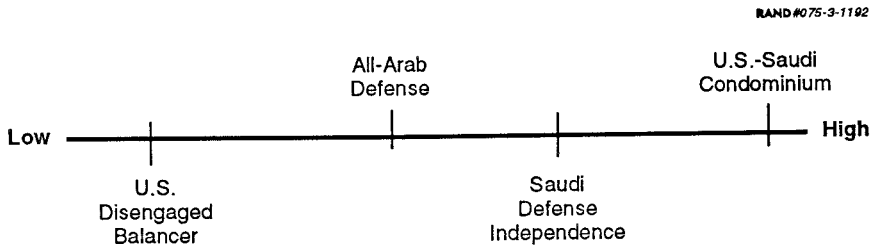

Figure 3—Vulnerability to Political Instability

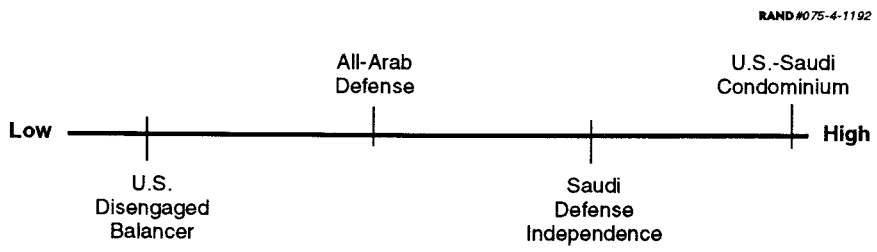

Figure 4—Vulnerability to Political Instability (with Arms Control)

ably easier for the United States to take on the task of maintenance of Gulf security quickly in the wake of the collapse of any alternative if the level of regional armament were relatively low.

STIMULATIVE OF POLITICAL INSTABILITY

In the Persian Gulf, overt reliance on the United States for security is typically perceived as an internal security liability. Radical regimes and organizations have exploited such associations in efforts to undermine the legitimacy of the conservative monarchies. The monarchies worry that high-visibility relations with the United States undermine their Arab/Islamic credentials and make them vulnerable to claims that they are surrogates for or subservient to the United States.[1]

Of the four alternatives, the U.S. role in U.S.-Saudi Security Condominium is the most intrusive, as it is likely to require some local force presence and extensive contacts and interactions with Saudis. In addition, the required defense buildup could strain Saudi society in a variety of ways already discussed in this report.

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[1]In congressional testimony in November 1990, Henry Kissinger noted that the contrast in attitudes toward U.S. force presence between Korea and western Europe, on the one hand, and the Persian Gulf, on the other, is profound. "There, American forces contributed to domestic stability; in Saudi Arabia they would threaten it." Cited in Daniel Pipes, "What Kind of Peace?" *The National Interest*, Spring 1991, p. 10. Pipes further comments, "The phobia about non-Muslim forces makes the Middle East fundamentally different from other foreign regions in which the United States has fought large-scale wars; it presents the greatest single obstacle to American efforts to stabilize the region. These considerations lead me to conclude that the first imperative of U.S. strategy is not to keep large numbers of American ground troops for long periods in the Persian Gulf region. There must be no American occupation of Iraq, no NATO-like alliance with the Saudis and Kuwaitis, no permanent military bases in their countries."

Saudi Defense Independence would require an even larger defense expansion and pose a greater risk of domestic instability for the reasons already cited. The five-to-ten-year requirement for U.S. underwriting of Saudi security would add a somewhat visible U.S. role to the political liabilities of this alternative, although it would probably be less intrusive than in the case of Condominium.

The All-Arab Defense alternative could create a different type of internal security problem for Saudi Arabia. The presence within Saudi Arabia of external armed forces of a variety of nationalities and possible ideologies would expose the Saudi regime to the threat of subversion.

Finally, the U.S. as Balancer alternative is not likely, in itself, to stimulate political instability in Saudi Arabia. See Figure 5.

Insofar as arms control is able to reduce the level of the requirement for defense expansion, it could decrease social pressures in Saudi Arabia. Moreover, it could reduce the apparent U.S. role in both Condominium and Saudi Defense Independence somewhat by increasing the likelihood that Saudi forces acting alone could handle the majority of threats they might face. See Figure 6.

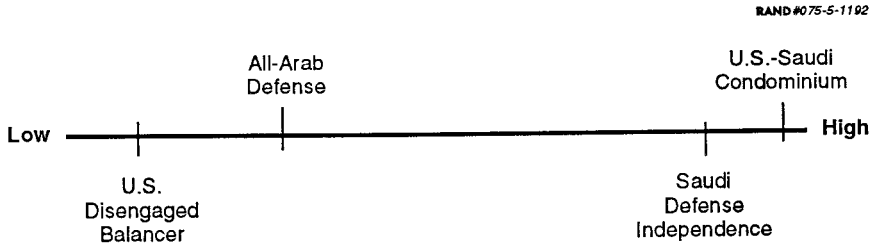

Figure 5—Stimulative of Political Instability

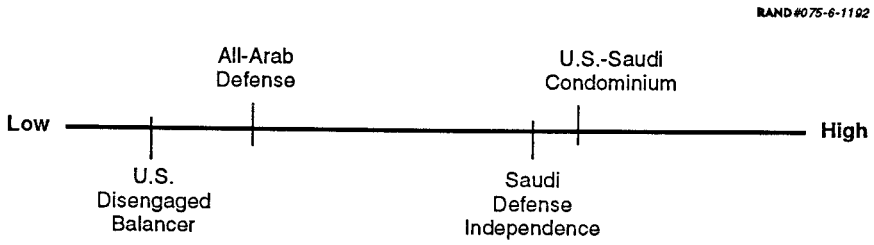

Figure 6—Stimulative of Political Instability (with Arms Control)

COSTS

Issues of cost and general U.S. public acceptance are difficult to assess at this level of analysis. Very crudely, the author would suggest costs as shown in Figure 7.

Costs would be highest for the U.S. Balancer alternative, which would require that the United States maintain the ability to intervene to restore the military balance without any prior facilitating arrangements with regional states. Condominium would be somewhat less costly, to the extent that Saudi Arabia can contribute to its own defense and obviate the U.S. need for an early deployment capability. It also offers possibilities for prepositioning of equipment and forces.

Saudi Defense Independence would be expected ultimately to result in lower costs to the United States, but startup costs could be high and of indefinite duration. On the other hand, this alternative would require large purchases of arms, many from U.S. suppliers. In that respect, Saudi Defense Independence could benefit the American arms industry and the U.S. economy.

All-Arab Defense would involve no formal costs to the United States.[2]

With arms control, the costs to the United States of any of the four alternatives could be quite low. In the case of the three alternatives involving some U.S. role—Saudi Defense Independence, U.S.-Saudi Condominium, and U.S. Balancer—U.S. intervention with air forces alone may be sufficient, if required at all. See Figure 8.

[2]Assuming the costs of lift were borne by the states of the region.

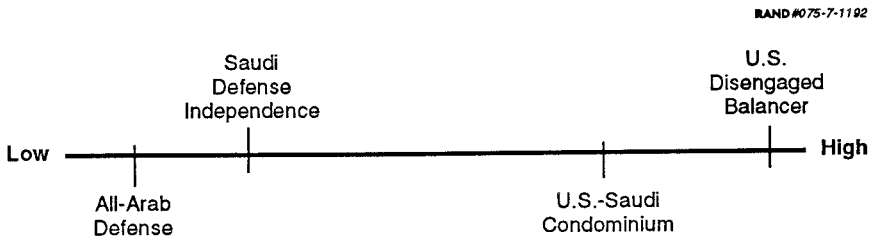

Figure 7—Costs

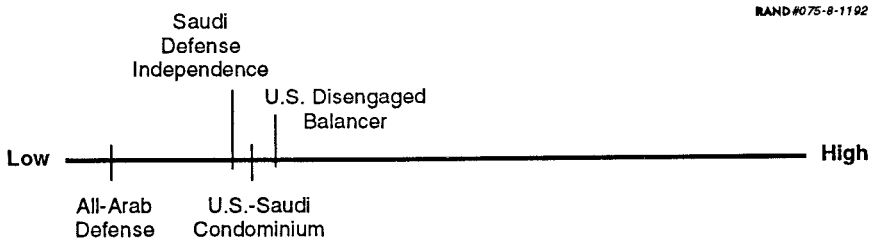

Figure 8—Costs (with Arms Control)

ACCEPTABILITY TO U.S. PUBLIC

In the period immediately following the Gulf War, the general mood of the American public turned inward, concentrating on domestic economic issues. This mood may prove to be short-lived, or it may continue over the longer term. For the purpose of this analysis, a public preference for less active involvement abroad will be assumed.

At the extremes of the scale in Figure 9 are All-Arab Defense, requiring the least active participation on the part of the United States, and

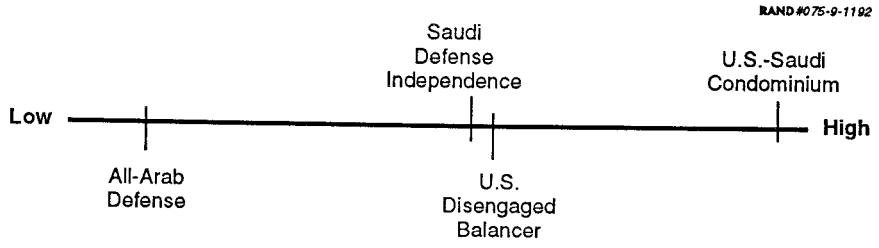

Figure 9—Public Disapproval

U.S.-Saudi Condominium, requiring both an active and visible U.S. role. Between those extremes is the U.S. Balancer, which could require intense involvement in conflict but offers low visibility in peacetime. Saudi Defense Independence would be designed for eventual elimination of the U.S. role, but that role could be highly visible initially.

Requirements for U.S. involvement and the visibility of U.S. participation would be reduced by arms control for all alternatives (except All-Arab Defense, which formally includes no U.S. role). Thus, all alternatives would become more acceptable within the U.S. with arms control. See Figure 10.

Figures 11 and 12 summarize the performance of the four alternatives along the five criteria, ranking them from low (most desirable) to high (least desirable).

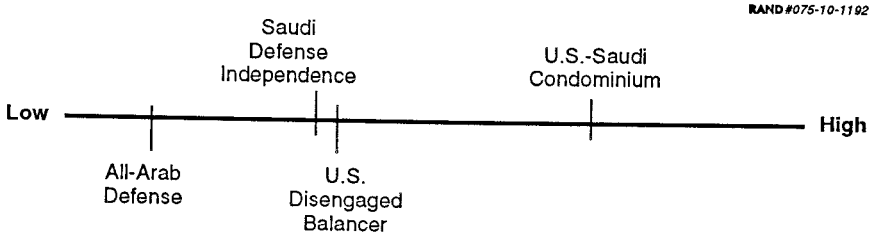

Figure 10—Public Disapproval (with Arms Control)

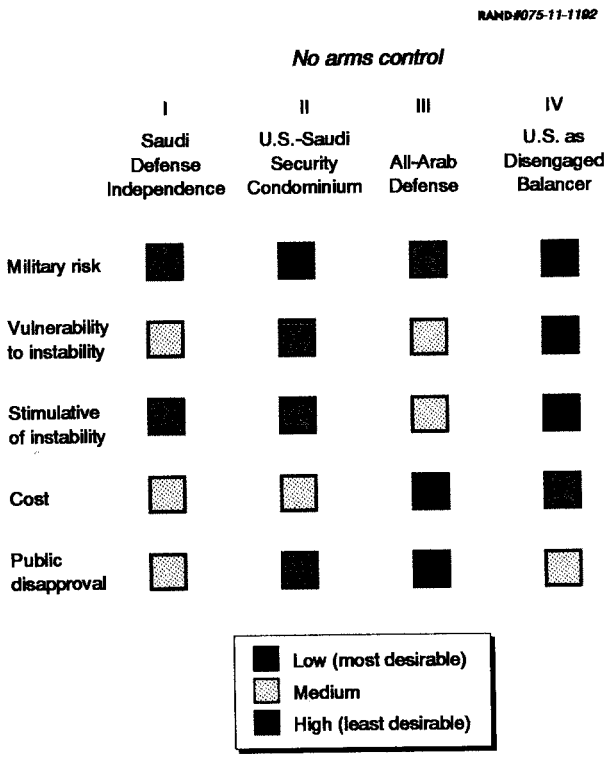

Figure 11—Performance of Alternatives with No Arms Control

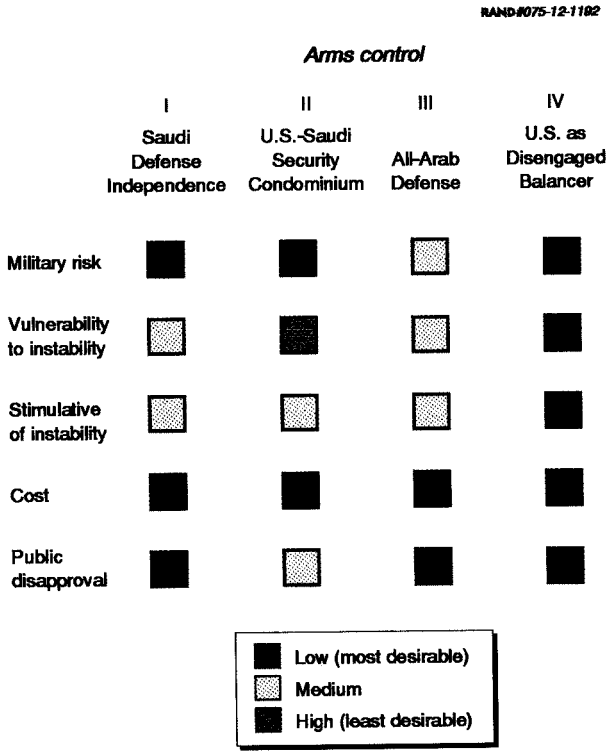

Figure 12—With Arms Control, Alternative IV Is Most Attractive

CONCLUSIONS

The following conclusions are suggested by this analysis.

First, because of the inherent uncertainty about how Gulf security arrangements that depend on the participation or cooperation of regional states will evolve, it would be prudent for the United States to maintain the capabilities needed to implement Alternative IV, the U.S. as Disengaged Balancer, regardless of which other alternative, or combination of alternatives, is chosen for implementation by the states of the region. Broadly speaking, the more independence the United States maintains in its ability to defend its interests, the more "insulated" its military strategy will be from regional political instabilities. On the other hand, the choice of maintaining that independence may deprive the United States of other important benefits, such as the ability to cut costs (e.g., regional prepositioning of U.S. equipment versus the acquisition of enhanced early deployment capabilities). Moreover, the United States has been reluctant to act unilaterally, preferring to act multilaterally, in concert with allies. However, the choices are not binary. The United States may choose a security arrangement that involves others but that also maintains a unilateral capability to intervene should the arrangement collapse. Such an approach would offer some measure of insulation, but it could also introduce varying degrees of vulnerability to political instability (for example, if a highly visible U.S. presence undermined the stability of the host regime).

Second, two alternatives score particularly poorly both on military risk and on sensitivity to political instability: All-Arab Defense and Saudi Defense Independence. Although reasonable people differ about the likelihood that the regional states can develop a reliable and effective defense alliance, or that the Saudis can create a military establishment of the requisite quality and size, it is the author's view that the chances of success for either course are quite low and, in the case of Saudi Defense Independence, risky to the very objectives the United States seeks to protect.

Therefore, the choice is, in effect, between the present policy, U.S.-Saudi Security Condominium, and the alternative policy of the U.S. as Disengaged Balancer. One must observe the interesting tension here between maximizing military effectiveness and minimizing provocativeness and vulnerability to instability. If the United States places greatest priority on the former, then U.S.-Saudi Security Condominium looks somewhat better; if on the latter, then the Disengaged Balancer alternative is most attractive.

It might be argued that the cost advantage of U.S.-Saudi Defense Condominium should weigh heavily; but, in fact, the considerations are complex and the advantage may be more apparent than real. First, the consequences of Saudi failure to perform as planned—that is, to hold an attacker (away from Saudi oil installations) until U.S. forces could arrive—could be very costly.[3] Second, to the extent that the Saudi defense expansion involves investment and purchases from the United States, Condominium could be economically beneficial. To the extent that it stimulates a regional arms race, the financial effects are mixed and, on balance, probably negative. Although more arms would be sold by U.S. firms, the costs associated with U.S. intervention could be substantially greater. Therefore, the actual cost difference between the alternatives is likely to be relatively small.

The United States may prefer to maintain cooperative security arrangements with the Saudis for a number of reasons—among them, to preserve a familiar mode of diplomacy with the region, to increase the likelihood of "special consideration" of U.S. economic and political interests, and to maintain military access to the region. Are there elements of the Condominium alternative that could be modified to reduce its vulnerability to political instability and minimize the likelihood that it might destabilize the Saudi regime on which it depends? First, efforts could be made to lower the visibility of the U.S.-Saudi relationship in order to reduce opportunities, both within and outside Saudi Arabia, to criticize the Saudi regime's dependence on the West. Measures to do so could include emphasis on prepositioning of equipment and avoidance of the presence of U.S. military personnel on Saudi territory. However, this measure could sacrifice the important U.S. ability to train Saudi forces effectively and to conduct exercises with Saudi forces within the region; it could thereby reduce somewhat the military effectiveness of the arrangement, one of its principal attractions. Another possible measure is the careful and public specification of the U.S. commitment to the security of Saudi Arabia from external attack, explicitly excluding any commitments to the preservation of a particular national leadership. The risk here is that the protective economic and political benefits associated with personalized commitments could be lost. Finally, an energy policy designed to reduce U.S. vulnerability to future disruptions of the Persian Gulf oil supply would be an urgent need.

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[3]Indeed, the failure of any of Alternatives I–III could entail higher U.S. intervention costs than those required to pursue Alternative IV. Hedging against such failures would also be costly.

In sum, the measures required to reduce the vulnerability of U.S.-Saudi Security Condominium to political instability also act to reduce or eliminate its relative advantage over the U.S. as Disengaged Balancer alternative.

Third, and finally, this analysis highlights the policy choice that the United States confronts in the Persian Gulf. Essentially, that choice is between giving priority to military effectiveness or insulation from political instability. There is a means by which the United States can free itself from this dilemma and considerably broaden the range of its policy choices: regional arms control.

Arms control in the Persian Gulf would exercise great leverage on the costs and benefits of all the strategic alternatives. In brief, it would make all four less costly and more beneficial. By the criteria used here, arms control would produce benefits without apparent costs. No other policy instrument examined would have that impact. Without going into detail beyond the scope of this analysis, some general observations can be made.

It is difficult to see how any arms control regime could be effective in the absence of regulation of arms transfers into the region. Given the character and complexity of intraregional relations, it is unlikely that consumer controls could be successfully negotiated in the near term. Supplier constraints appear a more realistic near-term possibility, and a particularly urgent one, given the already growing momentum to create new balances through arms transfers to regional actors. The end of the cold war, the eight-year Iran-Iraq War, and the recent Gulf War have created conditions that may make such an objective more realistic than it was in the past. Iranian and Iraqi militaries have both been reduced substantially by the recent wars, and new arms transfers to the region have not yet begun in earnest. In this postwar period, memories are fresh of the consequences for coalition forces of the prewar transfers by coalition members themselves of high-technology weapons systems to this region. Moreover, as has been noted above, competitive ideological considerations will no longer dominate U.S. and CIS decisions on regional arms transfers.

While supplier constraints would appear to have better prospects for negotiation and implementation over the near term than consumer-negotiated agreements on limitations, a sellers' regime would itself pose significant difficulties. Decreases in military spending among western states and Moscow's need for hard currency may increase pressures to sell arms abroad. Arms transfers have been of considerable economic importance to suppliers, offering critical sources of hard currency income, the extension of production runs and the re-

duction of unit costs for some weapons systems, jobs, opportunities for technology development, and so forth. Strong incentives would be required to induce suppliers to give up some of their lucrative sales in this region, such as loans to defense firms at concessional rates to help them establish new products divisions. Some sellers might be persuaded that a guaranteed share of a cartel-dominated market would be preferable to the uncertain share to be gained through competition. The point is not to stop all arms sales to the Gulf, but that decisions on the type and quantity of arms to be transferred flow from a coherent long-term strategic plan. Despite the potential economic importance to the CIS of arms transfers to the Third World, there have been indications of possible receptivity to such ideas. In March 1991, before the breakup of the Soviet Union, President Gorbachev presented to Secretary of State Baker a six-point plan for regional security. The plan included reductions in arms transfers to the region with the goal of "maintaining a balance of forces at progressively lower levels of armament with a view to finally reaching the level of defensive sufficiency."[4]

In principle, a plan to reduce arms transfers to the Gulf could have at least two possible goals. First, transfers could be structured roughly to enhance the defensive capabilities of the arms recipients while minimizing their ability quickly to overwhelm a neighboring state. Second, such a regime might emphasize those systems that would not hamper the ability of the United States to intervene at a reasonable cost to restore the regional balance, if necessary. In some cases, these two goals may be in tension with each other. For example, air defense systems are generally regarded as "defensive" systems. However, if the United States hopes to rely on airpower as its principal arm of intervention in the region, the presence of sophisticated air defense systems could seriously complicate its task.

Arms control arrangements for the Persian Gulf region are likely to require parallel application to the other states of the greater Middle East, including Israel, to which the United States has a continuing security commitment. This requirement would appear daunting, but current circumstances may provide potential opportunities. In particular, Israel will be preoccupied for some time with the massive economic challenge of absorption of hundreds of thousands of Soviet immigrants, a phenomenon of great political and historical consequence for the state. A continuing Middle East arms race would constitute an

[4]Michael Parks, "Moscow, Bidding for a Voice in Mideast, Offers Proposals for Regional Security," *Los Angeles Times,* March 17, 1991, p. A18.

increasingly severe burden on Israel's strained economy at a time when the United States is becoming reluctant to extend the usual forms of assistance. In fact, Israel has already expressed considerable interest in regional conventional arms control.

None of this discussion should be construed as optimism that arms control can be concluded successfully in the near term. However, poor as they are, the odds are better now than ever before because of the transformation of the former Soviet Union and because the parties do have incentives to reduce or stabilize arms levels. This, combined with the benefits of arms control to the United States, suggests that initiatives to limit arms to the region are deserving of energetic exploration and, perhaps, higher priority.[5] In the event that arms control proves to be a chimera, at least for now, the United States is left with the original dilemma.

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[5]For further discussion of the control of arms transfers to the Middle East, see, for example, Natalie Goldring, *Arms Transfers to the Middle East*, Defense Budget Project, Washington, D.C., April 25, 1991; and Alan Platt (ed.), *Report of the Study Group on Multilateral Arms Transfer Guidelines for the Middle East*, Stimson Center Report, The Henry L. Stimson Center, Washington, D.C., May 1992.

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