The Middle East Predicament

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The United States has had critical interests in the Middle East for as long as it has been a global power. Securing the flow of the region’s oil to the world economy has always been a central priority. During the Cold War, competition with the Soviet Union for Middle Eastern allies was another. And helping to protect Israel while keeping the Arab-Israeli conflict from escalating to Armageddon has long been a third. Still, even as Washington dealt with crises ranging from Iranian hostage-taking to Iraqi aggression to Arab-Israeli fighting, its main foreign policy agenda has generally focused elsewhere, such as in Europe or Asia. Now, for the first time in U.S. history, that is no longer true.

As George W. Bush’s new administration surveys U.S. interests and threats to them, it will find that its principal concerns now emerge from the Middle East, broadly defined. The war on terrorism may be global, but its roots are there. Iraq is a mess—from which the United States cannot easily extricate itself. Iran will confront the new administration with very tough choices that cannot be avoided. The conflict between Israel and the Palestinians may be at a turning point, since Yasir Arafat’s death and Israel’s decision to withdraw from Gaza offer new possibilities as well as the potential for even greater chaos. Other regions may pose
problems, but none is likely to take up so much of the president’s time, resources, and stamina during the next four years.

With more than 100,000 U.S. troops on the ground and elections scheduled for this month, there is no more immediate priority than Iraq. The critical question that needs to be answered is whether the country is becoming more or less secure. Judging by the frequency of attacks, their increased sophistication and range, the growing number of those participating, and the difficulty of proceeding with reconstruction, it seems fair to say that the insurgency has taken on a life of its own and that the situation is getting worse. Perhaps the defeat of the insurgents in Falluja will herald a new day. But it remains to be seen whether it will breed further resentment of the United States, hurting Prime Minister Ayad Allawi in the process, and whether Iraqi security forces will be able to keep Falluja and other areas of the Sunni triangle free of insurgents once U.S. forces have swept them away.

Various options for U.S. policy in Iraq are explored in companion articles in this issue. Whatever course is pursued, however, one thing is clear: the United States cannot afford to fail. A failure in Iraq would be a devastating setback in the war on terror, convincing the jihadists that at the end of the day, they will always prevail. The United States and its allies need to create a sense of inevitability to the jihadists’ defeat, not their victory. Still, Washington’s definition of success must become far more modest.

The best the United States can hope for is probably the emergence of a loose federal system in Iraq, featuring a central government with limited powers presiding over regions with broad autonomy, and combining majority rule with tolerance for minorities. If such an Iraq treated its own people decently while not threatening its neighbors, this outcome would certainly be acceptable.

Even if the situation there improves, Iraq will remain in the headlines for the foreseeable future. But Washington cannot ignore other critical issues—such as Iran, Israeli-Palestinian relations, and political reform throughout the region—which are likely to pose at least as great a challenge.
A NUCLEAR IRAN?

In the last few years, Iran has made significant strides toward being able to produce nuclear weapons on its own. Indeed, given their progress on gas-centrifuge technology, the Iranians are probably within a year of being able to enrich uranium to weapons grade without any outside assistance.

The acquisition or development of nuclear weapons by Tehran would transform the Middle East. If Iran goes nuclear, it is likely to trigger a wave of others in the region doing the same. Ironically, although the Arab world has assumed for 20 years that Israel has nukes, Israel’s ambiguity about its putative capability and the Arab perception that the Israelis would use nuclear weapons only as a last resort have reduced the pressure on Arab leaders to respond. But Iran would be a different story.

The Saudis, who may have already benefited from Pakistan’s smuggling network of nuclear material and know-how, might decide they need the bomb as either a deterrent or a political counterweight against Iran. Egypt, not wishing to cede its prominence in the Arab world to the Saudis, will almost certainly press harder to acquire a nuclear capability; Syria, which also appears to have benefited from the Pakistani network, will not want to be left behind. Even Algeria, which already has a research reactor, will have a new incentive to go nuclear.

The prospect of a nuclear Middle East is worrisome. The risk of an accident or even inadvertent war cannot be dismissed. Israel is not likely to accept Iran’s crossing the nuclear threshold; in fact, on more than one occasion, Israeli Defense Minister Shaul Mofaz has declared that Israel considers a nuclear Iran to be intolerable. In this light, there is a high probability that sometime this year, Prime Minister Ariel Sharon will visit the White House to ask Bush a simple question: “Will you act to stop the Iranians or do we have to do it?”

Can the United States head off an Iranian bomb? It will not be easy. Iranians of all stripes and political coloration seem to believe that possessing nuclear weapons is not only an important symbol of national power, but also, given the presence of hostile neighbors, a strategic necessity. Tehran also seems to have learned the lesson of the 1981 Israeli strike on Iraq’s Osirak nuclear reactor: instead of having
one prominent facility, Iran has chosen multiple pathways to producing fissile material using redundant plants and hardened capabilities. The Iranian nuclear program is less vulnerable to military strikes and would retain the knowledge and expertise of its scientists and engineers after any attack, making reconstitution of the program much easier.

But these obstacles do not mean that nothing can be done to stop or delay the Iranian program. Before considering military options, the United States must try to alter the Iranian calculus on nuclearization. Presently, Tehran sees little cost in continuing its activities. Over the last few years Iran has drawn much closer to developing a nuclear capability with no perceptible consequences, and it is increasingly confident that it can proceed while avoiding any great danger or penalty. The Iranians believe that the United States is tied down in Iraq and less capable of acting militarily against them. They have seemed dismissive of International Atomic Energy Agency resolutions: when the IAEA called for Tehran to suspend its enrichment efforts and reveal its nuclear-related activities, the Iranians declared they would convert 40 metric tons of yellowcake uranium into uranium hexafluoride, enabling them to produce a compound for enriching nuclear fuel for weapons.

Iran’s government also believes that it has leverage on the Europeans—not vice versa. The British, French, and Germans threatened penalties to force the Iranians to halt their enrichment programs, but the Europeans imposed none of them when the Iranians reneged on an agreement to suspend enrichment activities in October 2003. Instead, the European nations and Iran now appear to be on the verge of a second agreement, at least in principle, and Tehran has informed the IAEA that it will suspend its enrichment activities in anticipation of European technical and material assistance.

Perhaps the Europeans, in addition to holding out promises of a new economic relationship, have used Bush’s re-election to argue that forestalling real penalties would be difficult if the Iranians reneged a second time. But as long as the Europeans see punishment more in terms of rewards denied than costs imposed, will the Iranians truly believe they have to fulfill their commitments or face real consequences? Will Iran allow sufficiently intrusive inspections to demonstrate that it has suspended all of its enrichment and reprocessing efforts?
Will the Iranians, as part of this broader bargain, be prepared to stop their support of Hamas and Hezbollah terrorism?

The answer already seems to be no. Showing what could be considered less than good faith, chief Iranian negotiator Hassan Rouhani emphasized that the suspension would be temporary and would continue “during the period of talks” with European states on a full package of economic and political benefits for Iran. And in the days immediately following the announcement of the temporary suspension, the National Council of Resistance of Iran—a Paris-based opposition group—claimed that the Iranians were operating a secret weapons site within Tehran’s city limits. Secretary of State Colin Powell subsequently announced that he had seen evidence corroborating these claims, and that the Iranians had been working on delivery systems for nuclear warheads.

After 18 years during which Iran deceived the IAEA, and given the broad consensus among Iranians that their country must have a nuclear capability, it is hard to believe that Iran will fulfill its side of the bargain unless it is convinced of the possibility of sanctions—or worse. The mullah-led regime knows it is domestically unpopular. Squeezing Iran economically—with sanctions that bite—could foment social unrest. Poor economic conditions have triggered riots in the past few years, and the Iranian leadership is likely to feel apprehensive about the consequences of real international isolation.

Isolation, however, cannot simply be mandated. The circumstances for it must be created. It is thus time the United States tried an approach based on engagement—but with the clear understanding that if engagement fails, isolation will be the result. This would require Washington to talk directly with Tehran, either coordinated with the Europeans or as part of their current effort to finalize an agreement. The United States would have to state directly the consequences that Iran would face if it violated the terms of the agreement, and the Europeans would need to echo the U.S. warning. The European nations would have to declare that they would back meaningful sanctions to isolate Iran should Tehran renge or prohibit intrusive inspection. Washington would also need to
threaten to make new security commitments to the neighbors of Iran if it goes nuclear. Those commitments could include provision of conventional weaponry and anti-missile missiles, an increased U.S. naval presence in and near the Persian Gulf, and perhaps even a U.S. nuclear guarantee for any country threatened by Iran. At the same time, it will be necessary to make clear that the United States does not rule out the military option for setting back the Iranian program.

Talks conducted in this way might persuade Iran that nuclear weapons are not worth the cost—or they might not, and economic threats could be hard to implement in a world where oil is running around $50 a barrel. The Iranians are aware of that fact. Furthermore, Iran has already begun to shift its trade toward the East; in the past year, it has completed two oil and gas deals worth approximately $100 billion with China.

Some argue that the best way to deal with the Iranian nuclear problem is to effect regime change. Although regime change may be desirable, there is virtually no possibility that such a complicated project can be accomplished before Iran produces nuclear weapons, which could occur in one or two years. Still, if the United States cannot stop Tehran from going nuclear through diplomacy and economic leverage, it may have to consider resorting to more focused military strikes. In that case, Washington will need to look carefully at Iran’s options for retaliation and assess how much can be gained by striking Iranian nuclear facilities.

While keeping the military option alive, the United States may ultimately have to employ various “sticks” simply to prevent the Iranians from actually fabricating a weapon. Can even this limited goal be attained? Maybe. Will it be good enough? That is unclear. But given the alternatives, it is at least worth considering.

**A turning point?**

**Arafat’s death** marks the end of an era. For Palestinians, he was an icon who, unlike anyone else, succeeded in gaining international recognition of their national aspirations. For Israelis, he was a terrorist who was not prepared to end the conflict and truly accept coexistence with the Jewish state.

Will his death transform the situation? It creates both uncertainties and possibilities. Arafat was the symbol of the cause, both a father figure...
and the only genuine authority among Palestinians. His death will inevitably create a psychological and practical void. Most Palestinians fear the void will give rise to a violent power struggle. Ironically, that very fear is likely to yield stability, at least in the near term. The last thing Palestinians want is civil strife, since that will only weaken them further. Palestinian Prime Minister Ahmed Qurei has therefore been quick to meet with all factions to ensure stability during the transitional period. Hamas, although it has demanded to be part of a collective leadership, has also pledged to preserve intra-Palestinian amity. And the desire to show institutional continuity led to the quick decision to make Mahmoud Abbas the new chairman of the Palestine Liberation Organization.

Although such interim understandings will preserve stability in the short run, they will only mask the problem; they will not resolve it. A competition for power is inevitable. Elections are necessary to prevent this struggle from turning violent, and it is good that the Palestinian Authority (PA) moved quickly to invoke the Basic Law that provided for presidential elections in 60 days.

Elections, however, are needed for more than just managing succession. They are the only way to empower the post-Arafat leadership:
only elections can provide Arafat’s successors with authority and legitimacy, raising the costs of opposing their leadership when they make decisions. Absent elections, Palestinian leaders will be hamstrung as they seek to do anything other than balance the lowest common denominator among the different factions.

Significantly, elections also provide solid justification for resuming Israeli-Palestinian dialogue. It is one thing to call for elections; it is another to hold them. They cannot be held in an environment of violence. Israelis and Palestinians must come to some basic understandings on what each will do and not do to create a favorable climate. Palestinians need to hold elections to preserve stability beyond the transition period, and the Israelis need to see the elections for what they are: the key to creating a responsible Palestinian leadership.

Yet the ability of Palestinians and Israelis to make elections happen without international support—given the legacy of the last four years—is profoundly limited. Other than the three months of Abbas’ tenure as Palestinian prime minister in the summer of 2003, the only dialogue the two sides have had is one of violence. Lack of faith in any Palestinian partnership has driven Sharon’s decision to disengage from Gaza unilaterally, without any coordination with the Palestinians. Anger and hopelessness among Palestinians have fostered a generation of teenagers who hold up al Qaeda, not Fatah or even Hamas, as their model. Those who think there is no cost for the United States to sit on the sidelines—waiting for both parties to become so exhausted that diplomacy can work—must face up to two mistaken assumptions. First, the capacity to stave off exhaustion in this conflict greatly exceeds all estimation. Second, above and beyond the price in blood and treasure, the psychic impact of ongoing warfare so discredits peacemaking on each side that diplomacy may not be so easy to resume.

It is for this reason that any possible opening must be seized to resume direct talks. Palestinian elections—and the Israeli role in making them possible—provide such an opening. But elections will surely require an active U.S. effort to succeed. The United States must get back into the diplomatic game.

Standing with British Prime Minister Tony Blair, Bush said he would invest political capital during his second term to make a Palestinian state a reality. To do this, the United States must first recast itself as
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a bridge between the Israelis and the Palestinians. The administration should use preparing for elections to justify assuming this role and as the focal point of a trilateral dialogue with the Israelis and the Palestinians. The dialogue would address hard questions about what the Palestinians and the Israelis must do to ensure the calm necessary to make the elections possible.

Palestinians will want Israel to lift checkpoints, suspend operations in Palestinian cities and towns, and halt targeted killings. It would be both naive and wrong to expect the Israelis to stop such actions, however, if Hamas or Islamic Jihad remain free to attack Israelis. Such attacks must stop or there will not be calm and there will not be elections. Working with others, notably the Europeans, Washington should emphasize its support, and the support of the international community, for Palestinian elections. The more momentum the United States builds for Palestinian elections—and for the essential precondition of calm—the higher the cost to Hamas and other militant groups of persisting with attacks against the Israelis.

Hamas in particular will not want to seem responsible for preventing something that has the strong backing of the Palestinian public. And Palestinians have demonstrated their support for elections whenever they have had the opportunity to do so. Despite Hamas’ calls for a boycott, roughly 85 percent of Palestinians voted in the 1996 elections for the president and the Palestinian Legislative Council. No subsequent elections for either the council or Arafat’s position have been held. Thanks to the pressure of Palestinian reformers, however, Arafat before his death reluctantly agreed to hold municipal elections in the West Bank and Gaza for the first time since 1976. Despite difficult circumstances on the ground, as of October 2004, 67 percent of eligible Palestinians had registered for these elections.

Trilateral discussions can deal with more than just elections. Improving conditions on the ground before the vote should be one objective. Another must be discussing how best to coordinate Israeli plans for the Gaza withdrawal and disengagement from the northern part of the West Bank. In both instances, the overriding consideration should be the assumption of Palestinian governmental responsibilities and how to empower those Palestinians who believe in coexistence with Israel.
Abbas has said that had Sharon promised to withdraw from Gaza and release Palestinian prisoners, Abbas could have overcome Arafat’s resistance to his position as prime minister. Essentially, Abbas had to prove to Palestinians that violence had not worked, but political compromise with Israel would. He had to show that Palestinians would gain from moderation and that assuming responsibility—not preserving defiance for its own sake—would lead to the achievement of Palestinian objectives. Of course, none of these things happened, and instead, Arafat’s opposition made Abbas ineffectual and led to his resignation.

Arafat’s death offers a potential turning point for both Palestinians and Israelis. But it will do so only if the two sides—with U.S. help—reach understandings that make a difference in the day-to-day realities of both peoples. Good statements and intentions alone will be overwhelmed by violence on the ground. Israel must help the new Palestinian leadership, before and after elections, to demonstrate that it is capable of delivering real change and improvements in Palestinians’ lives. Israeli steps, such as removing checkpoints and releasing prisoners, will not relieve the PA leaders of their responsibilities in guaranteeing security and stability. On the contrary, this must be the Palestinians’ side of the bargain. The elections, and the absence of Arafat’s obstructionism, will make it easier for them to fulfill their obligations, especially on security.

Although Israel should be ready to lift the siege of Palestinian territories and make life for the Palestinians demonstrably better, the United States and the international community must help. Together, they must monitor the elections to ensure that they are free and fair. Such international attention will raise the stakes for the Palestinians to prove to the world that they can conduct elections in a fair and peaceful fashion. Washington and others must also focus on immediately infusing the PA with meaningful financial assistance to facilitate the task of reorganizing and professionalizing the security organizations, and to enable the PA to provide Palestinians with the social safety net that until now only Hamas has offered.

With the Saudis alone estimating a $35 billion budgetary windfall this year from the surge in oil prices, there is no reason why the Persian

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Some may advise Washington to present plans for resolving the permanent-status issue—but now is not the time for fantasy.
Gulf states could not provide a billion-dollar Palestinian development fund. If Washington’s Arab allies are serious about wanting to defuse this conflict and help all the Palestinians who have suffered, they must assume some responsibilities as well.

Some may suggest that the United States should be even more ambitious and present plans for resolving the permanent-status issues soon. Clearly, the United States should take advantage of the moment, particularly because of the high costs of failing to do so. But now is the time for realism, not fantasy. There is simply no way a new Palestinian leadership, even one elected by the Palestinian people, can in the near term make concessions on the existential issues of Jerusalem, borders, and refugees; no agreement is possible without such concessions by both sides. The PA’s leaders must first establish their authority by demonstrating their effectiveness. They need to show the people that their government is capable of ending corruption, establishing the rule of law, and obtaining freedom of movement and freedom from Israeli military intervention for its citizens—and especially of helping coordinate Israel’s disengagement from Gaza.

Although Sharon was determined not to coordinate the withdrawal when he believed he had no partner to talk to, now his attitude appears to be changing: he recently said Israel would consider coordinating security and withdrawal with a Palestinian leadership “willing to fight terror.” Here again, a dialogue to create the right environment for elections must extend to other matters, as coordination holds benefits for both sides. Instead of Israel’s just abandoning its land and settlements in Gaza, handing them off to the PA will allow it to gain public credibility. Israel, to be sure, will require the PA to make security guarantees—and detailed plans for implementing the guarantees—for such a transfer to take place. Hamas has wanted to create the impression that its violent tactics forced the Israelis out, “liberating” Gaza. But the PA must make it clear that Hamas attacks against Israelis will stop, particularly because Hamas violence would be met by a withering response from Sharon.

International assistance targeting the areas from which the Israelis withdraw could help ensure security. Rebuilding projects that would benefit the Palestinian people could be tied to the sequence of Israeli withdrawal and PA commitments to preserve calm. For example, high-rise apartments could be constructed in place of the single-family
dwellings that the Israelis will dismantle in the settlements. Not only would this help alleviate Palestinians’ crushing housing needs, but it would also create an additional reason for Hamas to avoid subverting a peaceful Israeli withdrawal—or at least make it easier for the PA to confront the militants if they did so.

International assistance for Palestinian civil needs could also be predicated on an orderly withdrawal. The United States, as well as European and Arab nations, could publicly declare that as Palestinians assume their responsibilities in the evacuated areas, their needs will be addressed collectively. But in the event of attacks against Israelis before or during withdrawal, all assistance would stop. Knowing that attacks could jeopardize help from even their traditional friends would send a strong signal to the Palestinian public to abstain from violence during the withdrawal.

None of these measures can guarantee success or even security. But the United States faces a moment of profound opportunity. The one inescapable conclusion from the past is that when such moments in the Middle East are missed, the world is always worse off.

HOPE FOR DEMOCRACY?

As President Bush considers the landscape of the Middle East and its challenges at the start of his second term, he will need to keep three bits of hard-earned wisdom firmly in mind: first, every vacuum in that region is filled by violence; second, every diplomatic opening tends to close quickly; and third, the war on terrorism is actually a war against radical Islam.

In dealing with the longer-term problem of radical Islam and the war on terrorism, the United States needs to recognize that it does have allies in the Islamic world. As essential as military means will remain for defeating enemies who understand only violence, U.S. strategy must also depend on empowering reformers throughout the broader Middle East. Ultimately, only the proponents of moderate Islam can discredit the radical Islamists. These progressives also have the greatest stake in doing so.

The president’s commitment to democratizing the Middle East can help the reformers. To some extent, it already has. Even those progressives who may oppose Bush’s policies on Iraq and Israel and the Palestinians tend to admit that his call for change gives them more
room to operate in societies that have long been closed. And certainly the G-8 group of highly industrialized countries plus Russia would not have launched an initiative—the Forum for the Future—with Middle Eastern nations had Bush not pressed for the need to promote democracy to counteract the popular anger that Islamists exploit.

But the Forum for the Future is a far less ambitious approach than Bush originally envisioned. It creates a dialogue between the countries of the G-8 and the Middle East on how to build a private sector and gradually transform education in the region. Private, informal discussions on how to build civil societies will also run parallel to the forum. But so far, Morocco and Jordan have been much more enthusiastic about participating than have Egypt and Saudi Arabia, which have a larger regional impact. In addition, the G-8 states want to avoid the appearance of imposing their preferences on Middle Eastern countries, which has reduced their pressure for change of greater political consequence—for example, widening the scope of political participation in regimes that have always resisted inclusion.

Even if there will be no rush to democracy, reform is now on the regional agenda. Progressives are

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becoming more assertive, partly because all regimes now feel the need to pay at least lip service to them and partly because the threat from the Islamists is more urgent. The Bush administration needs to listen to Muslim moderates. The United States has an obligation to stand by them and to raise the costs to regimes—including the Egyptian and Saudi governments that U.S. administrations have always been reluctant to criticize—of suppressing them. The time is ripe for creating more regular mechanisms to support Muslim reformers while learning from them how best to help.

To be sure, successful reform will help both the Middle East and the United States. The better the U.S. performance in Iraq, the more hopeful Muslim reformers will be. The more the United States does to defuse the Israeli-Palestinian conflict or to manage the budding crisis with Iran, the better the environment for meaningful progress. If Arafat’s passing creates an opening between Israelis and Palestinians, the United States needs to take it. If a different kind of opening presents itself in Iran—namely, an opening for influencing Iran’s pursuit of nuclear weapons—Washington had better act fast, recognizing that time is short and the options are not particularly attractive.

If the United States fails to make progress in these areas, the cause of regional reform will undoubtedly be set back. But Muslim reformers—whether focused on economic change or on the development of civil society—seem determined to persist and have clearly begun to find their voice throughout much of the Islamic world. No matter what, the White House needs to back them up.

Ultimately, the success of Bush’s second term may hinge on how well his administration deals with the burgeoning challenges of the Middle East. The region, and the world, are at a crossroads. Will Iraq be stable and secure, or will it pose a threat to its own people and its neighbors? Will Iran finally and demonstrably renounce its nuclear ambitions, or will it start the Middle East on the path of unrestrained nuclear proliferation? Will a new Palestinian state coexist with Israel, as Bush has said, or will the moment to shape a responsible Palestinian leadership be lost, and with it any prospect for peace? Will Muslim moderates increasingly challenge the status quo in their societies, or will radical Islamists become more dominant? Never before have the answers to such questions been so likely to affect the lives of Americans.