Kuwait has endured difficulties with regard to the war in Iraq. Kuwait took a unique position by supporting U.S. action to change the regime of Saddam Husayn. The Kuwaiti position reflected its belief that the people of Iraq deserve a better life. Kuwait's seven months of Iraqi occupation made its people and government better appreciate the suffering that Iraqis had been going through since the late 1970s. At the same time, Kuwait's position was based on commitment to its ally and friend, the United States of America.

I will speak today on four major issues: first, some reflections on the war; second, the coming cycle of reform and moderation in the region; third, the new Iraq; and fourth, the impact of the Palestinian-Israeli conflict on Iraq.

This war was a battle of extremes. On the one hand, Saddam created one of the most extreme tyrannies in the world, and on the other hand, the United States is a liberal, global power. History tells us that wherever there is a war of extremes, it sets off many transformative dynamics. These dynamics can be positive or negative; together, they create a defining moment because of the level of extremes involved.

Iraq is a country situated at the heart of the Arab world. Iraq borders the non-Arab countries of Turkey and Iran; it also borders the Levant countries of Syria and Jordan; and it borders the heart of the Gulf (Kuwait and Saudi Arabia), a strategic area that is rich in oil. Iraq is in a strategically important position. Yet, since Saddam Husayn came to power in 1979, it is a country that has suffered with no reform and with too many wars, conflicts, and sanctions. Under Saddam, Iraq offered a North Korean model in the midst of an important part of the world.

This was a war with international ramifications, including for the UN and NATO. It has had a gross effect on the regional system because Iraq is at the heart of that system. Whether the change of regime does good or bad, Iraq will have a uniquely important and decisive impact on the region. The history of Iraq is one full of historical precedents. In 1936 Iraq saw the first coup in the Arab world. Since then, the region went from one coup to another. Iraq is in many ways the home of Arab nationalism. The nationalist movement under Rashid Ali al-Kilani, who took power in Iraq during the early 1940s, was quite telling of Iraq's centrality.

There are so many questions being asked in the Arab world and on the Arab satellite television stations. These stations had rooms during the Iraq war similar to CNN's war room. While the CNN room had military experts who had won many wars, the Arab war room had generals from past Arab-Israeli wars. These Arab generals were giving advice to Saddam and his lieutenants about what to do. It seems that Saddam's military leaders took their advice. (Laughter.)

The regime change in Iraq had major and immediate conceptual and political significance in the Arab world. As the regime of Saddam Husayn fell, hundreds of millions of Muslims and Arabs saw the images of change. The status quo has been challenged at some level. This is the first of the Arab regimes to witness such a radical change via foreign intervention. The net result is the end of a thirty-year era of political stagnation in the Arab world. From now on, we will see change, confusion, uncertainty, and turbulence in the rest of the region. This will be the process by which we come to a new truth, a new reality, and a new paradigm. The change, uncertainty, and turbulence will affect the entire Middle East and the countries surrounding Iraq.

The feeling of humiliation, lack of leadership, disunity, international intervention, and the challenges facing the Arab status quo may all create a drive for space and reform. The lack of space to speak the truth and to debate issues is one of the root causes of the present stagnation in most of the Arab lands. When a country like Iraq, a heavyweight state in the region, experiences reform, the impact on the rest of the Arab world will be ten or twenty times stronger than if Kuwait or Qatar were to go through reform and democratization. Iraq's tyranny in the last thirty years has affected everyone else in the region; a reformed Iraq will have a significant impact in the opposite direction.

From Syria to Egypt to Saudi Arabia to Kuwait, change will reflect the different realities and needs of each country. One can predict a richer political life in Kuwait, for example, with better opportunities for women, a stronger role for parliament, and a new urge to improve the political structure. The Gulf states of Qatar, Bahrain, Kuwait, Oman, and the United Arab Emirates (UAE) will also have a better chance at stable reform. Their small size and stable politics will help them in this regard.

In Saudi Arabia the attempt at reform will come from the palace. The complex relationship of politics, religion, and the nature of Saudi society will pose many challenges to reform in that country. This will make reform in Saudi
Arabia a long and turbulent road. There was already talk about reform in Saudi Arabia before the war. But the events in Iraq, the change of regime, the weight of the war, the media exposure -- everything came together to present many new issues. To regain credibility, Saudi Arabia will have to face extremism at home and put forward an agenda for reform. This will be the case for many states in the region.

Syria also faces many challenges that will affect its future. Will President Bashar al-Asad allow Syria to go beyond the promise of change? President Asad must take major steps or face turbulence with a population that is beginning to ask more questions. Without reform Syria will face serious economic and political challenges. There is already more pressure on Damascus due to the fact that its political system resembles that of Ba'athist Iraq. Although the Asads are not like the Husayns, Syria -- like the former Iraqi regime -- is Ba'athist and is dominated by one-party rule. Syria could face other pressures in the realm of Iraqi-Syrian relations. While during the last few years, economic benefits and ideological affinity with Iraq's Ba'ath Party were important to Syria, the new Iraqi reality could create very different problems. Indeed, the new regime in Iraq may harbor some bitterness toward former Syrian officials and intellectuals that supported Saddam Husayn or enhanced his ability to hang on to power.

If Iraq emerges as a reform-oriented country and a new center of the Arab world, what will happen to Egypt? Egypt has always seen itself as central to the Middle East, always wanting to command the attention and support of the Arab world. But Cairo's leadership position is not easily sustainable. It will have to reform its political structure and become proactive on a whole range of issues. Historically, Egypt led the Arab world in culture, poetry, literature, education, state building, and politics. Today, Egypt looks flat from afar, and seems to have been marginalized in relation to its size, history, population, and capabilities. For Egypt to regain the high Arab ground, it must also regain ground lost in the international arena and the regional stage. This means reform on many levels, including economy, development, education, Islamic interpretation, and freedom of thought. Civil society in Egypt, affected by a closed political life and a dominant bureaucracy, is in need of real change. Reversing the stagnation that has befallen Egypt at all these levels will be key to its own recovery, and the recovery of its role as a leader in the Arab world.

In Iran there is a major conflict between reformers and conservatives. It has a leadership divided on reform issues. Changes in Iraq will impact Iran, and the latter could see further division on reform. Yet the possibility of reform exists because the population is ready for reform and has been for quite some time. Most important, the dynamism in Iranian society makes the debate in Iran the most significant in the region. The Iran of the Islamic Revolution gave the Islamic movements of the Arab world much momentum. Changes in the direction of reform and a new agenda for a more liberated Islam could also reverse the religious stagnation and puritanism of the region.

Yet, without a modernizing coalition composed of the intelligentsia, business professionals, the young, and women, reform will not take root in any state in the region. Reform needs leaders who really believe in it and are willing to undertake it as a commitment and a mission. In the absence of such leaders, reform can be aborted.

Some serious questions must be posed in this regard: How can a modernizing coalition exist in the midst of differences in ethnicity, tribe, and sect? Can modern thinking professionals, intelligentsia, business leaders, and so on help make the transition? One response could be that we need to try to create a dynamic that strengthens reform, civil society, rule of law, and the neutrality of the state. This is the only path not yet tested in the Arab world. All others have been tried: socialism, Arab nationalism, communism, Islam, radicalism, and statism.

One would also expect much change in Arab-state interrelations. For instance, the Arab world could not agree on a single initiative toward Iraq. The UAE suggested a measure to force Saddam Husayn to resign. It was supported by Kuwait, Qatar, and to some extent Oman, but most other Arab states were undecided or against it. The initiative was not taken seriously by the Arab League. There are many questions about how representative the league is, and how it can become more representative.

The Arab League also suffered from marginalization, both during the prewar period and during the war itself. The league's own conference, along with the Islamic Summit a few weeks prior to the war, reflected this. Through the electronic media, people in the Middle East saw all the differences in opinion and the kind of language used by some of the leaders in accusing others. This crisis exposed many of the regimes and leaders in the region.

The Arab League has been weakened by these events, and much rethinking of the relationships among Arab League states will have to take place -- particularly if a major new Arab bloc emerges with Iraq at its heart. Such a bloc could easily include Kuwait, Jordan, Qatar, Bahrain, the UAE, and Oman. Saudi Arabia might tilt toward that bloc over time, after some reform. Such a bloc, with Iraq at the center, will have an impact on the rest of the region.

There is also the issue of the new Iraqi regime's relations with intellectuals who supported Saddam Husayn. If Iraq were to publish the names of all the intellectuals in the region who were on Saddam's payroll, it would have quite an impact. Hundreds of millions of dollars were used to buy off newspapers, journalists, writers, intellectuals, actors, chief editors, television anchors, political groups, and politicians across the Arab world. Iraq may expose many who were taking these payoffs in the 1990s.

Having said all of this, it is important to exhibit some real caution. Recall that in 1991 Kuwait was liberated by a coalition of thirty countries led by the United States. The Arab world was affected then as well, and many of us thought that this was a watershed that could change the region. Many changes did take place after 1991, but they only lasted until the mid 1990s, as the peace process and a more centrist point of view came to dominate much of
the region. But the United States was already in a declining mode by then, and what happened in 1991 was lost. Saddam was reemerging, and with him a school of radical, messianic Arab nationalism overlapping with another school of radical Islam. We could now be passing through another cycle of liberal optimism, and we could lose the same opportunity all over again with wrong decisions, wrong policies, ignoring Iraq's needs, or ignoring democracy and the need for change.

With the Palestinian intifada of 2000, messianic Arab nationalism and Islamic radicalism came to dominate the region. It brought the Arab world back to the era of the 1950s, when Arab nationalism dominated the street and when Islamic nationalism was trying to make a mark. But the 1950s were different and cannot be replicated. The latest versions of "new Islam" and "new Arabism" offered a false reality to many in the Arab world and found a voice on many of the region's satellite television stations. Such new techniques of communication reflected that false reality and it became an insular "truth," regardless of its actual power to influence events or build strong, modern states.

In these moments, the window of reform is, at least theoretically, open. Resistance to reform can be misleading: it is often simply the fear of real change. On the other hand, reform is not a given and can be lost if not supported internationally and followed through with by local forces.

Since the change of regime in Iraq, Washington has become a guarantor of Iraq's security. The United States owns Iraq's problems, and now it has to prevent Iraq's neighbors -- Turkey and Iran, among others -- from exploiting the vacuum left by regime change. A new Iraqi political authority has to emerge. Most of all, Iraq has to arrive at a formula for prosperity and rebuilding. This will make the difference between one era and another.

In the short run, America can do a lot to stimulate the Iraqi economy. It can help build schools and introduce technology, put people to work, and bring people to see the difference between the last thirty years and the foreseeable future. Political change can happen quickly and at a very superficial level, yet it is the area of economic reform and the accompanying changes in social structure and values that usually lag behind and create most of the problems. Even after a bloody sixteen-year civil war, Lebanon could still go through another cycle of war if not for a serious commitment to rebuilding the economy and putting hundreds of millions of dollars into redevelopment.

Divisions in Washington could reflect themselves in U.S. policy toward rebuilding Iraq. These divisions have to be dealt with in terms of coming to a consensus on the next stage. In the meantime, many issues could come to the fore and many opportunities could be missed. For instance, the United States must be sensitive to local politics; it cannot just deal with Iraq on a macro level. The British have historical experience in dealing with micropolitics in the region, as they used to be a colonial power in that part of the world. Look at the incident in which the Shi'i cleric Abdul Majid al-Khoei came back to Najaf and was murdered by a mob. The local issue between Najaf on the one hand and Qom on the other -- between the Iraqi and Iranian brands of Shi'i Islam -- is very serious, and its connotations could be reflected in the new Iraq. There is a power struggle going on, and it is important that the Shi'is of Iraq are encouraged to reflect on their experiences as they try to regain the centrality of Najaf and Karbala.

The question of democratic institutions will also be important. We cannot just say, "We would like to see a democratic, liberal Iraq," full stop. What about the conditions, the history, and the relations among groups and sects? In the Third World democracy has to come in stages within a complex process. We are talking about societies that do not have the necessary institutions, societies in a predemocratic mode, and societies in which tribes and sects still play a central role.

For instance, in every Arab country, there is a tribal sect that constitutes the regime. The regime in Iraq was basically a Sunni configuration with Tikritis at the center. That center has been destroyed by regime change in Iraq. The civil war in Lebanon destroyed the power base led by the Maronites, which were the predominant sect in the 1960s and 1970s. Now there is a new structure in Lebanon. In Syria there is an Alawite power base; others are around it, but the Alawites constitute the core. Everywhere in the region you will find the same sort of thing. Maybe we have what the fourteenth-century historian Ibn Khaldun called assabiyah, the spirit of clan, that makes up a certain regime in a certain Arab country. Therefore the question in Iraq is what assabiyah, what configuration, will come together to create a new Iraq and hold it together?

This is an open question. Iraq has Sunnis, Shi'is, and Kurds, but the Sunnis have been marginalized. Maybe the Kurds, themselves Sunnis, will play a more significant role than they have ever played in the history of Iraq. I see that potential. I see the potential of Arab Sunnis who were part of the old system agreeing to a role for themselves under the wings of the Kurdish Sunnis. This combination might balance the Shi'a reality of Iraq.

Indeed, if one looks at democracy in the Arab and Islamic worlds, so far it has been based on balances of power, not on commitment to liberal ideology. Look at the places where democratic and semiliberal processes are ongoing. Look at Lebanon, with Sunnis, Shi'is, Maronites, and many other sects. It is the balance of power among these groups that allows space for respect and coexistence. Once this develops in Iraq, maybe then liberal traditions and ideas can emerge.

The same is true in Kuwait. There is a balance of power among the ruling elite (the al-Sabah family) and the merchants, tribes, and urbanites. It is this balance of power that has so far created democratic space. Usually a leader is needed to recognize that space and to build on it. Kuwait's emir in the 1950s and early 1960s recognized this fact. But when you have a leader who does not, the most likely scenario is the destruction of the balance and, with it, the space for democracy to grow. This is how the regime in Iraq evolved, by destroying every balance in...
the country, including that created by private property. The new balance in Iraq will be central to the future of Iraq.

Let us assume the best: in six months the Iraqi interim government is working well and a new constitution is nearing completion. But then we have another suicide bombing in Netanya. Fifteen Israelis are killed, and Sharon goes back on the offensive. In hours thirty Palestinians die, and in days the conflict is back on television in the Arab world. Such a possibility and its continuity could eat up the American victory in Iraq.

In their fighting, the Israelis could easily lose sight of what they are doing and where they are going. The Palestinians could also lose sight of what they can get and what they cannot get. When there is no hope among the two communities, the ongoing strife can only bring out the worst on each side. It can also bring out the worst in the Arab and Islamic worlds, undermine reform, and reinforce the status quo disguised with nationalist slogans. Remnants of Iraq's old regime and many others in the area who fear reform will use this issue to build a constituency and undermine reform. That is a big and worrying threat, and it must be addressed. We now have a good opportunity to address the Israeli-Palestinian conflict. The lines of the solution are clear, and yet a loss of vision can only destroy those lines. Americans will have to give this issue high priority.

Today the Middle East stands as a marginalized region of the world, where its sons and daughters are looking to emigrate rather than stay and build. Other countries are skeptical of investing in the region. Institution building is limited. Seventy percent of all Arabs are under the age of twenty-five. These are all time bombs that fuel bin Ladenism and other radical expressions.

This is a time to help. Much of the work is on the shoulders of Middle Easterners -- of Arabs and Muslims themselves. But this is also an opportunity to help the Middle East become an attractive place for its young people, a flourishing place for its populations, and a place Americans and others would like to visit, work with, and live in. The Middle East can become an international, globally competitive place like so many other regions in the world, without all the strife and suffering that has characterized its people, its countries, and the relationships of its countries with one another and with the outside world. Recall where many regions of the world were just a few decades ago: radicalism was predominant in Southeast Asia, and revolutions and dictatorships characterized South and Central America. Only through peace and prosperity, economic development, and liberal democracy can we carve a new path for the Middle East.