Executive Summary

Iraq's invasion of Kuwait on August 2, 1990, dramatically transformed the Middle East and America's relationship with it. While seeking success in today's crisis, the United States must also focus on how to promote the long-term prospects for regional stability. A critical objective should be to help forge a more stable balance of power in the Middle East so that no hostile state can dominate this area of vital concern. This report reviews American interests in the region, the origins of the current crisis, and the requirements for constituting a more stable regional balance in the event of a variety of outcomes to the crisis.

In the wake of the Cold War and the current crisis, the United States will retain most of its traditional interests in the Middle East, including: maintaining access to Mideast oil at reasonable prices; supporting Israel, Turkey, and friendly Arab states; promoting conflict resolution and arms control; protecting American citizens; and preserving freedom of the seas. Whereas combating Soviet influence had once been a top priority, a common interest in settling regional conflicts has developed. The question today is whether this interest can grow, or whether it has reached its limits.

The origins of the current crisis can provide useful lessons for the development of a policy designed to foster a more stable regional balance. While Iraq had numerous motives for seizing Kuwait, the most important factors which permitted Iraq to realize its ambitions were the breakdown of the regional balance following the end of the Iran-Iraq War, the failure of the United States and other powers to respond effectively, Iraq's misperception of the new international setting, and the accommodationist approach to Iraqi concerns adopted by the United States and Arab states alike.

Towards a Stable Balance in the Gulf: General Principles

In the wake of the present crisis, the United States will have a strong interest in the creation and maintenance of a more stable balance of power that can protect American friends and preserve the free flow of oil from the region. An international structure to maintain a stable political-military balance in the Persian Gulf region would include the following elements:

- Creating a More Stable Military Balance A policy aimed toward a stable military balance must take into account the nuances of relations and ambitions within the region. A primary objective of the current crisis should be to reconstitute the Iraq-Iran military balance at a lower level of armaments while discourage expansion by regional powers such as Syria. This task will require the help of many countries, including Egypt, the GCC, Israel, Turkey, other NATO allies, and Japan.

- Limiting Local Military Capabilities A concerted effort should be made to limit the ability of aggressive local powers to build and utilize military force -- including weapons of mass destruction.

- Encouraging Regional Arms Control Arrangements The varying capabilities and motives of regional states make comprehensive arms control a difficult task. Instead of striving for the unattainable, it would be best in the near term to focus on smaller but important steps. These could include opening lines of communication, exercise notifications, and tacit agreements about weapons deployment.

- Encouraging Development of International Mechanisms The unprecedented international cooperation in the current crisis may create opportunities for collective action in the future. If an American military presence on the Arabian Peninsula should prove necessary in the wake of the crisis, the U.S. should explore the possibility of placing those forces -- along with other national force., under a dual-hatted United Nations/United States commander.

- Improving U.S. "Long-reach" Military Capabilities Though international cooperation has played a vital role during the current crisis, at the outset the United States had to take unilateral action. This suggests that the U.S. maintain a rapid deployment capability to confront regional threats, including some degree of
peacetime presence, prepositioning and access to local facilities, cooperation with capable local militaries, and strengthening U.S. defense programs for long reach.

- Helping to Resolve Regional Conflicts The Middle East is a region rent by border disputes, religious strife, and regional rivalries. If the United States hopes to foster a stable balance, it must support the efforts of local states to settle their disputes -- foremost among them the Arab-Israeli conflict.

A successful conclusion to the Gulf crisis could offer opportunities for progress between Israel and those states which have joined the anti-Saddam coalition. But a UN-sponsored international conference would be ill-equipped and unlikely to advance the process of direct negotiations. Instead, the U.S. should seek to retain its central role in peacemaking while working with others to convene regional talks. If Moscow is willing to adopt the same constructive approach it has taken in the current crisis, it might be possible to convene a regional forum under superpower auspices.

Towards Gulf Stability: Specific Cases

The American strategy to achieve stability in the Persian Gulf will clearly depend on the outcome of the current crisis. Four possible outcomes are examined in this report.

Case I: Iraq is forced out of Kuwait militarily If Iraq is defeated and Saddam Hussein removed from office, the United States will need to quickly capitalize on the opportunity to encourage fundamental changes in the regional order. To reconstitute a stable balance, the United States and the international community would need to:

- normalize relations with Iraq while regulating arms flows and ensuring that Iraq could not develop unconventional weapons.
- maintain a limited military presence within the region, and a rapid deployment capability;
- work to limit destabilizing aftershocks and to address fundamental regional disputes.

Case II: Iraq withdraws from Kuwait in compliance with UN Resolutions This scenario would signify a victory for U.S. policy. But if Iraq sought revenge rather than altering its aggressive course, significant threats to American interests would remain. Thus, beyond the steps required in Case I, the United States might seek to promote the following:

- a permanent UN or Arab peacekeeping force including an American ground forces presence;
- maintenance of a strict embargo on Iraqi arms purchases and oil sales until Iraqi military capabilities were reduced;
- explicit security guarantees by the U.S. to Saudi Arabia, Kuwait, Egypt, Turkey, and Israel;
- exploration of carefully managed efforts to engage Syria and Iran to counter the imbalance caused by Iraqi power.

Case III: Iraq retains part of Kuwait in accordance with an "Arab Solution" This outcome would clearly harm American interests regionally and globally. It would theoretically be possible to maintain a regional balance by the same measures applied under Case II. But the political prospects for holding the coalition together under this case would be extremely limited.

Case IV: Iraq Retains All of Kuwait This outcome would be even more harmful to American interests and credibility than Case III. Iraq's appetite for regional hegemony would be whetted, the prospects for a general Middle East war raised, and unconventional weapons development spurred.

As in Case III, it would theoretically be possible to continue the anti-Iraqi coalition with a significant long-term U.S. military presence in the region, an economic and arms embargo against Iraq, and extension of explicit security guarantees to Iraq's neighbors. However, such an approach would not be viable either at home or in the region.

Conclusions

This analysis suggests a number of additional pertinent points:

First, America's leaders must be clear both to regional states and to the American public about what American interests are in the Middle East and what types of actions would cross red lines. Much as in the case of the Korean War, the United States in 1990 did not explain clearly to a prospective opponent that the actions he was considering would be unacceptable to the United States.

Second, the United States must continue to play a direct role in both the security and diplomacy of the Middle East if it is to affect how U.S. interests are served.

Third, it will be harmful to allow Iraq or any other power to attain regional hegemony. The United States will face continuing challenges in the region to the extent that Iraq is perceived to have succeeded or even achieved a standoff in Kuwait.

Fourth, the United States must be even more wary than in the past about policies of accommodation of the
revanchist concerns of local states. The United States did not try seriously to deter Iraq because it did not recognize that there was a need for such deterrence. Even as the United States considers closer relations with states like Syria, it must avoid the mistakes of the past.

Finally, America's defense requirements in the region will be proportional to the strength of local militaries. While the United States should plan to be largely self-reliant at the early stages of future crises, the level of required defense investment will vary depending on the outcome of this crisis. If Iraq's military strength is broken and/or arms restraint takes hold, the United States will be able to limit its own military requirements. But if local militaries continue to grow and modernize, the United States will have to devote an increasing share of its defense resources to insuring it will be able to match them.