

CSIS

**Center for Strategic and International Studies
1800 K Street N.W.
Washington, DC 20006
(202) 775-3270
Acordesman@aol.com**

**Victory in Iraq and the Not
So New Middle East**

**Anthony H. Cordesman
Arleigh A. Burke Chair in Strategy**

April 2003

Introduction

No form of analysis is more dangerous than prophecy, and this is particularly true in trying to predict the broader impact of the Iraq War on the Middle East. Neoconservatives have rushed out to talk about fundamental changes in the region that will put an end of old regimes and many of the region's tensions and conflicts. Arabists have put on the cloak of Samuel Huntington and have warned of clashes of civilization and a rise of terrorism.

Like most developments in history, the reality is likely to be very different. The impact of the war is likely to be more limited and much more mixed. In fact, the "new" postwar Middle East may look surprisingly like the old.

The Uncertain Impact of Military Victory in Iraq

One key problem is that it may be years before Iraq is an example of anything other than US military strength, and then it is unclear what it will be:

- At a minimum, Iraq will be a work in progress for several years. This will be a work that outside power will seek to influence in political and economic terms, with pressures from the UN to internationalize the nation building effort, US pressure to control it, and French, Russian and other pressures to serve commercial interests and weaken US influence. Turkey, Iran, Syria, and the Southern Gulf states are nearly certain compete for influence and control almost regardless of what government emerges.
- A weak, client Iraqi democracy will do nothing more than appear to validate all of the regional conspiracy theories that see the US as an aggressive power with neoimperialist goals and the desire to take over Iraq's oil resources.
- A weak and divided Iraq, with feuding or warring Kurdish, Sunni, and Shi'ite factions will create a dangerous power vacuum which will, at a minimum, lead Turkey, Iran, Syria, and the Southern Gulf states to compete for influence and control. At worst, an Iraq that tilted towards Iran and/or Syria, or towards any form of theocratic state, would create a new pattern of instability in the Middle East.
- A strong and united Iraq may be willing to act as a "have power" and concentrate on internal development, but will still have to rebuild its military forces and rearm, almost certainly leading to tensions with some of its neighbors.

It is far too early to know what future Iraq will pursue, or how the Iraqi people will view the US and British role in shaping that future. They may be grateful in the short term for Saddam's fall, but not for war or American political and economic influence. The images

of the Second Intifada, the problems of trying to establish a balance between Iraq's factions, and the natural desire for instant economic benefits can all be problems. So can conspiracy theories over the US role in shaping Iraq contracts and its oil industry.

The US may well be successful in putting Iraq on the road to successful nation building. Even success, however, does not necessarily mean popularity and gratitude. There are few – if any -- cases where foreign intervention of any kind met with broad approval, and Iraq remains a very different culture, society, and ethnic/religious mix.

As for outside impacts, Iraqi cannot be an example of anything other than the military defeat of a tyrant until it is (a) clearly Iraq for the Iraqis, and (b) clearly successful. It is hard to see how this can take less than a few years.

Israel and the Second Intifada

There is no reason to assume that the “new” Iraq will be a major military threat to Israel or willing to subsidize Palestinian suicide bombers. At the same time, there is no reason to assume that Iraq will be pro-Israel unless it comes under intense pressure from the US. Iraqis have seen all of the same images of the Second Intifada from the Arab media as other Arabs and those images will not become more favorable because Saddam has fallen. If anything, these same images are likely to reinforce any resentment of the US.

Many in the Arab world also see the end of the war as the time for more American action to resolve the Arab-Israeli conflict and to advance the “road map of a peace plan developed by the UN, EU, UK, and US. Making progress, however, may be extremely difficult -- with or without Palestinian reform. Israel sees deep flaws in the “road map,” and Palestinian “acceptance” of it is probably more a matter of tactical maneuver than any real support. The Iraq War did not see any major change in the level of violence on each side, and it is unclear why it gives the US any more leverage than it had before the war with Iraq.

In balance, however, the Bush Administration's deal with Prime Minister Blair will lead the US to at least make another major try at advancing a peace plan, and some American officials have become more sensitive to Arab concerns in the region and the need to defuse the Second Intifada to both maintain US alliances in the Arab world and reduce Arab hostility to the US. This will not lead the US to sacrifice Israel's interests, however, and it is unclear whether the US will take enough action to really alter Israeli-Palestinian tensions or the broader tensions between Israel and the Arab world. There is a good chance that the Second Intifada will go on, and even intensify, regardless of the outcome of the Iraq War.

Iran

Iran and Syria have very different interests from the US in region and in Iraq. On the one hand, Iran has seen a key threat disappear. On the other hand, it has seen American triumphant on its borders, and heard US rhetoric that is at least indirectly threatening.

The end result could deter Iran from some adventures, and provoke it into others. It could also exacerbate the fault lines within Iranian politics.

Rafsanjani, among others, has already talked about finding some way to legitimize a political dialog with the US. At the same time, Iran has done nothing to encourage SCIRI and other pro-Iranian Shi'ites to cooperate with the US nation building effort in Iraq and is unlikely to do so unless it can see clear tactical value in doing so.

Iran has a longstanding interest in Iraqi Shi'ite religious politics, and in the role and power of Shi'ites in Iraqi society and politics. This interest is religious (key shrines and seminars are in Iraq), ideological (Iran favors a more theological Shi'ite power structure), security (avoiding another war and limiting the impact of a US presence on its border and in the Gulf), power-political (a weak Iraq is a strong Iran in terms of Gulf power politics.), energy (oil production and quotas), and economic (Iran has reparations claims left over from the Iran-Iraq War, and would like to clear the Shatt Al Arab.)

The Iranian "game" in Iraq is almost certain to be to play pro-Iranian Shi'ites off against other factions, seeking to create a friendly and Shi'ite dominated Iraq. It will be careful because of its own military weakness, need to maintain friendly relations with the Southern Gulf states, and desire to keep up its efforts at developing missiles and nuclear weapons without provoking the US. The end result, however, is likely to be a much more disruptive Iranian role in Iraq than in Afghanistan and a constant pressure to internationalize the nation-building effort in the US and to push US forces out of Iraq and the Gulf.

As for the fracture lines in Iraq, it is unclear that any major faction welcomed the US intervention in Iraq. The pro Khatami faction may now be more willing to compromise and seek dialog, but the pro-Khomeini and hard-line factions are more likely to feel threatened and take a hard-line internally while trying to play the nation building game in Iraq against the US, and exploit Arab resentment against the US to reduce its presence in the Gulf.

Iran will continue to workout its own destiny on an internal political level, but the Iraq War is more likely to harden the hardliners than push Iran towards a more pro-Western position. In any case, nation building in Iraq will be seen as both a potential win and as a potential threat to Iran's vital interests, and some degree of competition with the US seems inevitable.

Syria

The radically differing ideological views of the Bush Administration and Syria make for troubled relations at best. Syria has lost a major trading partner and counterbalance to Israel: while little love was lost between the two Ba'ath regimes, a rapprochement in recent years have led to better relations, and more trade. Iraq's proliferation and strong conventional forces also acted as a potential threat to Israel. A new regime with far fewer military forces is much less reassuring.

Syria is virtually certain to see the US victory as “anti-Arab in a broader sense, removing a potential ally against Israel and placing American forces next to Syria for the first time. Syrian Pan Arab rhetoric and conspiracy theories mask a very real fear of US neocolonialism and a follow-on threat to the Syrian regime. At the same time, Syrian will see nation building in Iraq as a threat to Ba’ath ideals and goals – regardless of the fact they have had limited realization in Syria.

The game that Syria has already played in Iraq is on of a spoiler seeking to rebuild some form of Ba’athist role, harassing the US while pressing for the internationalization of the nation-building process.

What will be interesting is whether the Syrian-Iranian alliance that helped support the Hezbollah in Lebanon can be extended to cooperation in trying to reshape Syria or Arab versus Persian become the more important fault line.

Turkey

It is too soon to determine how much residual tension will exist between Turkey and the US as a result of Turkey’s refusal to base US forces. What is clear is that Turkish democracy now has a strong Islamic element and the Turkish economy faces what could be a half-decade of crisis.

Turkey fears Kurdish autonomy and a lack of security along the border of its own Kurdish area. It is politically committed to supporting Iraq’s Turcoman minority. Turkey needs oil pipeline revenues from Iraq, and sees Iraq as a major trading partner – one where its exports including agriculture and manufactures can be far more competitive than in the EU. As a result, Turkey does not want to see Kurdish control of Mosul or Kirkuk, or a major Kurdish role in control of Iraq’s northern oilfields. Iraq’s Kurds, in turn, still have some ambitions to create an independent Kurdistan including Turkey’s Kurds. They and fear and resent the Turks, who sent in troops to hunt down Turkish Kurdish guerrillas hiding in Iraq five times between 1991 and 2003.

The Iraq War certainly is not going to do anything to stabilize Turkey. The Kurdish and Turcoman problems in Iraq will be a constant source of tension, and serious questions will arise over Turkey’s future role in Iraq’s economy. Oil shipments could move toward export through the Gulf and the Kurds may well prefer other trading partners, and seek to influence Iraq towards trading policies that favor other countries.

The end result is unlikely to reach the point of a major crisis unless the Kurds show very little judgment and discretion, but the Iraq War will scarcely make things easier for Turkey or create a new Middle East.

Saudi Arabia and the Southern Gulf States

Saudi Arabia and the Gulf states are likely to be relieved at the fall of Saddam Hussein, but neither regimes nor most citizens are likely to welcome a growth in the power and role of Shi'ites and Kurds in Iraq.

Saudi Arabia and the Gulf Arab states fear the break up of Iraq's Territorial Integrity, a Loss of Sunni Control, and a Shift in the Balance of Power in the Gulf. All Arab states fear any weakening of Arab control of Iraq, and any break up that would give Iraq's Kurds independence. The Southern Gulf states are afraid that Shi'ite separatism or control of Iraq would create a major new pro-Iranian power center in the Gulf, potentially destabilizing the balance of power in the Gulf. They are already concerned that Iraq's loss of much of its military power and equipment has gravely weakened its ability to deter Iran.

As is the case in most other parts of the Arab world, the US victory will be seen by much of the population as motivated by a search for control of Gulf oil, military dominance in the Gulf, and/or helping Israel to secure its position in the region. Regimes will be less concerned about these issues, but quietly share deep concern about US ability to create a unified and stable Iraq.

The Kuwaiti reaction may be more favorable in terms of seeing Saddam go, but Kuwait now lacks a unifying threat, the two leading members of the royal family are ill to the point of incapacity, the National Assembly is bogged down in service politics, and the power of Islamists is growing and is scarcely pro-American.

The other Southern Gulf states will continue to focus on their own political dynamics, with a Shi'ite problem in Bahrain and succession issues in Oman. The interest of that societies so dependent on foreign labor and oil wealth shown in pluralism and the Iraqi example – even if there is one – will be limited.

In general, the outcome of the Iraq War will simply add to the concerns and tensions between the US and Southern Gulf states growing out of the Second Intifada, the US reaction to "9/11," and the size of the US military presence in the region. At least in the case of Saudi Arabia, there will also be concern about new US efforts at regime change, and US unwillingness to recognize Saudi efforts at economic reform and the problems the regime faces with an ultraconservative population.

Jordan

Iraq will increase Jordan's problems, at least in the short term. Jordan fears the loss of trade and low-cost oil: Jordan has long benefited from Iraqi oil subsidies, and from the fact Iraq imported goods through the port of Aqaba because of the Iranian closing of the Shatt al Arab and UN sanctions. The future of such subsidies and trade is now unclear.

Jordanians often recognized that Saddam was a tyrant in Iraq, but saw him as a supporter of the Palestinians and Second Intifada. They now see King Abdullah's support of the US as at least a partial betrayal, and their expectations are likely to be focused more on

postwar US efforts to create an Arab-Israeli peace than on Iraq nation building. The Iraq War will not make things in Jordan radically worse, but they are unlikely to make them even marginally better.

Egypt

Egyptian government perceptions of the Iraq War are likely to be one of relief that it is over and did not make the fracture lines between the US and Arab world even worse, but deep concern over the potential emergence of an Iraq that is more federal and less Sunni Arab. Popular reactions are likely to be far more critical, and see the government as having betrayed the Arab cause by giving the US basing aid and transit rights through the Suez Canal.

The end result is likely to increase the resentments growing out of the Second Intifada and the US treatment of “9/11,” and filled with conspiracy theories about US and British motives in Iraq, Gulf, and Arab world. While some Egyptian will see the fall of a tyrant as desirable, even these are likely to view nation building in Iraq in terms of unrealistic demands for instant success in nation building, instant internationalization, and instant US departure.

In broad terms, however, Iraq will be a sideshow at most in the internal politics of Egypt, which reflect increasing tension over an aging Pharaoh, and the lack of a clear succession, and the problems of the Egyptian economy. The successful suppression of Islamist challenges to the government is suppression, not defeat. It is also unclear that Egypt’s noisy media and secular politicians can really shape the post-Mubarak era. It is more likely – when it comes – to be the army versus the Islamists.

In any case, years of troubled nation building in Iraq are not going to reshape the perceptions and attitudes of an equally troubled Egypt.

North Africa

Iraq is too far away to have much impact on the Maghreb states, except to serve as one more example of Western interference in Arab affairs – at least in the short term. The image of the Iraq War is likely to blur with the image of US support for Israel and the hostility much of the US media has shown to Islam and the Arab world since “9/11,” but it is unclear that the impact will be particularly strong or negative.

A truly successful Iraq in political and economic terms might have a long-term influence on the Arab states in North Africa, but the internal problems of Morocco, Algeria, Libya, and Tunisia are so great – and so driven by internal factors – that Iraq is not likely to have major impact even if it does become a striking success story.

Islamic Extremism and Terrorism

Arabists have argued that the Iraq War will polarize and anger the Arab world, creating new groups of Islamic and other extremists and a new wave of terrorist attacks. Neoconservatives have argued that defeating Iraq will serve as a deterrent symbol, and at worst be the first phase in a series of military operations to defeat terrorist states.

In practice, it is difficult to see why either view should be correct. The war may well stimulate some sources of terrorism and deter others, achieving a rough balance. It is very difficult to see those Arabs and Islamic extremists that already resent the US will resent it that much more because of a conflict removing a secular dictator, although a failed peace and nation-building process that could be blamed on the US would be a different story.

As for deterrence, the message of the war may well be that conventional forces cannot do serious damage to the US but that irregular forces can. In any case, it is far from clear how the message of military victory will deter suicide bombers and violent extremists more than the US victory in Afghanistan, and Iraq's role as a supporter of terrorism was so tenuous that it is unclear why removing Saddam's regime will make that much of a difference.

If anything, it is the quality of nation building in Iraq, and the mid and long-term message this sends, that is likely to be more important than the military outcome.

The US Role and Presence in the Region

The Iraq War is not likely to make the presence of US forces in the region radically more or less popular than at the start of the war. Fear may both lead some states to want the US to reduce its presence because of the risk of regime change or less willing to differ from the US and fail to support its power projection efforts. The US has no way of estimating how many forces it needs to keep in Iraq in the short term, and its security needs relative to Iran in the longer run.

In any case, many of the tensions shaping US presence in the Gulf are more long-term legacies of actions taken during the Gulf War and the tensions that grew up between Saudi Arabia and the US following "9/11" than tied to Iraq. The US presence in Bahrain, Qatar, and Oman is more tied to their perception of the threat posed by Iran than the threat posed by Iraq, although Kuwait's fundamentalists may be more willing to oppose US and Kuwaiti military ties now that the threat from Iraq has diminished. As for US-Saudi ties, these are driven more by the heritage of "9/11" and the impact of the Second Intifada than Iraq.

The situation may be more destabilizing in terms of Egypt and Jordan. The Iraq War has made the quiet support their governments gave to the US more visible, and they already face serious problems because of the Second Intifada, economic problems, and other internal issues. Much will depend both on progress in the Arab-Israeli peace process and the quality of the nation-building effort in Iraq.

Energy Imports and Energy Security

Finally, one of the great ironies of the Iraq War is that while it was a war about the stability of a region with some 60% of the world's oil reserves and was a war about oil, there is no prospect that it will offer the US or US any particular advantages except in the form of a more stable global oil market. While the liberation of Iraq may ease the price squeeze on world oil prices once Iraqi oil exports resume, no oil deals made by the US and Britain can survive once they leave Iraq. In fact, there is no single area where both countries must do more to show Iraq and the world that all transactions and actions are in the interest of the Iraqi people.

There also is little real value to any form of "oil imperialism for a modern economic power. The flag a multinational oil company uses is no indication of economic benefit to its "host" country and the tax and revenue streams from foreign operations have a limited impact on national revenues – if any. The international political costs of backing an oil company in a non-market driven foreign operation almost inevitably outweigh the tenuous economic advantages, and any control over the end-destination of the oil produced is negligible and subject to IEA sharing agreements in an energy emergency. Creating a strong national Iraqi oil industry that can attract global investment and operate on market terms offers far more advantages than a return to the 19th Century and a failed colonialism.

In any case, large-scale expansion of Iraq's oil exports is likely to come only after the US and UK have long gone from Iraq, and its supply and price impact is already anticipated in OPEC, IEA, and DOE forecasts. These projections call for Iraqi production to increase to 2.8 MMBD by 2005, 3.5 MMBD in 2010, 4.1 MMBD in 2015, and 4.8 MMBD in 2020 if the world is to meet expanding demand with moderate prices. Iraq may or may not meet or exceed these goals, but it will do it long after US and British influence has faded, and do so on its own terms. In practice, it is far more likely to be driven by the world economy, its internal needs, the availability of sustained investment, and the energy politics of its neighbors and OPEC.

The Underlying Factors that Shape the New Old Middle East

The Iraq War has removed a major tyrant and a key proliferator, but it has not fundamentally changed the Middle East or even disturbed most fracture lines. In any case, it will be several years before the victory in Iraq, and the nation-building that follows can be a key example of anything. Even when this "message of the war is clear, it seems doubtful that it will have a definitive impact on any of the other 22 countries in the region, each of which has its own problems, goals, and imperatives. It will be a factor, but only a factor.

The broader forces that shape the Middle East are too powerful for any one conflict or example to reshape the region. These factors include massive population growth, and the failure of effective economic development and reform in virtually every country in the region. They include the precipitous decline of agriculture, war shortages, urban

migration, hyperurbanization, and the destruction of traditional social structures and force restructuring of extended families.

The World Bank's report on Global Economic Development for 2003 shows a sharp decline in economic growth in GDP in constant prices from 6.5% during 1971-1980 to 2.5% during 1981-1990. While growth rose to 3.2% during 1991-2000, it barely kept pace with population growth. This is reflected in the fact that growth in per capita income in constant prices dropped from 3.6% during 1971-1980 to -0.6% during 1981-1990, and was only 1% from 1991-2000 – reflected static income over nearly twenty years in a region with extremely poor equity of income distribution.

While inter-regional comparisons may be somewhat unfair, the economic growth in East Asia and the Pacific was 6.6% during 1971-1980, 7.3% during 1981-1990, and 7.7% during 1991-2000. The growth in real per capita income was the economic growth in East Asia and the Pacific was 3.0% during 1971-1980, 4.8% during 1981-1990, and 5.4% during 1991-2000.

The total population of the Middle East and North Africa has grown from 78.6 million in 1950 to 101.2 million in 1960, 133.0 million in 1970, 177.9 million in 1980, 244.8 million in 1990, and 307.1 million in 2000. Conservative projections put it at 376.2 million in 2010, 449.3 million in 2020, 522.3 million in 2030, 592.1 million in 2040, and 656.3 million in 2050. This growth will exhaust natural water supplies, force permanent dependence on found imports, and raise the young working age population aged 15 to 30 from 20.5 million in 1950 to 87.8 million in 2000, and 145.2 million in 2050. The fact that the age group of 14 years or younger now totals over 40% of the population of the region creates an immense bow wave of future strain on the social, educational, political, and economic system,

Social turbulence is compounded by this extremely young population, overstretched and outdated educational systems, and the failure of the labor market to create productive jobs, or any jobs at all for many of the young men entering the labor force. Emigration creates another source of social turbulence, while religious and cultural barriers to the effective employment of women compound other problems in productivity and competitiveness with other developed regions.

Political structures remain fragile and large authoritarian regardless of the formal structure of government. Traditional monarchies often interfere less in human rights and normal social conduct than supposed democracies. In broad terms, however, no state in the region has managed to create a secular political culture that provides effective pluralism, and most competing secular ideologies have failed: Pan-Arabism, socialism, capitalism, Marxism, statism, and paternalism have all failed to provide adequate development and meet social needs, and all governments are to some extent repressive. The fact that so many in the region have turned back to more traditional social structures and religion is scarcely surprising, but it is unclear that this offers any meaningful solution to the problems involved,. Theocracies seem to be the common enemy of man, economic development, and God.