The Middle East: Fragility and Crisis

Coping with Crisis
Working Paper Series

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About the Author

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The views expressed in this paper represent those of the author and not necessarily those of IPA. IPA welcomes consideration of a wide range of perspectives in the pursuit of a well-informed debate on critical policies and issues in international affairs.

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Foreword

Terje Rød-Larsen
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The International Peace Academy (IPA) is pleased to introduce a new series of Working Papers within the program *Coping with Crisis, Conflict, and Change: The United Nations and Evolving Capacities for Managing Global Crises*, a four-year research and policy-facilitation program designed to generate fresh thinking about global crises and capacities for effective prevention and response.

In this series of Working Papers, IPA has asked leading experts to undertake a mapping exercise, presenting an assessment of critical challenges to human and international security. A first group of papers provides a horizontal perspective, examining the intersection of multiple challenges in specific regions of the world. A second group takes a vertical approach, providing in-depth analysis of global challenges relating to organized violence, poverty, population trends, public health, and climate change, among other topics. The Working Papers have three main objectives: to advance the understanding of these critical challenges and their interlinkages; to assess capacities to cope with these challenges and to draw scenarios for plausible future developments; and to offer a baseline for longer-term research and policy development.

Out of these initial Working Papers, a grave picture already emerges. The Papers make clear that common challenges take different forms in different regions of the world. At the same time, they show that complexity and interconnectedness will be a crucial attribute of crises in the foreseeable future.

First, new challenges are emerging, such as climate change and demographic trends. At least two billion additional inhabitants, and perhaps closer to three billion, will be added to the world over the next five decades, virtually all in the less developed regions, especially among the poorest countries in Africa and Asia. As a result of climate change, the magnitude and frequency of floods may increase in many regions; floods in coastal Bangladesh and India, for example, are expected to affect several million people. The demand for natural resources – notably water – will increase as a result of population growth and economic develop-ment; but some areas may have diminished access to clean water.

Second, some challenges are evolving in more dangerous global configurations such as transnational organized crime and terrorism. Illicit and violent organizations are gaining increasing control over territory, markets, and populations around the world. Non-state armed groups complicate peacemaking efforts due to their continued access to global commodity and arms markets. Many countries, even if they are not directly affected, can suffer from the economic impact of a major terrorist attack. States with ineffective and corrupted institutions may prove to be weak links in global arrangements to deal with threats ranging from avian flu to transnational terrorism.

Finally, as these complex challenges emerge and evolve, 'old' problems still persist. While the number of violent conflicts waged around the world has recently declined, inequality – particularly between groups within the same country – is on the rise. When this intergroup inequality aligns with religious, ethnic, racial and language divides, the prospect of tension rises. Meanwhile, at the state level, the number of actual and aspirant nuclear-armed countries is growing, as is their ability to acquire weapons through illicit global trade.

As the international institutions created in the aftermath of World War II enter their seventh decade, their capacity to cope with this complex, rapidly evolving and interconnected security landscape is being sharply tested. The United Nations has made important progress in some of its core functions – 'keeping the peace,' providing humanitarian relief, and helping advance human development and security. However, there are

reasons to question whether the broad UN crisis management system for prevention and response is up to the test.

Not only the UN, but also regional and state mechanisms are challenged by this complex landscape and the nature and scale of crises. In the Middle East, for example, interlinked conflicts are complicated by demographic and socioeconomic trends and regional institutions capable of coping with crisis are lacking. In both Latin America and Africa, 'old' problems of domestic insecurity arising from weak institutions and undemocratic governance intersect with 'new' transnational challenges such as organized crime. Overall, there is reason for concern about net global capacities to cope with these challenges, generating a growing sense of global crisis.

Reading these Working Papers, the first step in a four-year research program, one is left with a sense of urgency about the need for action and change: action where policies and mechanisms have already been identified; change where institutions are deemed inadequate and require innovation. The diversity of challenges suggests that solutions cannot rest in one actor or mechanism alone. For example, greater multilateral engagement can produce a regulatory framework to combat small arms proliferation and misuse, while private actors, including both industry and local communities, will need to play indispensable roles in forging global solutions to public health provision and food security. At the same time, the complexity and intertwined nature of the challenges require solutions at multiple levels. For example, governments will need to confront the realities that demographic change will impose on them in coming years, while international organizations such as the UN have a key role to play in technical assistance and norm-setting in areas as diverse as education, urban planning and environmental control.

That the world is changing is hardly news. What is new is a faster rate of change than ever before and an unprecedented interconnectedness between different domains of human activity – and the crises they can precipitate. This series of Working Papers aims to contribute to understanding these complexities and the responses that are needed from institutions and decision-makers to cope with these crises, challenges and change.

Terje Rød–Larsen

Introduction: A Crucial Region for the World

The Middle East is perhaps the world's most crucial region: economically and strategically, the Middle East occupies a top rank on the international agenda, with significance far beyond its geographical bounds.[1]

In the coming five to ten years, the highest number of key global security challenges is likely to be concentrated in the Middle East, or be related to it. The 2006 crises in Lebanon and Gaza, involving a wide range of regional actors including Syria and Iran, may have given only a taste of what is yet to come. They certainly manifested the reality of fragility that characterizes the Middle East. They also point to the necessity of approaching conflict(s) in the Middle East in a holistic manner, taking full account of the interlinkages between the various epicenters of instability in the region. Such interlinkages illustrate the potential for either positive or negative domino effects: escalation and crisis in one arena tends to evoke a spillover effect elsewhere in the region and in the relations of regional actors with the international community, or individual international actors. In addition, longer-term trends that affect most or all Middle Eastern societies in a cross-cutting way also need to be taken into account, as they exacerbate instability and underline the need to approach issues comprehensively. As a consequence, crisis management vis-à-vis the Middle East requires not only in-depth understanding of individual crises, but also a fundamental appreciation of the interlinkages and symbolic and political connections between the various issues, as well as early preparation in anticipation of longer-term developments.

This paper will present the different epicenters of instability and crisis in the region, and seek to engage in informed speculation on their evolution in the coming five to ten years. It will then outline the longer-term trends that affect, to one degree or another, all Middle Eastern societies and that have tremendous potential to trigger new crises or exacerbate existing ones. Based on this discussion, this paper will then proceed to examine the various actors engaged in the region, before sketching a number of ideas for an improved crisis management system for the Middle East.

The 'Old' Center of Gravity: The Arab-Israeli Conflict and the Middle East Peace Process

The traditionally most significant challenge in the Middle East is the Arab-Israeli conflict and its core, the dispute between Israelis and Palestinians. It is a center of gravity around which the region has revolved, and remains of vast political and symbolic significance. Both in its own right and due to its (positive or negative) signaling effects, reinvigoration of the peace process is a key challenge for regional and international policy-makers in the coming five to ten years. Success in this area will facilitate the capacity of the international community to deal with a variety of other epicenters of instability; sustained failure to reinvigorate the process will cast a shadow over efforts to resolve other crises in the Middle East.

The key challenge ahead does not lie in how to settle the conflict, but in how to move towards such a settlement. While a broad consensus now exists on the two-state solution and its general parameters, profound disagreement prevails regarding the process towards realizing it. In Israel, a 'third way' perspective has recently evolved that reflects an ideational evolution over the past decade and promotes unilateral steps as the best path to pursue in order to enhance security and contribute to ending Israel's occupation of Palestinian land. This approach underpinned Israel's 2005 Gaza Disengagement, and has since been embodied in the Israeli *Kadima* government of Ehud Olmert. Among Palestinians, PLO Chairman and President of the Palestinian Authority (PA) Mahmoud Abbas (Abu Mazen) remains committed to a negotiated permanent status and strongly rejects the resort to violence. Hamas's takeover of the Palestinian Authority in early 2006, however, has deepened the challenges confronting Palestinians; its reluctance to disavow violence, recognize Israel and thus commit to the two-state solution, and to uphold previously signed agreements resulted in a near-boycott of the PA internationally. The core challenge ahead in the effort to revive the peace process thus will be to deal with Israeli unilateralist tendencies – or the implementation of unilateral withdrawals – and with the Palestinian extremists – either by inducing their

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[1] Loosely defined as the area ranging from the North African Mediterranean to the Arab peninsula and the Gulf region, including, at the margins, Turkey and Iran and bordering on Russia, the Central Asian republics, and Afghanistan, as well as Sudan, Somalia and the Horn of Africa.

moderation, or by weakening their hold on power.

Three basic scenarios lie ahead. The <u>first</u> is a continuation of the status quo. Continued Israeli occupation and intransigent positions on both sides regarding negotiations will translate into continued low-intensity warfare, with occasional flare-ups. Under this scenario, a unilateral Israeli withdrawal from parts of the West Bank is likely to be implemented at some stage in the coming years, resulting in a long-term interim status quo considered manageable from Israel's perspective, but still entailing a continuation of violence and occupation, with economic and humanitarian crises in store for the Palestinian civilian population.[2] This scenario would continuously strengthen Palestinian militants and reverberate regionally, contributing to the solidification of an axis of "rejectionist" actors including Iran, Syria, Hizbullah, and some Palestinian groups. A full confrontation might become difficult to avoid within a five to ten-year period.[3]

A <u>second scenario</u> would entail the immediate resumption of permanent status negotiations. Such a scenario is ultimately likely to result in crisis, as domestic Palestinian rivalries would be exacerbated. A possible failure of such talks would set off a major crisis of confidence among both Israelis and Palestinians, leading to a repetition of the eruption of the *intifada* in 2000, which followed the breakdown of the Camp David Talks in July that year. While a resumption of permanent status negotiations would be desirable, their likely failure, given the vast differences between the parties on the outstanding issues, might have disastrous consequences, as witnessed in the aftermath of Camp David.

Most promising, therefore, would be a combination of existing elements in a gradual approach, underpinned by international support. In such a <u>third scenario</u>, negotiations would take place between Israel and the moderate Palestinian leadership (Abu Mazen), preferably with the support or tacit approval of Hamas and other radical factions, resulting in an Israeli withdrawal from large parts of the West Bank and the establishment (and international recognition) of a Palestinian state with provisional borders. Such a move would be difficult for Hamas to reject and would thus likely lead to its de facto recognition of Israel; alternatively, statehood would create a new domestic political process among Palestinians that would return a

reformed (and continuously reforming) secular-nationalist movement to power. In either case, the necessary conditions for subsequent state-to-state talks would be created. On that basis, eventual permanent status negotiations could then yield a settlement of the conflict between Israelis and Palestinians, which in turn would give impetus to the broader regional peace process and enhance the probability of a settlement of Israel's conflicts with Syria, Lebanon, and the wider Arab world. However, realization of the first step without subsequent permanent status talks would likely result in crisis and deterioration.

A concerted effort is necessary over the coming five to ten years in order to induce a gradual revival of the Middle East peace process. Continued stalemate and absence of a political process, or the (unrealistic) alternative of an over-ambitious early return to permanent status negotiations, are likely to spell deterioration and crisis, with significant repercussions throughout the region. One important ramification of deterioration would be an even closer link between the Israeli-Palestinian and Arab-Israeli arenas and Iran, with the latter increasingly directly squaring off with Israel, which might fuel a much deeper confrontation regionally and globally, as foreshadowed in Israel's 2006 campaign against Hizbullah.

A New Center of Gravity? Iran and the Challenge of Nuclear Proliferation

Iran's role in the region, which, according to some regional observers, is underpinned by the emergence of a 'Shi'a crescent,' poses a second key challenge in the coming period, especially given its evolving nuclear program. Indeed, Iran is involved in all other arenas of instability in the Middle East to a degree that it is all but replacing the Arab-Israeli conflict as the new center of gravity for conflict and instability in the region and beyond. Many actors, in particular in the Gulf and the wider Arab world, interpret Iran's quest for nuclear capacity as motivated by regional hegemonic aspirations. With the fall of Saddam Hussein's regime in Iraq and the removal of its most potent rival, Iran has emerged as the undisputed powerhouse in the Gulf and has staked a claim for leadership in the wider Middle East. The Islamic

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[2] Although Israeli Prime Minister Olmert declared the end of his unilateral 'convergence' plan in the aftermath of the Lebanon war, if no other solution is found, a managed unilateral withdrawal from some parts of the West Bank will quickly become a likely prospect in the coming years.

[3] Such a prospect is exacerbated by the fact that the presidential term of Abu Mazen expires in 2009, with no successor in sight, unless popular Fatah leader Marwan Barghouti is released from prison.

Republic is a key player in Iraq, where parts of the Shi'a majority of the population is open to Iranian influence. Iran equally maintains close ties with Hizbullah in Lebanon and with Syria, and has been identified by Israel as its most important adversary (albeit one that operates through proxy actors). As such, and given the generally difficult relations with Iran, most actors in the region and in the international community see Iran as the key challenge in the Middle East at present.

Iran's nuclear program raises serious questions and will be a key challenge internationally. This crisis – and a possible confrontation related to it – will shape the Middle East profoundly. It is also a multi-faceted challenge: first, it underlines the long-standing question of how to interact with Iran both within the region and internationally. Second, it is related to the ties between Sunni and Shi'a Muslims in the Middle East and beyond, a relationship that is undergoing profound changes with a significant impact on the region as a whole.[4] Third, the Iranian nuclear program is of central importance because of its significance in a global context: the world's response to Iran's alleged weapons program will shape the global battle against nuclear proliferation more than any other test case. Failure to address the situation might spell the end of the nuclear non-proliferation regime and trigger a global arms race.[5]

In the coming five to ten-year period, three possible scenarios lie ahead, all resting on the realistic assumption that Iran will continue to pursue its current nuclear program. In a first scenario, the current de facto standoff would continue in the medium term, with the potential to lead either into the second scenario of escalation, or to engagement and integration regionally and internationally, as outlined in the third scenario. Under this first scenario, divisions within the international community – most notably between the US and EU-3 on the one hand, and Russia and China on the other, but also within the transatlantic alliance – will continue to create obstacles and result in complex diplomatic processes stretching over significant periods of time. At the same time, a unilateral US-led intervention (similar to that in Iraq) cannot be ruled out in the remaining two years of the Bush Administration's term.

The second scenario envisages escalation. Sanctions would be followed by efforts by other powers to equal Iran's program and by a deterioration of conditions on other regional fronts. A confrontation might begin to take the shape of a conflict between Western and moderate Sunni Arab forces on the one hand, and extremist Shi'a forces on the other. The conflict would have the potential to destabilize the entire region and could deteriorate into a military campaign, likely led by the United States and supported by a coalition of regional and extra-regional powers, against Iran. Israel could be drawn into the conflict at least indirectly, if not as part of a military confrontation. A military campaign would very likely be difficult, with multiple battlefields throughout the Middle East – essentially a 'mega-confrontation' embroiling the entire region, which would also see significantly increased terrorist activity against Western targets. If at all successful, a military campaign could result in the disintegration of the Islamic Republic; a more likely result would be prolonged war and crisis throughout the region, with significant impact on international relations and the global economy. Oil and gas markets would be affected; and divisions in the international community further deepened.

In a third scenario, Iran is engaged and, ultimately, integrated into the regional security architecture. A relatively comprehensive process of engagement might involve international and particularly US recognition and acceptance of a limited, supervised nuclear program (with a limited uranium enrichment capacity on Iranian soil) for civilian purposes. Such a mechanism would ideally be linked to a wider revision of the nuclear non-proliferation regime, which would enhance its credibility and thus its chances for success. Incentives offered to Iran must be weighed in terms of their comparative value globally and regionally. Given the risks associated with escalation, however, a diplomatic process that addresses both Iran's long-standing isolation in the international community (and other Iran-specific matters) *and* its nuclear program within the broader context of a revised global nuclear non-proliferation regime might be the most preferable option.

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[4] For the first fifty years of the existence of the modern states, the Middle East was largely Sunni-dominated. The rise of the Shi'a majority in Iraq follows the Islamic Revolution and may provide new impetus to the struggles of sizable Shi'a communities for political rights in Bahrain, Kuwait, Saudi Arabia, and Lebanon – which might easily pit those communities, under Iranian leadership, against an alliance of Western nations and pro-Western (but often authoritarian) Sunni Arab regimes (such as Egypt, Jordan, Saudi Arabia, and many of the smaller Gulf emirates). One of the best treatments of Sunni-Shi'a relations in the present era is found in Vali Nasr, *The Shia Revival: How Conflicts within Islam Will Shape the Future* (New York: W. W. Norton, 2005).

[5] Iran's attainment of nuclear weapons might set off a regional arms race, which in turn might be followed by a wider international arms race.

In the coming five to ten years, much diplomatic effort will have to be invested both into the nuclear non-proliferation regime and the overall threat posed by a global proliferation of weapons of mass destruction. Specifically in relation to Iran and its position in the Middle East, a regional security architecture needs to be established that allows for a constructive dialogue between the states of the Arab Levant (as well as Israel) and the Gulf on the one hand, and Iran and Iraq on the other. In the long run, the positions, aspirations, and interests of those two regional powers have to be addressed.

A Key Challenge for Peacebuilding: Iraq and the Risk of State Failure

Iraq is connected closely with the Iranian epicenter but poses the immediate (and separate) challenge of stabilization and state-building. Since the US-led invasion of 2003, Iraq has become a battlefield for other disputes to be fought out in a power vacuum. For this reason, but also in its own right, the country's political and economic reconstruction and re-integration into the region and the international community remains another key challenge. Iraq's current instability and looming deterioration into a failed state make a comprehensive state-building enterprise, undertaken domestically but with the assistance of the international community, an immediate necessity. For the time being, prospects for the future continue to range from complete state failure and disintegration into separate (yet warring) new entities to pacification and the creation of a sustainable and strong Iraqi state.

Three possible scenarios lie ahead; continuation of the status quo, deterioration and break-up of the unified Iraqi state, and longer-term consolidation of the new Iraqi state. Under the first scenario, current levels of sectarian and ethnic violence would continue, with ongoing international efforts to contain the violence, strengthen the Iraqi state and pursue a political process to underpin the state-building exercise. Such a scenario is unlikely to remain tenable in the medium or long-term and is likely to see deterioration into an eventual disintegration of the Iraqi state. A very loose Iraqi federation might also be consolidated under this scenario (de jure, with the potential of de facto disintegration), in which Kurdistan would strengthen its current status as a quasi-independent entity, which would also integrate the oil-rich city and governorate of Kirkuk after a referendum in the course of 2007. Iraq's Arab heartland would remain mired in civil war, which would further impede or delay the re-establishment of control by Iraqi central authorities. It would continue to represent a regional battlefield for various interests. Extremist and militant political Islamists would also seek to fill the vacuum. The Middle East as a whole would remain unsettled, and relations between the West and the wider Muslim world would continue to be beset with difficulties, reflecting the perceived confrontation between the 'West' and 'Islam' emanating from Iraq (as well as Palestine and Lebanon).[6] Such deterioration, as the most realistic outcome of a medium-term continuation of the status quo, would also accelerate demands for a drawdown of coalition forces, which in turn would worsen the security situation for Iraqis.

The second scenario would envisage deterioration and a likely break-up of the Iraqi state. Constitutional revision is a key challenge in the coming year and a necessary element for stabilization; failure to achieve (or agree on) a revision of the constitution is likely to accelerate Iraq's disintegration, triggering a Kurdish secession (that would also be helped by an intensification of the intra-Arab civil war). A downward spiral into disintegration would also be accelerated by an early withdrawal of coalition troops, as is increasingly a possibility for domestic political reasons within member states of the coalition. Disintegration would result in increasing intervention by regional actors in the fragmenting Iraqi state. Kurdish independence would likely meet with reluctant acquiescence from Western powers (at best) and increase long-standing tensions with Turkey in particular, but also with Iran and Syria. Turkey would seek to restrict – or influence in its own favor – a new Kurdish entity. Iran would likely intervene on behalf of Iraqi Shi'as, establishing a de facto protectorate and likely providing military assistance to secure an emerging Shi'istan, or, more realistically, contributing to the sectarian and ethnic combat activities accompanying the violent division of Iraq. The Arab League and individual Arab players would provide similar assistance to the Sunni community, which would be confronted with the reality of a Sunni entity characterized by a power vacuum, land-locked and without

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[6] As Shada Islam argues in her paper in this series, this perceived confrontation has now become the key challenge to European societies from within: see Shada Islam, "Europe: Crises of Identity," *Coping with Crisis* Working Paper Series, International Peace Academy, New York, February 2007.

major natural resources on its territory. Major population displacement would accompany the disintegration, with significant violence and instability centering on Baghdad. All three subsequently emerging entities would struggle economically, and significant instability would continue to rage in the former Iraq for at least another decade, before new boundaries are consolidated and lasting structures established.

Given these stakes, a preferable option would be the successful completion of the state-building project in a third scenario, with emphasis in parallel on the dimensions of security, the political process, and economic reconstruction. The Iraqi constitution of 2005 would be revised to offer Sunni Arabs a sufficient stake in the new political order, while safeguarding the immediate interests of the Kurdish and Shi'a communities. A federal but unified Iraqi state would be built on concessions made by all parties and the negotiation of an inclusive and enduring social contract among them. Kirkuk would be afforded special federal status, with significant involvement of the international community. The federal authorities would need to have greater control over Iraq's natural resources than currently envisaged in the constitution, as well as be given taxation powers. A fundamental stepping stone would be an improvement in the security situation, which will require not only continued external help in support of the Iraqi state, but also that the proliferation of militias – and their subversion of state institutions – be addressed. Institution and capacity-building would also be key elements. In the medium term, Iraqi forces would take over the security sphere, thus allowing for a coalition drawdown, demands for which are likely to grow irresistibly strong within all members of the coalition in the coming two to three years. This scenario would permit and indeed call for, an increased (political and coordination) role of the United Nations and the international community beyond the US-led (military) coalition.

Concerted efforts will therefore be required from the international community in order to support the state-building enterprise in Iraq. Failure to achieve the best case scenario will lead to deterioration, with state failure and violent disintegration a very probable result.

Lebanon as a Battlefield? State-Building and Reconstruction

Similar prospects now confront Lebanon, where the state-building exercise has faced obstruction and delay

since the end of the civil war in 1989. Much like Iraq, Lebanon remains a battlefield for other conflicts and conflicting parties from the surrounding region. Its political and economic reconstruction is therefore not only important in its own right; it is also a necessary element in a wider, regional strategy of stabilization. Lebanon's neighbor, Syria, too, needs to be addressed and situated within the broader context of such a strategy, as it is both political battlefield and client; patron and conflict party. Key challenges related to Lebanon thus exist on both the domestic and regional levels. Ultimately, the goal is to establish a sovereign and politically independent state and to complete a political transformation begun, but not completed, following the end of the civil war.

In a first scenario, the uneasy interim status quo of the 1990s and early 2000s would be re-established. Lebanon would embrace its reconstruction gradually, but fail – or choose not – to address underlying issues. Lebanon's precarious sectarian balance and the constant risk of deterioration into civil strife do make a completion of the political transformation begun a decade ago difficult. The balance between pro and anti-Syrian political factions, continued yet covert Syrian influence and interference, Western support but ultimate helplessness, might all converge to re-create the Lebanese state of the 1990s. Hizbullah would remain a significant political actor, with Syrian and Iranian support, and Lebanon would thus be faced with the latent risk of another Israeli intervention in the coming years. The expanded UN Interim Force in Lebanon (UNIFIL) would provide a temporary stabilizing impetus, but might also trigger domestic and regional opposition from Sunni and Shi'a militant groups (including Hizbullah). Lebanon would be vulnerable to foreign interference and be used as a proxy battle arena for regional conflicts (the Arab-Israeli and specifically, Israeli-Syrian dispute, the wider conflict between Israel and Iran, and/or between Sunnis and Shiites, between Arabs and Persians, moderate pro-Western Arabs and Islamist extremists).

As such, Lebanon would always remain at risk of sliding into a second scenario, in which the security situation throughout Lebanon would remain difficult. Massive emigration and economic deterioration would result, which in turn would fuel insecurity and instability and undermine the political state-building process. The Lebanese state would remain, despite significant international assistance, largely powerless. Israel would regularly interfere, at least along the southern border against Hizbullah guerrillas, with a

full-fledged confrontation with Syria (if not Iran) a continuous risk. Syria, in continued isolation from the international community, would remain immediately involved as a destabilizing actor and would be supported – if not increasingly replaced – by Iran. Lebanon would remain a proxy battlefield and confront, within a few years, renewed state failure. Hizbullah and other militias might engage in direct warfare with UNIFIL forces as well as the Lebanese authorities, and would grow stronger politically even if weakened militarily. Such a state of affairs would also impede progress on the regional track of the peace process, strengthening the hand of Palestinian extremists in their respective arena, and tie down international actors, who might opt for disengagement from Lebanon, thus precipitating further deterioration. Both radical Sunni groups such as al-Qaeda and extremist Shiites, led by Iran, would be the long-term beneficiaries.

Much as in the cases of the Israeli–Palestinian arena, Iran, and Iraq, a third potential scenario in Lebanon involves a successful consolidation of the state-building enterprise, with significant outside commitment and support over a sustained period of time. UN forces would concentrate on stabilization and on working with the Lebanese authorities to establish the latter's control and sovereignty. Such a process would necessarily see the disarming of Hizbullah, albeit in a form that would refrain from humiliating the group and instead focus on providing incentives for its complete transformation into a political faction, and its 'Lebanonization.' Hizbullah would be integrated into the Lebanese army; in turn, the predominantly Shi'a areas of south Lebanon, southern Beirut and the Beqaa Valley would receive significantly increased assistance for reconstruction and socio-economic development, and the Shi'a community would overall be represented more proportionally in Lebanese politics. Dialogue and consensus among all Lebanese sects and parties would need to be established on their shared future. Implementation of the 1989 Taif Agreement would provide the backdrop to the new Lebanese political order, but would require re-negotiating in terms of the fundamental equation and distribution of power between Lebanon's communities, if not the institution of a post-sectarian political order.[7]

A further necessary element under this scenario would be a trilateral deal, brokered by the interna-

tional community, over the Israeli-occupied Sheb'a Farms area, which would be handed over to Lebanon. Such a deal would require Syrian engagement in order to conclude a bilateral Syrian-Lebanese border agreement that would pave the way for an Israeli handover of the area to Lebanon. The best possible incentive would be a re-opening of the regional track of the Middle East peace process and negotiations over the Syrian Golan Heights, enabled by significant progress on the Israeli-Palestinian track. Short thereof, Syria's reintegration into the region and into the international community, with re-engagement by the United States and economic benefits resulting from the finalization of its long-delayed association agreement with the EU, might create sufficient incentives. Alternatively, Syria's continued isolation might permit such a deal if the Israeli–Palestinian track advances, while the international community successfully engages – or isolates – Iran over its nuclear program. Syria remains the weakest link in the emerging 'Shi'a crescent,' and could be pursued by either stick or carrot to cooperate, as long as its alliance with Iran (in which it is client, rather than equal partner) is broken, and it is deprived of other proxy actors (to whom it is patron). At the same time, Syria is a key actor with regard to all four epicenters of crisis and instability in the region; its long-term isolation will not be conducive to achieving the overall stabilization of the Middle East.

In the long term, Lebanon's successful consolidation and reconstruction, economically and politically, will depend not just on the Lebanese arena, but on progress in the wider Arab-Israeli arena and on the emergence (or proactive establishment) of a regional security architecture that allocates sufficient space to all relevant players. Failure and collapse might create a battlefield for regional and international conflicts in Lebanon and exacerbate regional instability.

Longer-Term Challenges: Demography, Education, and Employment

In the coming period, beyond the immediate and specific arenas of crisis, the Middle East will also likely confront a number of cross-regional challenges, which are of a much longer-term nature but equally affect stability. One of the most important such challenges is

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[7] Taif actually envisaged an end of sectarianism, by and large, but endorsed a 50:50 division in politics between Christians and Muslims, which disproportionally favors all Christian communities and Sunni Muslims, and disadvantages Lebanon's Shi'a.

posed by demographic trends, coupled with their effects.[8] The Middle East today has one of the largest proportions of youth (12-24 year olds), as well as the highest levels of youth unemployment, in the world.[9] Population growth is predicted to continue until 2025, with the present total population of around 400 million expected to swell to about 700 million.[10] As a result of these trends, Middle Eastern governments are under much pressure to adjust to new social realities. High-quality education needs to be ensured; "knowledge societies" need to be built, with (unrestricted) creation and diffusion of knowledge as necessary ingredients of economic and political progress and thus, stability.[11]

Given demographic trends, governments are also pressed hard to create adequate employment opportunities. Unemployment, in particular among those entering the labor market, is a key challenge, which, if unanswered in the medium term, will have significant social, economic, and political implications.[12] According to one assessment, the total labor force of some 104 million workers in 2000 will reach 185 million in 2020, thus requiring the creation of a total number of 80 million jobs in the coming fifteen years – as many as were created over the last five decades. Meeting such demands is virtually impossible, which creates wider social, economic, and political repercussions that both governments in the region and those beyond it have to prepare for in the coming period.

Two additional factors further exacerbate the challenge of job creation. One is the fact that the current crisis of unemployment and a swelling youth population is compounded by a significant under-representation of women in Middle Eastern labor markets.[14] A second element exacerbating the challenge of job creation is that conventional responses to demands of employment are no longer affordable, or politically feasible. Oversized government bureaucracies have long characterized Middle Eastern economies and underpinned political structures and social contracts in the region, but have lost their economic viability. As such, rather than providing a vehicle for the continued absorption of young jobseekers, the economically necessary reduction of large government bureaucracies is likely to intensify the demands for employment creation. Consequently, the demographic challenge translates into wider economic and political challenges, which require answers in the coming years. Failure to address these might herald significant domestic instability that would not only be exploited by extremists, but would have broader regional repercussions and thus affect the wider international community.

Crisis of Legitimacy: Political Reform, Democratization, Political Islam, and Terrorism

Against this background, political reform and democratization is a complementary long-term challenge. If unaddressed, continued political exclusion of large segments of societies in the Middle East threatens domestic political stability within the region and global co-existence more broadly, as anti-Western ideologies and vocabularies are often employed in the domestic mobilization of dissent.[15]

The Middle Eastern model of political organization has come under increasing scrutiny in recent years, as international actors have placed much emphasis on the promotion of democracy. Early, if not premature, elections have brought to the fore political

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[8] For a broader overview of demographic trends and challenges, see Joseph Chamie's paper in this series, "Population Trends: Humanity in Transition," *Coping with Crisis* Working Paper Series, International Peace Academy, New York, March 2007.

[9] Over the entire post-World War II period, the region's average annual population growth rate of 3 percent exceeded all other regions except sub-Saharan Africa. In 2003, according to the World Bank, about 40 percent of the total population of the region were children under eighteen years of age. See Tarik M. Yousef, "Development, Growth and Policy Reform in the Middle East and North Africa," *Journal of Economic Research* 18, no. 4 (2004): 91-115.

[10] Ellen Laipson, "The Middle East's Demographic Transition: What Does It Mean?," *Journal of International Affairs* 56, no. 1 (Fall 2002), p. 177.

[11] Interestingly, access to school has by and large been ensured in recent years: between 1980 and 2000, the education attainment in the Middle East increased more than 150 percent, more than in any other region in the world. What remains absent, however, is sufficient quality, which in turn would translate into economic competitiveness and therefore adequate prospects for employment for the swelling youth populations across the region. See Yousef, "Development, Growth and Policy Reform," pp. 105-106. This issue has been recognized: having been identified as one of the three key challenges facing the Arab world in the first Arab Human Development Report of 2002, the building of 'knowledge societies' was the core theme of the second such report, released by UNDP in 2003.

[12] At present, unemployment levels across the region average around 15 percent (and reach more than double that ratio among first-time jobseekers). Unemployment is highest in the West Bank and Gaza Strip and in Iraq, with significant numbers of jobseekers in Lebanon, Iran, and Jordan.

[13] Laipson, "Demographic Transition," p. 179.

[14] The region has made progress in closing the gender gap in education and has increased female workforce participation to about 35 percent in recent years, but women remain disadvantaged. Such social and political inequality will have to be addressed if stability is to be maintained domestically and regionally. Yousef, "Development, Growth and Policy Reform," p. 106.

[15] A similar line of reasoning, albeit from a perspective emanating from the region, is pursued in the UNDP, *The Arab Human Development Report 2004: Towards Freedom in the Arab World* (New York: UNDP, 2005).

Islamists in a variety of arenas, and are likely to contribute to a de-prioritization of international democracy promotion efforts in the coming years. At the same time, against the background of *domestic* pressures, the conventional model of political organization in the Middle East will require significant adjustment. In most Middle Eastern polities, political opposition in the sense of organized and legitimate dissent (as is practiced in democratic systems) does not exist, or is weak. Political Islamist groupings have filled this void. Political Islam must thus be understood as a highly domestically motivated phenomenon, developed in opposition to the existing political structures in each respective country, and utilizing a highly appealing ideology and vocabulary borrowed from Islam. At the same time, political Islamist groupings are also inherently transnational, thus widening the domestic political space to encompass outside players. In addition, while many political Islamist groupings appear to uphold democratic practices, their commitment to democratic values in terms of social tolerance and equality, peaceful co-existence with domestic dissent and regional opponents, all remain in doubt.

A key dilemma related to the question of democratization throughout the Middle East therefore is whether the promotion of democracy (and of elections as an early manifestation of democratic practice) is conducive to stability domestically and regionally, or whether such efforts essentially further instability. It is also unclear in which way political Islamists can and should be integrated into the political process. At the same time, existing modes of governance will not be feasible politically and economically for much longer, because increasing numbers of young Middle Easterners demand greater political participation and/or because growing unemployment and insufficient resources dissolve the basis of the existing social contracts in the region. As a middle path, Middle Eastern governments need to engage in processes of gradual transition that are conducive both to stability *and* satisfy the demands of

their respective populations in the coming five to ten-year period, with the support (but without undue and counter-productive pressure) of the international community. Both the continuation of the status quo in many Middle Eastern polities and radical changes are likely to translate into instability, prompted either by widespread dissatisfaction, protests and popular rebellion, or by the usurpation of power by actors whose democratic credentials are in question, or whose action agendas might directly exacerbate regional conflicts (such as the Arab-Israeli dispute), or contribute to widening the mutually perceived gap between the 'West' and the 'Muslim world.'[16]

Measures to democratize and enable greater political participation, combined with the broader institution of the rule of law, albeit in a controlled and gradual process, are therefore important in the coming years. Such efforts would contribute to the marginalization of extremists and strengthen the moderates among political Islamists. In turn, anti-Western rhetoric and perceptions would be ameliorated, and a relationship perceived to be based on greater mutual respect might emerge. Terrorists such as the al-Qaeda network would find it more difficult to recruit supporters, who would instead gain a stake in the newly inclusive political systems. In this sense, domestic activities to democratize, with the support (but not pressure) of the international community would help to address the fundamental misunderstanding that has cast a shadow on the relationship between the 'West' and 'Islam.' Fear and prejudice have driven what has been perceived as a clash of civilizations, and could be addressed by policies linking conflict resolution (in particular in the Arab-Israeli arena) with gradual yet tangible progress in domestic political transitions towards greater inclusiveness. As such, the pursuit of balanced policies vis-à-vis individual Middle Eastern states – with a focus on the promotion of democracy, in combination with comprehensive efforts to resolve conflicts in the region – would help to stabilize the respective polities domestically, and thus enhance regional and global stability.

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[16] Egypt and Saudi Arabia provide the cases where conditions are most pressing. Jordan, which has long pursued a domestic and foreign policy characterized by the desire to maintain stability above all else, and Syria, where regime disintegration and state failure is a realistic prospect in the context of continued international isolation, are in a second tier of precarious polities. In Egypt, where President Mubarak is nearing the age of 80 and where no clear successor has been groomed or presented to date (and the most likely candidate, his son Gamal, appears to lack a sufficient hold on the political elite), the Muslim Brotherhood remains by far the most popular political organization. In the event of President Mubarak's death in the coming years, Egypt could turn into an Islamic republic; a Muslim Brotherhood-led emerging democracy; or a repressive, likely military, dictatorship. Either way, domestic instability would reverberate regionally and globally. Saudi Arabia, which has embarked on a very incremental process of adjustment under King Abdullah and which has in recent years been able to fend off the underlying economic and employment concerns of a growing youth population thanks to the high price of oil, could easily turn into a radical Islamist republic, or disintegrate, with civil war between the majority of Sunnis and the Shiites of the Eastern provinces to follow.

Problem and Solution: Economic Reform, Adjustment, and Resource Management

An important additional measure is economic reform and structural adjustment. In the same way that the political model prevailing in the Middle East is no longer tenable, the economic structures underpinning it have also increasingly been drawn into doubt. Substantial job creation, combined with the parallel need to service and eliminate considerable debt burdens, is required in many economies. External financial support will have to be reduced and compensated for by domestic economic performance in the coming period.

Reforms in trade and in the large government bureaucracies are inevitable. At the same time, reforms in these fields are particularly difficult to implement, as they entail considerable social costs. An end to protectionist policies would be particularly hurtful to the majority of small-sized enterprises in the private sector. Government bureaucracies are among the most important employers in most of the countries in the region. Addressing these issues, therefore, requires that reforms are implemented in parallel with other measures that enable private sector growth, encourage the development of 'new' sectors such as information technology and new service industries. Implemented in their absence, austerity measures are bound to create resistance and generate mass protest. Much as in the realm of political reform, economic adjustment needs to be gradual to extenuate the social (and resulting political) costs, avoiding instability in the context of change, while not impeding it.

Given these premises, economic reform, de-emphasizing state leadership in the economy, will actually require the state to take the lead in developing and encouraging new areas of growth and development, while divesting itself from the labor market and production. Wealth derived from oil and gas can play a useful role with respect to laying the foundations for a less state-driven economy. Even in the smaller oil-rich Gulf states and in Iran, unemployment has been a growing concern in recent years. Consequently, natural resource-derived wealth needs to be invested into an overhaul of ageing and insufficient infrastructure and into economic diversification. In the longer term, the direct or indirect dependency of many Middle Eastern economies on their natural resources (oil or gas, or both) will have to be reduced. Much also remains to be done to foster private sector growth. Most important is the reduction of red tape created by the pervasive bureaucracies that often lack competencies and competence. This state of affairs throughout the region (in both oil and non-oil countries) illustrates the inherent interlinkages between political and economic reform, which need to be tackled in parallel in order to be successful.

One further element that needs to be addressed in this context is the management of scarce water resources. Domestically, the water dimension is inherently linked with wider political and economic reform, as highly subsidized water utilities are plagued by problems of deteriorating infrastructure, poor service quality and inadequate supply. In addition, more than 80 percent of the region's water is used for irrigation, often of low value crops, which underlines the need for a wider economic shift away from unsustainably expensive agriculture to trade and services. Water scarcity and management problems are also an important factor of concern to the wider international community, which might eventually be confronted with migratory trends from the region. In addition, water is an important factor underlying or exacerbating conflict in the Middle East.[20] As a consequence, water issues must inherently be addressed on a regional scale, and might indeed facilitate functionalist foundations for wider ties.

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[17] Lebanon, for example, faces the highest debt-to-GDP ratio in the world (180 percent).

[18] For new firms, the costs of complying with regulations in the Middle East represent an average of 76 percent of per capita gross national income (compared to 34 percent in Eastern Europe, 16 percent in East Asia, and 14 percent in Latin America). Yousef, "Development, Growth and Policy Reform," p. 111.

[19] The region is home to 4.5 percent of the world's population, but receives only 2 percent of the world's rainfall and possesses only 0.4 percent of the world's recoverable water sources. With the demographic projections for the coming fifteen years, Arab per capita water supplies are expected to decrease by half, if not more: Roger Harrison, "A Problem With Liquidity: The Challenges of Water in Saudi Arabia," *Washington Report for Middle East Affairs* (July/August 2004), p. 44.

[20] The water dimension reflects and impacts relations between Arab states and Turkey; between Israel and its Arab neighbors; between Iran and Iraq; and plays an important role in the relations between the sectarian and ethnic communities within Iraq. The water dimension in the Middle East is therefore inextricably connected with wider issues of conflict, which it reflects, impacts, and some analysts argue, drives.

Absence of Regional Coping Mechanisms: Regional Actors in the Middle East

Regional organization in the Middle East has been remarkably weak. Thus, crisis management of the various challenges confronting the Middle East will hardly be sufficient on the regional level in the coming five to ten years. In fact, the establishment of effective crisis coping mechanisms on the regional level is as much one of the challenges confronting the Middle East in the coming years, as it is a necessary response to the manifold crises in the region. At the same time, given the high level of international involvement in the region, in particular that of the United States, the European Union and the United Nations, Middle East crisis management is by definition a multilateral, international affair.

The three regional organizations that exist in the Middle East, or encompass it, are the Arab League, the Gulf Cooperation Council, and the Organization of the Islamic Conference (see the box below). Each organization groups together a number of regional players (along with some from beyond the region) for specific purposes, but there is no organization encompassing all or the most significant regional actors. As such, regional organizations in the Middle East have long been incapable of playing a decisive role in crisis management and conflict resolution. The Arab League, reflecting Arab cultural unity, functions as an arena to establish (or exhibit) consensus among the Arab states; actual conflict management and dispute resolution, however, have been handled by individual actors outside the League. The Gulf Cooperation Council (GCC), officially a regional economic organization, is primarily concerned with public security within its member states. It also acts as an arena to underline unity and political consensus among the Gulf states, which generally seek to ensure regional stability and security through their bilateral ties with the United States. The vastly diverse Organization of the Islamic Conference is a largely cultural organization and plays no noteworthy political role, at least not in the Middle East.

Such absence of effective regional organization and regional crisis coping mechanisms reflects the manifold divisions and tensions characterizing the region. While the Arab world shares a common cultural and historical legacy, and remains committed to upholding that legacy, political divisions and rivalries have long been prevalent. Intra-Arab relations have often been difficult over prolonged periods of time, characterized by personal animosities and specific, bilateral disputes. Pan-Arabism has all but disappeared from the Arab world, except as a cause that requires substantial lip-service and ostensible commitment; its pan-Islamic variant never wielded a similar attractiveness among the populations, although its political significance has risen with the emergence of political Islam.

Beyond the prevalence of Arab disunity and bilateral relationships with the United States (primarily) as an alternative crisis coping mechanism, neither Israel, nor Iran, nor Turkey, is part of any regional organization in the Middle East. While Turkey is often seen as a bridge between Europe and the Middle East, and between Europe and Central Asia, its engagement in the Middle East has been limited to bilateral engagements in a variety of arenas, most notably to safeguard immediate Turkish interests, but also thanks to the close strategic ties Turkey has established with Israel and to its membership in NATO. Against this background, Turkey might have a role to play in conflict resolution and crisis coping mechanisms in the coming years.[21] Iran's exclusion from any regional organization (apart from the OIC) and from the overarching regional security architecture has been most problematic, and accompanies its emergence as a possible new center of gravity for the conflicts in the Middle East. It is not just the relationship between the West and the Islamic Republic that requires definition, it is also the role and position of Iran within the wider Middle East – especially the relationship between 'Persians' on the one hand, and the Arab world on the other – that needs to be clarified. Along with Iran, Israel has also been excluded from regional crisis coping mechanisms. Clarification of Israel's role and position within the Middle East is inextricably linked with a settlement of the Arab-Israeli conflict on the regional level, which thus emerges clearly as a constitutive element in the construction of an enduring regional security architecture.

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[21] Turkey's contribution of troops to a reconfigured UNIFIL in 2006 may well be a precursor to such a greater role.

Regional Organizations in the Middle East

The ***Arab League*** is the world's oldest regional organization. Its twenty-two members are located throughout the Levant, the Gulf, North Africa, and the Horn of Africa. It primarily serves the demonstrative cause of Arab (cultural) unity and is dominated by Egypt. With its foundation spearheaded by Egypt and given Egypt's initial leadership role in pan-Arab efforts under President Gamal Abdel Nasser, the Arab League Secretariat has maintained its headquarters in Cairo; almost all Secretaries-General have been Egyptians. The current Secretary-General, Amr Moussa, embodies the personalized nature of the political significance of the Arab League, which rests on his stature as a former Egyptian Foreign Minister and confidant of President Mubarak. Its most significant manifestations are the regular Arab summits, which are important occasions to emphasize Arab unity, while actual crisis management and conflict resolution remains a bilateral and multilateral affair outside the confines of the organization. At the same time, Arab Summit declarations do carry significant weight as expressions of consensus within the Arab world, and have in the past put forward – or endorsed – significant initiatives, such as the Arab Peace Initiative of then-Saudi Crown Prince (now King) Abdullah, endorsed in March 2002 at the Beirut Arab Summit, or, most recently, the Lebanese initiative to end the Israeli campaign against Hizbullah. Yet the Arab League has been used as an arena to establish (or exhibit) political consensus among all Arab states only under the most extreme circumstances of crisis; actual conflict management and dispute resolution have been handled by individual actors in relationships and ties beyond the League. In a reflection of the talk-shop nature of the Arab League, an increasing number of heads of states have refrained even from participating in Arab Summits in recent years.

The ***Gulf Cooperation Council (GCC)***, established in 1981 against the backdrop of the Iran-Iraq war, groups together the six countries of the Arab Gulf: Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Oman, and Bahrain. Ostensibly founded as a regional economic organization and despite some progress in recent years towards greater regional integration among its member states, the primary preoccupation of the GCC was always security and stability in the Gulf. The Council, which has a small secretariat, primarily serves as a forum for consultation and consensus-building among the Arab Gulf states, most notably at the annual GCC summits and as an organization providing the backdrop to close informal relations among the various regimes in the Gulf, who also collaborate very closely on internal public security. Given their similar domestic political and economic structures, the high degree of cooperation is unsurprising; at the same time, actual conflict resolution and crisis management is pursued by each of the Gulf states primarily through their bilateral ties with the United States, and with Europe. Saudi Arabia's integration into the GCC has been interpreted both as incorporation and containment of a sub-regional hegemon, and as a manifestation of its use of the GCC as an instrument to counter the Egyptian-dominated Arab League; in truth, the GCC is a useful vehicle for consultation and coordination on a sub-regional level, with very limited political influence. Tellingly, economic cooperation in the Arab Gulf has perhaps been more advanced in the Organization of Arab Petroleum-Exporting Countries (OAPEC), a sub-organization of the OPEC cartel, though the GCC should not be underestimated as a tool for consultation and consensus-building and as a reflection of the close ties among the smaller Gulf emirates.

Considerably less significance should be ascribed to the ***Organization of the Islamic Conference (OIC)***, originally founded upon a Saudi initiative to address Israel's policies in the occupied territory and due to the ineffectiveness of the Arab League. As such, the OIC was almost explicitly designed to counter the Arab League. In recent years, however, the OIC has become a largely cultural organization representing the interests of Muslim states in the world, which include Pakistan, Indonesia, as well as Russia and all Middle Eastern countries. Given the vast diversity of interests and structures, the OIC does not play any significant role in conflict management or resolution in the Middle East (although it does so elsewhere). Its primary focus is cultural and 'inter-civilizational' activities, with increasing emphasis also on development-related challenges confronting the Muslim world. An ambitious effort to resurrect the organization and provide it with a renewed mandate under its latest Secretary-General has not yet seen significant results.

International Multilateralism as a Necessary Element of Crisis Management

While regional crisis coping mechanisms remain underdeveloped, the Middle East has always inherently been a region of global interest, and of global interventionism.

By far the most significant actor in conflict resolution throughout the region is the extra-regional United States. US policy choices vis-à-vis individual actors or epicenters of crisis and instability are among the most decisive elements in managing crises in the Middle East. In the Arab-Israeli conflict, in particular, there is no alternative broker of comparable weight to the United States. The US has also consolidated close military ties with all Arab Gulf states; warm relationships had long been established with Jordan and, in the aftermath of Nasserism and in the context of the Camp David peace accords, with Egypt. At the same time, US engagement vis-à-vis the Middle East has often been viewed with suspicion by some from within the region. In addition, with its engagement in Iraq in particular, the United States has become less outside broker and intervener than actual regional player in its own right. This, in turn, has made its engagement much more complicated and problematic as regards conflict resolution, since the US is now party rather than outside mediator. Nevertheless, the

United States remains the key (external) party in the region. It has also, over the past decade, been increasingly multilaterally oriented, despite perceptions to the contrary: Its engagement in the Middle East Quartet (where its political power is combined with the European Union and its economic weight, the United Nations and its power of international legitimacy, and Russia, a balancing actor and original co-sponsor of the Madrid peace process, which has otherwise lost most of its influence in the region), in Lebanon (where it acts in close coordination with France and the United Nations), vis-à-vis Iran (where the US has worked in tandem with the EU-3), and even in Iraq (where it has worked closely with the UK) emphasize a growing multilateral component, perhaps as an element that offsets the perceived loss of neutrality in the region and seeks to create renewed legitimacy for a strong US role in the Middle East.

Such (selective) multilateralism, combining the US's overwhelming geo-strategic power with the greater international legitimacy embodied in any international alliance, and the economic strength of European players, is likely to remain a preferred instrument in America's toolbox in the coming years. It may also grow stronger as the US continues to confront obstacles and crises throughout the region. In many instances, selective multilateral efforts have combined extra-regional intervention with regional activity. Thus, the Lebanese state-building project has been underpinned by a double *entente* of France and the US globally, and Egypt and Saudi Arabia regionally. The work of the Quartet has been furthered by, and has often depended on, the efforts of Saudi Arabia, Egypt and Jordan. In the Iranian epicenter, GCC efforts have tried to bridge gaps; in Iraq, the Arab League has been active in a similar vein.

The European Union, meanwhile, is an important partner in many of these endeavors. A key economic player throughout the region, it has solidified close ties with the conclusion of EU Association Agreements with a number of actors in particular around the (extended) Mediterranean. (Turkey, Israel, Egypt, Jordan, and the Palestinians are important partners in this initiative.) Individual leading European nations have been significant players in the past and remain so in the present, most notably the United Kingdom, France, and, to some extent, Germany, Italy, Spain, and Norway. The EU plays a central role when it comes to (financial) support for the state-building enterprises now underway in the region (such as in Lebanon and Palestine). At the same time, it cannot match the political weight of the US, and has not been able to translate economic power in the region into direct political influence due to vast internal divergences within the EU. The unprecedented European lead of UNIFIL from 2006 onwards, however, may herald a greater political role for the EU, but is likely to remain constrained by the continuing differences of opinion within the twenty-seven member community.

The United Nations has also traditionally played a complicated role in the region. Since its inception, the UN has been involved in the Middle East, where it voted for the partition of Palestine, deployed its first-ever peacekeeping operation, maintained the largest number of peacekeeping operations until the proliferation of such missions in the 1990s, still entertains the single largest UN operation (UNRWA, the agency supporting Palestinian refugees) and is both key arena and key player in all epicenters of instability and crisis. In the Arab-Israeli conflict, the UN has traditionally been involved, though more in the sense of an arena for other actors, rather than as an actor in its own right, even if the Quartet has provided the UN with influence on guiding political initiatives. At the same time, its position has been difficult; often derided in Israel as useless and biased, the organization has undertaken great efforts to be seen as more balanced. In recent years, derision has come increasingly from Arabs, who perceive the UN to be a tool in the hands of occupiers, be it in Palestine, Lebanon, or Iraq.

Such perceptions curtail the UN's role and influence, but also underline its inherent importance. It has suffered some of its most bitter defeats in the Middle East, not least with the infamous Oil for Food Program in Iraq and the post-invasion bombing of UN headquarters in Baghdad; but the UN has also achieved some significant accomplishments in the region, in particular when it has been able to engage in support of existing peace and state-building processes, such as in the early years of the Oslo process in Palestine, or in Lebanon. It is also likely to play an increased role in Iraq in the future. As a result, the UN will continue to be limited in the scope of its activities and is unlikely to lead conflict resolution or crisis coping mechanisms, but to continue as a partner to collective international efforts. As an arena providing legitimacy to such efforts on the political level, the UN remains indispensable in all epicenters in the Middle East. In this role, the UN may well see a deepened engagement in the coming period with regard to Iraq, precipitated by a possible coalition policy shift, adding to its considerable contemporary immersion in Lebanon and the wider Arab-Israeli conflict, and its use as a political arena in relation to

Iran's nuclear program.

As such, the UN will remain a key actor in the coming years, when comprehensive efforts will need to be undertaken to manage the multiple crises in the Middle East. Multi-level engagement and crisis management activity will reflect the variance of – and interlinkages between – conflicts, where efforts on the domestic, regional, and global levels will have to be pursued in parallel in order to allow for effective crisis management, building on existing models. Attempts to resolve conflict or manage it on one level alone are bound to fail; domestic efforts will not succeed without a broader regionally comprehensive approach. Global efforts, meanwhile, are equally doomed to failure if not underpinned and accompanied by internal domestic efforts and regional support structures. As such, for example, support for democratization will need to mean not change demanded or imposed from the outside, but built from the inside. External support will need to focus on state-building projects that create strong institutions capable of delivering services and goods to all citizens, thus in turn forging states that are strong in the sense of popular legitimacy. Should any or all these efforts fail to adequately address the challenges confronting the Middle East in the coming five to ten years, however, the region will be certain to witness further deterioration – to the peril of all in the region and outside it.

Towards a Strategy for Coping with Crisis: A Regional Security Architecture

Crisis coping strategies in and vis-à-vis the Middle East in the coming period will need to reflect the multiplicity of conflict and the interrelatedness of the various challenges by engaging on multiple levels and involving multiple players. International conflict resolution efforts need to be led by the United States, despite the growing perception of its partisan role within the region, with (for that very reason) the active and legitimizing involvement of the United Nations as well as the economic underpinning support of Europe. The Middle East Quartet, though far from successful in its efforts vis-à-vis the Arab-Israeli conflict until 2006, may provide a model for further development, in particular when combined with the wider efforts of a "Quartet+" mechanism linking extra-regional actors with players from within the region. Such efforts will avoid the creation of impressions of global interventionism and of neo-

imperial undertakings. They will further the reach and legitimacy of conflict resolution initiatives.

At the same time, such efforts will have to be carefully calibrated to respond to all crises in parallel, in a holistic and regionally comprehensive manner. Given the manifold interlinkages between the current and emerging epicenters of instability and crisis in the Middle East, ultimately only strategies that address all major challenges in parallel can yield success. Partial, inconsistent, and one-sided engagement will by definition remain unsuccessful and is likely to create additional challenges for the future. Global, regional, and domestic efforts thus have to be designed to address all challenges in a comprehensive and consistent manner, placing the emphasis on stability and gradual transition towards new structures. A clear space must be afforded to all relevant players and parties, with stable, sustainable, and lasting state structures in the most vulnerable epicenters, and a wider regional security architecture that addresses the concerns and interests of all equitably.

In this context, the absence of a wider regional security coordination mechanism has long been identified as a key impediment to stability in the region. Originally developed in the days of the Iran-Iraq war, proposals to create a structure of consultation and cooperation between Arab states, Israel, Iran, and Iraq, modeled on the Organization for Security and Cooperation in Europe, retain their relevance and should be taken into serious consideration as strategies are devised with present-day and longer-term challenges emanating from the Middle East. Given its signaling effects and symbolic significance, progress in the Middle East peace process towards a settlement of the wider Arab-Israeli conflict, eventually resulting in a just, lasting, and comprehensive regional peace agreement, will be a cornerstone to attaining security and stability throughout the region. At the same time, the state-building enterprises in Iraq, Lebanon, and Palestine, as well as incremental transitional processes of political reform and economic adjustment throughout the region, with significant and sustained international support, will be equally important milestones on the way to securing lasting stability throughout the Middle East. The engagement and ultimate reintegration of Syria and Iran into the wider regional security architecture will be similarly significant, if not a precondition to achieve these goals.

Should these elements be realized through concerted, coordinated, and comprehensive efforts domestically, regionally, and globally, then stability, prosperity, and enduring security will become a

realistic prospect for the Middle East and the world. Failure to engage in a comprehensive strategy of coping with crisis, however, will threaten to set deterioration in motion throughout the region, which will affect the wider world considerably. If the opportunities emerging from a reality of fragility and crisis are built on intelligently and effectively, a 'new' Middle East may yet see the light in the coming five to ten years. Should the international community mismanage individual processes, however, deterioration throughout all epicenters and the entire region is a realistic prospect, with significant effects on international relations at large, as well as on the global economy.

– January 2007

Further Reading

International Crisis Group reports on the Middle East are among the best policy-oriented material produced in general: www.crisisgroup.org. Among the best and most relevant reports are

> International Crisis Group, *Israel/Palestine/Lebanon: Climbing Out of the Abyss*, Middle East Report No. 57, July 25, 2006.
> _____, *Palestinians, Israel and the Quartet: Pulling Back from the Brink*, Middle East Report No. 54, June 13, 2006.
> _____, *The Next Iraqi War? Sectarianism and Civil Conflict*, Middle East Report No. 52, February 27, 2006.
> _____, *Iran: Is There a Way Out of the Nuclear Impasse?*, Middle East Report No. 51, February 23, 2006.

Other policy-oriented reports of sufficient quality are rare to find. There are many commentaries on acute conditions, but few reports that more broadly outline particular crises from a perspective that remains relevant for more than a few weeks. Among the most interesting pieces are

> Leverett, Flynt, "The Middle East: Thinking Big," *American Prospect*, March 5, 2005.
>
> > *Article promoting the establishment of coherent and institutionalized regional security architecture, by former NSC director for the Middle East.*
>
> Lowe, Robert, and Claire Spencer, eds. *Iran, its Neighbour and the Regional Crises*. London: Chatham House, Middle East Programme Report, August 2006.
>
> > *Recent report on Iran's role in the various Middle Eastern crises and on perceptions among its neighbors, outlining interests, positions and conflicts across the region.*
>
> Malley, Rob, and Hussein Agha, "Camp David: The Tragedy of Errors," a series of articles/exchanges in the *New York Review of Books*, August 9, 2001, September 20, 2001, June 13, 2002 and June 27, 2002.
>
> > *Widely read exchange on the reasons for the failure of the 2000 Camp David summit.*
>
> Malone, David M., Ben Rowswell, and Markus E. Bouillon, eds. *Iraq: Preventing a New Generation of Conflict*. Boulder, CO: Lynne Rienner, 2007.
>
> > *Multiple-author volume on current drivers of conflict, obstacles in the stabilization and peace-building effort, and identification of necessary elements for state-building in Iraq.*
>
> Tripp, Charles, "Regional Organizations in the Arab Middle East". In Louise Fawcett and Andrew Hurrell, eds., *Regionalism in World Politics: Regional Organization and International Order*. Oxford: Oxford University Press, 1995.
>
> > *Most comprehensive and best overview of regional organizations in the Middle East.*
>
> World Bank, *Better Governance for Development in the Middle East and North Africa: Enhancing Inclusiveness and Accountability*. Washington, DC: World Bank, 2003.
>
> > *World Bank study concluding that governance and political reform is a key ingredient if not precondition for successful economic reform and adjustment.*

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