

## Challenges to Persian Gulf Security: How Should the United States Respond?

by Judith S. Yaphe

### Key Points

Persian Gulf security challenges will increasingly pose difficult choices for the next administration. Iran's quest for regional preeminence, driven by the impulses of exceptionalism and self-sufficiency that are deeply engrained in the country's political psyche, will not slacken any time soon. Seeing such preeminence as its historic prerogative, Tehran still aspires to acquire a military posture, including nuclear capability, commensurate with that vision.

Iran's neighbors, inevitably, are caught in the middle. A fragile Iraq will seek a middle ground between Iran and the United States because it needs the support of both to preserve its independence and territorial integrity. The Arab Gulf states, meanwhile, will try to restore a balance of power in the region—their traditional preference—while they seek new commitments to their security from the United States and new customers in Asia, in particular China and India.

The United States faces three challenges in the Gulf. The toughest challenge by far is whether to engage Iran and, if so, how. The risks of doing so are not trivial, but there is also common ground to be claimed, especially on achieving a stable Iraq. The second delicate issue is what posture to take on reform within the Gulf states. Internal pressures for reform are growing, yet a heavy-handed approach can trigger local cynicism of U.S. motives and

charges of double standards. The third challenge is how to build cooperation between the Gulf states and Iraq. Strengthening borders and redeveloping economic and security linkages can be an important down payment on better relations, but lingering suspicions will be hard to overcome.

Iraq's interest in purchasing American-made aircraft (F-16s, according to press accounts) and recent use of the Iraqi army to reestablish control of public spaces inside the country have already raised concern among Iraq's Kurds and in Kuwait. Ambitious collective defense arrangements will also remain problematic, though the United States could encourage international partners to address issues, including illegal immigration, environmental pollution, and water scarcity, that require transnational solutions. Given these challenges, the Gulf states may well seek expanded security guarantees from the United States even as they remain wary of more visible, formal ties. In this regard, whatever happens in Iraq will resonate throughout the Gulf.

### What Drives Iran?

For the United States, any consideration of Persian Gulf security must begin with Iran: its ambitions, perceptions, and behavior. For many in the West, Winston Churchill's famous quip about the Soviet Union—being a riddle wrapped in a mystery inside an enigma—could apply equally well to Iran given its complex,

opaque, and often turbulent politics. And yet the key to understanding Iran is to figure out what it sees when it looks in the mirror. What are the fundamental influences that shape Iran's view of its role in the world?

The first, clearly, is *Iranian nationalism*. It is a means of unifying society while assuring territorial integrity and political power. The second is *Islam*, which is the country's source of faith and ethical code. The third is *Persia* as the basis of its historical identity and cultural pride. Taken together, these factors and the aspirations they embody—to secure Iran's territorial and political integrity while gaining acceptance of the regime's legitimacy and the country's status in international relationships more generally—are deeply rooted in Iranian society. But there is also a fourth, latter-day imperative that wields great influence over Iranian attitudes: the quest for *strategic self-sufficiency*.

Everywhere they look, Iran's leaders see their country encircled by real and potential enemies—by Iraq, which used chemical weapons and missiles against Iran in their 8-year war; by the Gulf Arab states, which financed the Iraq War, host the U.S. military presence, and are seen as repressing their Shia communities; by Pakistan, which is occasionally involved in hostile skirmishes with Iran on their common border and has encouraged anti-Iranian activity in Afghanistan; and by Central Asia, once pro-Soviet, now a source of economic opportunity,

sectarian risk, and host to U.S. military forces. Above all, the United States, a virtual neighbor since the occupation of Iraq in April 2003, and Israel are viewed as enemies: both threaten Iran's nuclear achievements and deplore its efforts to derail any peace process between Israel and the Palestinians or Israel and Syria. Washington, in particular, is seen as keen to keep the Persian Gulf as its militarized zone, maintain pro-U.S. regimes in Baghdad and Kabul, and marginalize Iran.

Iran's leaders—whether moderate Persian nationalists or conservative Islamists—view the world with a mix of confidence and trepidation. Regardless of where they stand on the political spectrum, they most likely share a common view of the threats to the homeland and the measures necessary to protect Iranian interests. This consensus also includes a strong, underlying sense that they may well have to fight alone, again—just as they did from 1980 to 1988—and that Iran must be able absolutely to defend itself without assistance. Thus, Tehran aspires to independence and self-sufficiency in both strategic and operational terms. It believes that it must build its own military industries, reconstitute a modern military force, and have minimal reliance upon foreign suppliers. It also seeks to acquire nuclear technology and, eventually, the wherewithal to produce nuclear weapons, probably as a cost-effective way to compensate for military weakness and relative strategic isolation.<sup>1</sup>

The predicament that all this poses for Iran's neighbors and the larger international community is not only how military self-sufficiency is defined by Tehran, but also how this self-sufficiency impulse plays into an already strong sense of Iranian exceptionalism—specifically, that the country is endowed with the natural right and historic destiny to dominate the greater Middle East as well as to lead the world's Muslims.

Iran's ambitions to be the preeminent power in its neighborhood are longstanding. The quest for regional hegemony began under

the shahs and has been continued by the clerics of the Islamic Republic. Iranian foreign policy has always been designed to protect a nation and an empire that were long coveted by more powerful neighbors—Ottoman Turkey and tsarist Russia—and divided into spheres of influence by the great powers of the 20<sup>th</sup> century—the Soviet Union, Great Britain, and the United States. Viewed through this historical prism, these ambitions have little to do with exporting its Islamic revolution or expanding its borders, although occasional

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reminders to the Gulf Arabs of the Shia and Persian-origin communities within their borders prompt those Sunni Arab-led states to recall their vulnerability.

Iran assumes it is by right the preeminent power in the Persian Gulf and the greater Middle East region. It has the largest population, largest land mass, largest military, and oldest culture and civilization. It believes it is the economic engine of the region and the most innovative in application of science and technology. In the Iranian worldview, that “region” is more than the Gulf or Central Asia. It extends from Afghanistan through the Gulf, Iraq, Turkey, and the greater Middle East (especially anything affecting Syria, Lebanon, Palestinians, and Israel). As the preeminent power, Tehran expects to be consulted on all issues affecting the region, in much the same sense that Syrian President Hafiz al-Assad interpreted his and Syria's role. Iran believes that all the roads to a U.S. exit strategy from Iraq, to a peace settlement in the Arab-Israeli context, and to stability in the Gulf run through Tehran. Without Iran, according

to this view, the country's leaders believe, there can be no peace, no resolution of conflict, and no “justice.”

Iran wants to expand its influence and authority in the region, but it is not interested in territorial expansion. Rather, it seeks to build its clout through a policy of aggressive outreach short of war—by building and backing support networks throughout the region; providing political support and economic assistance to key actors; bolstering trade and commercial ties with neighboring countries; and signing security and defense agreements. In implementing its policies, Iran operates on two intertwined principles that underwrite its ability to build networks of surrogates, intimidate opponents and critics, influence governments, and make foreign policy: the first of these is *plausible deniability*, and the second is *deliberate ambiguity*.

### **Networks of Influence**

The struggle of many Shia communities in Iraq, Lebanon, and the Gulf to achieve equal political status and end economic discrimination began in the 1970s, when Shia clerics in the seminaries of Najaf, Iraq, began to preach a doctrine of political activism. Known as *velayat-e faqih*, the doctrine was advanced primarily by Iranian cleric Ayatollah Ruhollah Khomeini, then in exile in Najaf, and prominent Iraqi cleric Ayatollah Muhammad Baqr al-Sadr, a founder of the clandestine Dawa Party. This Shia “awakening” received additional boosts from the Iranian revolution and the creation in 1979 of an Islamic republic based on clerical rule and the 1982 Israeli invasion of Lebanon, which brought the Israel Defense Forces to the outskirts of Beirut and contributed to the birth of Hizballah as a military and charitable organization.

By 1982, Iran's revolutionary government was supporting humanitarian efforts, including building clinics, schools, hospitals, and mosques; reconstructing villages destroyed by the Israelis; and paying benefits to fami-

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lies of martyrs killed in fighting with Israel or in the Lebanese civil war. Iran also began to provide military training and equipment to the darker side of Hizballah—to the terrorist networks controlled by Imad Mughniyah and others against U.S. and other Western targets. Elements of the newly created Iranian Revolutionary Guard Corps (IRGC) trained in Lebanon and with Hizballah units.

Key questions for the analytical community in the 1980s resonate today. How much control does Iran exert over surrogates such as Hizballah and Hamas? Are Hizballah's leaders, such as Hassan Nasrallah, totally subservient to the wishes of Iran's supreme leader and the doctrine of *velayat-e faqih*? Would Hamas do more than pray for Iran if the latter were threatened with imminent attack? Or do they act independently of Iran, as Lebanese and Palestinian nationalists willing to work within the systems of government so long as they can shape them? The answer probably remains the same today as it was in the 1980s: the surrogates have great personal loyalty and devotion to the ideals of the Islamic revolution and to its clerical leaders, but tend to pursue self-interest, with or without Iran's approval. Iran may not be consulted on all operations, or if it is, may not approve, but it would not openly oppose Hizballah or Hamas actions or risk a breach with its most successful surrogates.

Despite a prohibition by the late Ayatollah Khomeini against relations with the Saudis, today's Iranian government values its expanding ties to Saudi Arabia and the other Gulf Arab regimes. Even the United Arab Emirates maintains links to Iran, despite their seemingly intractable dispute over ownership of three small islands in the Gulf, the Tunbs and Abu Musa. Iran's outreach extends to Shia communities in Iraq (approximately 55–60 percent of the population), Saudi Arabia (10–15 percent of the population concentrated primarily in the oil-rich Eastern Province), Kuwait (approximately 20 percent), and Bahrain (about 75 percent). Iran's approach to neighboring Arab states and their Shia communities has changed over the years. Initially, it consisted of efforts to organize antiregime movements through mosques and

prayer houses led by local Shia clerics or Iran-based activists. Since Khomeini died in 1989, Iranian efforts have focused on diplomatic efforts to restore relations with its Gulf neighbors, primarily Saudi Arabia.

## Iraq as Risk and Opportunity

Iraq and Iran have endured long years of war interspersed by uneasy periods of truce, the most recent conflict being the 8 years from 1980 to 1988 that saw nearly a million casualties on both sides and untold damage to property and economic infrastructure. Ayatollah Khomeini assumed Iraq's Shia would join the Shia Islamic Republic to defeat the secular, Sunni Arab-dominated regime in Baghdad; Saddam Hussein assumed the Arabs of Iran's Khuzistan Province would join Arab Iraq to defeat the mullahs. Both were wrong. Iraq's Shia Arabs fought to defend the state of Iraq from defeat by Persians and were rewarded for their loyalty by Saddam; after the aborted 1991 rebellion, they were slaughtered by Saddam for their disloyalty. Iran's Arabs remained loyal to the republic.<sup>2</sup>

The collapse of Saddam's regime in April 2003 gave Iran an unanticipated opportunity. Its primary regional enemy was gone. Iraqi Shia militants who had spent two decades in Iranian exile could now return and demand a role in the post-Saddam government. Iran had created the major exile group—the Supreme Council for the Islamic Revolution in Iraq (SCIRI, called the Islamic Supreme Council of Iraq [ISCI] since May 2007)—as an umbrella organization for Iraqi exiles; it was led by members of a prominent pro-Iranian clerical family, Ayatollah Muhammad Baqr al-Hakim, and his brother, Abd al-Aziz al-Hakim.<sup>3</sup> Iranian pilgrims could now visit the Shia shrines in the cities of Najaf and Karbala while traders, businessmen, diplomats, investors, security personnel, and intelligence operatives could easily cross the unguarded 900-mile border. Iran called for transparent elections and democratic institutions in the new Iraq, correctly assuming that the majority Shia population would win any election and, for the first time in history, govern Iraq. Iran

was—and is—eager for an Iran-friendly government in Iraq. Iran's vision of a perfect Iraqi state is one strong enough to maintain Iraq's unity and territorial integrity but too weak to challenge Iran or the other neighbors. Iran would prefer an Islamic state under shariah law similar to its own theocratic facade, but if forced to choose between a precarious Islamic state and a stable unitary state would almost certainly choose the latter.

With opportunity, however, comes risk. Iran is pouring money into Iraq in the form of business investment and community reconstruction. It is refurbishing the mosques and shrines of Najaf and Karbala, building community infrastructure, and providing various forms of support (money, advisors, training, and intelligence) to many of the political factions and government ministries, especially the Interior Ministry, according to accounts told by Iraqis and reported in the press. In early 2008, President Mahmoud Ahmadinejad, on the first visit

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made by an Iranian leader to Iraq, offered Iraq development assistance, including joint projects for oil, pipeline and refinery construction, and a billion-dollar loan. Iraq turned down the loan offer but signed economic and trade agreements and issued tenders for construction of a pipeline to Iran. Iraqi Arabs and Kurds report that Iran has funded practically every Shia candidate standing for election to the National Assembly, and some Iraqis claim the IRGC has links to Sunni Islamist factions in the center and north of Iraq.<sup>4</sup> It expects, in return, a compliant government in Baghdad willing to accede to its vision of the new Iraq. By

contrast, the oil-rich Gulf states—once the source of more than \$80 billion in loans to help Iraq defeat Iran—now oppose debt relief or additional assistance to Iraq.

Iran's influence in Iraq is probably at its highest point now. According to interviews with Iraqis, a growing number of Shia, as well as Sunnis and Kurds, are uneasy with the extent of authority and influence Iran and the IRGC wield in Iraq.<sup>5</sup> They raise several important questions: How extensive is Iranian influence in Iraqi ministries (especially defense, interior, and intelligence)? Have Iranians been involved in targeting Iraqi intellectuals, academicians, or military officers for assassination? Are the Iranians communicating with or assisting al Qaeda operatives in Iraq through the IRGC? Are the Iranian religious scholars in the seminaries of Qom trying to displace those of Najaf from the intellectual and spiritual leadership of Shia Islam? Whether Iran is engaged in all, some, or none of these activities, the appearance of their involvement and the Iraqis' unease is reminiscent of the Islamic Republic's assistance to Hizballah in Lebanon in the 1980s.

Iraq's government must balance American complaints that Iran is supporting anti-U.S. acts of terrorism in Iraq with Iranian demands that the United States leave Iraq and the Gulf. Support from both Washington and Tehran is critical to the survival of any government in Baghdad. Thus far, the Nuri al-Maliki government has managed to bring Americans and Iranians together for several meetings in Baghdad, and Tehran appears to have reined in Muqtada al-Sadr by insisting he abide by his ceasefire and draw down his militia. But Muqtada is not an Iranian loyalist. That role is reserved for ISCI, which has proven itself to be a much more witting tool and ally of Iran. Prime Minister Maliki and other prominent Iraqi Arabs and Kurds certainly discuss security issues with the Iranians. The Iranians, in turn, have made clear to Iraqi leaders their opposition to any Iraqi-American security pact that would permit an extended U.S. military presence in Iraq or allow the U.S. forces to monitor or attack it from Iraqi bases.<sup>6</sup>

## Avoiding Risk, Seeking Opportunity

Living in the shadow of their larger neighbors to the north, Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman have preferred to have outsiders define their security policies and needs (or, more aptly, allowed them to do so) since the 1960s. New to acting as states rather than tribes, not yet wealthy from oil, and accustomed to letting tradition determine the governance and institutions of civil society, the smaller Arab states of the Persian Gulf initially

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followed their colonial protector, Great Britain, to shelter themselves from the Arab and Persian nationalist storms that periodically swept through the neighborhood. The exception was Saudi Arabia, which enjoyed better relations with the United States than with the United Kingdom. When the British decided they could no longer afford to protect the Gulf Arabs and withdrew in 1971, the smaller and more fragile Gulf states turned to the United States to assume the British mantle.<sup>7</sup> Concerned about possible Soviet encroachments in the Gulf, President Richard Nixon created the Twin Pillars policy, which designated Iran and Saudi Arabia as proxies for U.S. military presence in the region.<sup>8</sup> This was followed by the Carter Doctrine on U.S. military engagement in the Gulf and the expansion of American force presence and operations during the Iran-Iraq war.

Through the 1970s and 1980s, the Arab states of the Gulf faced the hegemonic ambitions of Iran, first under the secular and intensely nationalistic regime of the shah and then under the revolutionary Islamic Republic of Iran, also nationalistic and determined to export its revolution across the Gulf. In between Iranian challenges came Iraqi feints

at territorial acquisition as well as attempts to gain influence in decisionmaking on Gulf and wider Arab political, economic, and strategic affairs. In 1981, as the Iraq-Iran war continued and Iran broadened its efforts to export its revolution, the six states formed the Gulf Cooperation Council (GCC).<sup>9</sup> It was not intended to be a political or security organization similar to the European Union or the North Atlantic Treaty Organization; instead, its members focused on common economic interests, such as forming a common customs union and trade zone and cooperating in local police and security matters.

## Changing Perceptions

Are security perceptions in the Gulf states changing? The answer, clearly, is yes. Gulf Arab security policies have traditionally been based on risk avoidance, collective reaction, and reliance on nonregional powers to ensure their security and survival. The strategy was to avoid provoking either of the dominant and powerful governments in Baghdad or Tehran, pay for protection, use arms sales as an extension of foreign policy, and above all, maintain a balance of power in the Gulf. Iraq's invasion and occupation of Kuwait in 1990 should have exposed the weakness in this form of strategic thinking, but the Gulf governments preferred to maintain the kind of balance of power they once felt comfortable under—a balance maintained by cordial relations with regional powers and backed up by a more distant U.S. presence.

Several developments in the past few years have begun to produce a significant shift in the strategic thinking of the Gulf states. The first—the spread of terrorist attacks by groups using religion to justify their actions—accelerated following the al Qaeda attacks on the United States on September 11. Al Qaeda and other Sunni extremist elements accuse the Al Sa'ud and other ruling Gulf Arab families of being un-Islamic and puppets of the United States and have conducted a series of terrorist operations on Saudi and American targets in Saudi Arabia. Youths from many Arab states have been recruited for operations in Iraq, and press reports indicate Gulf nationals have been caught in Iraq and on

their return to the Arabian Peninsula states. Consequently, the Gulf states are more sensitive to homegrown terrorism than ever before.

The second major development is the rise of political and sectarian movements demanding political reform. All of the Gulf states are witnessing the growing political influence of ultraconservative religious, ethnic, and tribal factions. These factions demand a greater role in decisionmaking, constitutional limitations on ruling family power, adherence to a stricter interpretation of Islamic law, and an end to corruption in government. In Kuwait, for example, elections for the national assembly in May 2008 saw Islamists and tribal conservatives significantly increase the number of seats held in the assembly to nearly half. These conservative elements are now challenging the ruling Al Sabah family for the right to appoint cabinet ministers and for limitations on the power of the amir.

The toppling of Saddam's regime and the election of a non-Sunni government in Baghdad has had a major impact on the Gulf Arab states. They see risk whether Iraq fails or succeeds. A failed Iraq means more cross-border terrorists entering or returning to the Gulf intent on overthrowing the traditional ruling elites. It also raises the risk of sectarian or ethnic unrest in countries where significant minority populations have long been discriminated against by Sunni, Wahhabi prejudices and Arab nationalist sentiment. If Iraq succeeds in stabilizing under a democratic-leaning, elective form of governance, especially one with a weak central government and strong semi-independent provincial authorities, then the Gulf states worry about the export of "advanced" political ideas, which they say their countries do not need or are not prepared to adopt. Either strategically or tactically, they no longer see Iraq as the eastern flank of the Arab world and protector of the Sunni world against the Persian Shia crescent; rather, they now see Iraq as potentially providing strategic depth for a hegemonic-minded Iran.

The Gulf Arab states have only recently begun to express unease with a nuclear-empowered Iran. Loath to provoke Iran by denying its right to nuclear energy capability, the Gulf Arabs now speak openly of their

concerns about Iran developing nuclear weapons, given Tehran's insistence upon full-cycle control of uranium enrichment and the possibility of as many as 20 more nuclear powerplants strung out along the northern shore of the Gulf. They deny Iran would use a nuclear weapon against them, but their fears of weaponization appear at this point to be second to fear of environmental damage from a Chernobyl-style accident or natural disaster (such as an earthquake at a nuclear plant built on or near a fault) and Iran's lack of responsibility or preparation for consequence management in the event of a nuclear accident.

Finally, the Gulf Arabs worry that the United States would launch war against Iran or negotiate security issues with Iran without consulting Gulf friends and allies. Should the United States launch military operations against Iran, it would be the fourth Gulf war in one generation. Gulf rulers would like the United States to consult them before taking any initiatives—hostile or friendly—toward Iran. Privately, many admit that they would feel compelled to support the United States but are uncertain about its willingness to honor its commitments to their stability and security (meaning their survival).

## Gulf State Options?

The GCC states are consumers and not producers of security. They publicly urge the United States to get out of Iraq but only after establishing a secure and stable government there. For them, Iraq is the litmus test. If the United States does not stay the course in Iraq, then how strong will American commitments be to the Gulf governments? Their response to these new risks has been to reconsider their strategic options. The most important shift has been to seek stronger commitments to their security not only from the U.S. and European governments but also from new friends and customers in Asia (China, India, and Japan) who may be willing to extend security guarantees in exchange for assured access to oil, investment, and arms sales. The extent of their discussions with European and Asian governments is unclear, but France, Germany, and Spain have been talking with individual members of the GCC about secu-

rity issues (France agreed in January 2008 to deploy a 500-man contingent to the United Arab Emirates). China, India, and Japan are increasingly dependent on Gulf oil and gas, but none seems interested in contributing to Gulf security or protecting sealanes and access to oil and gas.

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In response to Iran's nuclear aspirations and threat, the Gulf Arab states have announced their interest in acquiring nuclear energy facilities similar to Iran's civilian nuclear energy program. Together, the GCC states control nearly half the world's known oil reserves, but mostly in response to Iran's nuclear programs, several Gulf states have expressed interest in nuclear energy for domestic energy consumption. The International Atomic Energy Agency (IAEA) sent a team of experts to Riyadh in 2007 to discuss building nuclear energy plants. Saudi Arabia, Bahrain, and the United Arab Emirates seem especially interested, but all declare that any nuclear energy facilities built would be placed under IAEA and Nuclear Nonproliferation Treaty safeguards.<sup>10</sup>

Underlying these options is the desire of the Gulf Arab governments to avoid provoking Iran. They would prefer to keep the diplomatic door open and maintain correct relations with their large and powerful neighbor. In keeping this option, the GCC allowed Iranian President Ahmadinejad to speak to its annual summit in December 2007. Saudi Arabia then welcomed him when he made his first hajj, the annual pilgrimage to Mecca and Medina required of all Muslims. This was the first appearance by an Iranian at a GCC meeting and the first hajj visit by a sitting Iranian president.<sup>11</sup>

## Looming Choices for Regional Strategy

For the next U.S. administration, much is at stake in the Persian Gulf. Since the 1980s, the United States has enjoyed virtually unchallenged preeminence in maintaining Gulf security. Oil was relatively cheap in price and plentiful in supply, and Asia was not a major competitor for the world's energy resources. But all that is changing. The number of outside powers with access to and influence in the region is clearly growing; Iran's ambitions have not ebbed; Iraq's future stability and external orientation remain very much an open question; and the Gulf Arab states face internal pressures for reform. In fashioning its options, the United States faces a number of tough choices, including the following.

***Engage or Isolate Iran's Government.*** American administrations since the 1979 Islamic revolution have believed that the Iranian regime's most important goal was recognition of its legitimacy and that talking to Iranian leaders would be tantamount to recognition and a reward for bad behavior. The tactic may have been effective in the 1980s, when Iran was at war with Iraq and intent upon exporting its extreme version of Islamic revolution to Iraq, Lebanon, and the Gulf. But denial of recognition may no longer be a trump card for the United States. Neither President Ahmadinejad nor Supreme Leader Khamenei appears intimidated by our refusal to recognize the Islamic Republic. More important to Ahmadinejad and most Iranians is recognition and acceptance of Iran's claims to be the dominant power in the Gulf region and a participant to be consulted in matters dealing with the greater Middle East, including Israeli-Arab and Lebanese issues. The challenge for any U.S. engagement policy would be to avoid giving Tehran the impression that Washington is acceding to its preeminence as opposed to seeking common ground on issues such as Iraq's survival as a unified state and avoidance of the Sunni-Shia/Arab-Kurd "clash of civilizations" that some scholars and political leaders in the region predict. Whether or not engagement is pursued, harsh American

rhetoric needs to be toned down, since it has only served to enhance the Iranian president's stature among Iranians and has made it easier for Tehran to deflect attention from those aspects of its behavior that its neighbors regard as threatening.

***Maintain or End Sanctions That Preclude Economic Investment in Iran.*** The sanctions placed on Iran by the United States in 1979 remain in force today. They have slowed but not stopped Iran in

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rebuilding its military infrastructure or acquiring the technology and training necessary to build a nuclear capacity, and they have hindered foreign investment in Iran. The United Nations (UN) this year approved what its members describe as tough sanctions, including shutting down Iranian banks operating abroad. Sanctions, however, have not pressured Iran to modify its behavior regarding support for extremist groups, opposition to the peace process, or suspending uranium enrichment. Inept leadership and poor economic planning have probably done more harm to Iran than U.S.-imposed sanctions. Iran's political well-being depends on wise economic decisions, including raising salaries and living standards for the Iranian people, creating jobs, and investing in Iran's petrochemical industries. Acquiescence to a pipeline project to carry Central Asian gas and oil, for example, would be an important signal of U.S. awareness of Iran's economic needs but would probably annoy Turkey and Russia. It could also defuse potential Iranian dependence on Chinese investment in the energy sector of its economy. European sanctions may bring a greater popular outcry against

Ahmadinejad's economic and security policies, but the regime appears to be coping effectively with potential critics and opponents by playing the nationalist card and threatening retaliation.<sup>12</sup>

***Seek Progress on Common Interests Before Tackling the Larger and More Complicated Issues.*** Iraq and our friends in the Gulf will continue to move cautiously in developing ties to Iran. Those ties, for now and the foreseeable future, will probably remain limited to cooperation on trade, commerce, police matters, and intelligence-sharing on drugs and narcotics trafficking. They are not likely to conclude any significant security pact whose terms would include a demand for the withdrawal of U.S. military forces from the region. Gulf governments may prefer to avoid antagonizing their larger and more dangerous neighbors, but they also realize that U.S. commitment to their security and presence, however invisible they may pretend it is, allows them the freedom to negotiate with former enemy Iran and, at some point in the future, Iraq.

***Push Hard on American-style Political Reform or Replace Talk of Democracy with That of Common Interests and Mutual Dependency.*** Even without U.S. pressure, the GCC states and Iraq will face daunting domestic challenges over the next decade, including rising demands for an end to authoritarian rule (meaning monarchies, ruling families, single parties, or tribes), and greater restrictions on or opportunities for women. There may be problems of overdevelopment and a risk to the fragile Gulf ecosystem from increased tanker traffic, lack of potable water, or a nuclear accident or oil fire. The region also faces a challenge to keep small, rich populations happy and expatriate labor unorganized and isolated (more than 85 percent of the population of Qatar and the United Arab Emirates is foreign labor, for example). The United States will need to choose its issues carefully, especially since a strong public stance on domestic political reform often triggers local cynicism that the United States does not live by its ideals and that its security is heavily reliant upon dysfunctional governments or unpopular regimes.

**Promote Cooperative Relations between Iraq and Its Gulf Neighbors.**

Conventional wisdom suggests that for the next 10 to 15 years, Iraqis will need to concentrate on reinventing themselves, their identity, and their political institutions and economic infrastructure. For that process, they will need cooperation from their neighbors in stabilizing trade and development plans and maintaining secure borders. Iraq's new government, however, may have a different agenda. In the short term, Iraq's government is already looking at ways to consolidate its authority over the entire country and bring disputed areas under central control. In the long term, Iraq could decide to claim its "rightful" place as leader of the Gulf and resume efforts to acquire weapons of mass

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destruction. If it does, Kuwait had better look to its borders and the GCC to its alliances. The Gulf states do not agree on cancelling Iraq's debts from the Iraq-Iran war; Kuwait in particular opposes forgiving even part of Iraq's debt or ending reparations payments due it under the UN Security Council resolutions of 1991. Probably the most serious block to cooperative relations between Iraq and its neighbors and the most serious test for U.S. policies will lie in Baghdad's quest for advanced weapons systems, including advanced American F-16 aircraft.<sup>13</sup>

**Pursue Effective Deterrence and Collective Defense Options at the Same Time.** While continued arms sales to the Gulf are no panacea for countering a nuclear-armed Iran, two other frequently mentioned alternatives have their own drawbacks. The first is a regional nuclear-free zone, but neither Israel nor Iran seems

the least bit interested. The second is to turn the GCC into a regional defense and security organization that would include Iraq, Yemen, and, eventually, Iran. Unfortunately, the GCC would be hard pressed to become the Persian Gulf's or Middle East's equivalent of the Organization for Security and Co-operation in Europe or the European Union. Pan-regional solutions will not work; they are too broad in scope and too vague in purpose. Alternatively, the United States, in conjunction with our European partners and Asian states dependent on the region's energy resources, could cooperate in supporting the establishment of a subregional security organization as a venue for threat reduction talks and confidence-building measures and encourage Iran, Iraq, Yemen, and the Gulf states to join it. Similarly, the United States should engage Europe, non-Gulf Arabs (Egypt), and Asian powers with influence in the region to address security issues that are not specifically military. Most states in this region share transnational problems—terrorism, religious and nationalist extremism, organized crime, arms smuggling, illegal immigration, environmental pollution, drug and human trafficking, disease, poverty, lack of water resources, and desertification—and need transnational solutions.

**Offer the GCC Expanded Security Guarantees and a Smaller Military Presence.** In the face of a nuclear-capable Iran or a rearmed Iraq, the Gulf Arabs are likely to seek expanded U.S. guarantees of enhanced protection and promises to defend them if a confrontation is imminent. This could include advanced missile defense systems or inclusion under the American nuclear umbrella. They are not likely,

however, to support an American policy of preemptive strikes to lessen their Iran problem or to welcome the presence of a substantial U.S. military force on "bases" or with access to base facilities. They will not join Iran in a security arrangement that would preclude a U.S. presence in the Gulf, reflecting in part their understanding that that presence allows them to improve relations with Tehran now and Baghdad some day. At the same time, the Gulf regimes are wary of closer ties to the United States, fearing popular protest to the costs of the presence of the United States and the dependence on it for protection their governments should be able to provide.

**Looking Ahead**

The U.S. military is likely to be in the Gulf for some time. The desire to reduce its footprint and the vulnerability of forward deployed forces needs to be balanced against the diplomatic and deterrent value of a visible presence in the Gulf. If friends and enemies no longer see U.S. forces and operations, they may conclude that the Gulf governments are once again vulnerable to intimidation or outright threat and that Washington is less likely to defend its interests and honor its security commitments in the region.

In approaching decisions on the American future forward presence posture for the Gulf, several political realities need to be taken into account. While rumors about Iranian and Iraqi strategic intentions and preferences for regional dominance are rife, Iraq and Iran are not perceived by the GCC states as immediate threats to regional security, and most believe the United States

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needs to shape strategies to engage Iraq and Iran positively. U.S. preferences for balancing security in the Gulf invariably carry weight in the region, but Washington probably has less influence than it once had in dictating behaviors and alliances. It is only realistic to expect that these states will pursue the strategies that best suit their needs of the moment. Iran, too, thinks in terms of survival and will try to shape the regional security environment to ensure it.

It would be a mistake for U.S. policy-makers to assume Gulf security issues can be kept isolated from other regional concerns. Palestine is still important, even if the motives of some Arab governments may be less altruistic regarding the fate of the Palestinians. Justice for the Palestinians and control of the sites sacred in Islam, especially the Haram al-Sharif in the Old City of Jerusalem (site of the Temple Mount, where the Dome of the Rock and al-Aqsa mosques sit) are issues that resonate with the Arab and Muslim street. No Arab ruler can ignore these issues or pretend that domestic security is more important. The fact or perception of Israeli intransigence as well as divisions within the Palestinian Authority and U.S. reluctance to take the lead in finding a solution all shape Iranian and Gulf Arab public attitudes and damage U.S. influence

in the region to a significant degree. Finally, political change in Iran may come smoothly or violently, but it will not alter a defense strategy based upon the goal of acquiring a nuclear capability and is unlikely to lead to major reversals in Tehran's foreign and security policies.

#### Notes

<sup>1</sup> For further discussion of Iranian ambitions and regional reactions, see Judith S. Yaphe and Charles D. Lutes, *Reassessing the Implications of a Nuclear-Armed Iran*, McNair Paper 69 (Washington, DC: National Defense University Press, 2005).

<sup>2</sup> For Saddam's rewards and punishment of Iraq's Shia, see Faleh A. Jaber, *The Shi'ite Movement in Iraq* (London: Saqi Books, 2005), and *Ayatollahs, Sufis, and Ideologues: State, Religion, and Social Movements* (London: Saqi Books, 2002).

<sup>3</sup> Muhammad Baqr al-Hakim was the spiritual leader of the movement; he was assassinated in August 2004 outside the Imam Ali Mosque in Najaf. Abd al-Aziz was in charge of the Supreme Council of the Islamic Revolution in Iran's (SCIRI's) militia, the Badr Brigade, and fought with Iranian forces against Iraq in their 8-year war. He currently heads the organization. Apparently at the suggestion of the Iranians, SCIRI changed its name to the Supreme Islamic Council in Iraq (SICI or ISCI) last year.

<sup>4</sup> Personal interviews, 2005–2008.

<sup>5</sup> Interviews, 2006–2008.

<sup>6</sup> Maliki made his second visit as prime minister in June 2008. President Jalal Talabani, Foreign Minister Hoshyar Zebari, and Kurdish officials have also visited or consulted with Iranian officials, including senior Iranian Revolutionary Guard Corps representatives. See Andrew E. Kramer, "Iraqi Premier is Expected to Discuss Allegations and Aid in Iran Visit," *The New York Times*, June 3, 2008, A12.

<sup>7</sup> For a short history of the U.S. military engagement in the Persian Gulf, see Richard Sokolsky, ed., *The United States and the Persian Gulf: Reshaping Security Strategy for the Post-Containment Era* (Washington, DC: National Defense University Press, 2003).

<sup>8</sup> The United States first entered the Gulf with a small naval presence—the U.S. 5<sup>th</sup> Fleet—in 1947 in Bahrain and an Air Force presence in Dhahran, Saudi Arabia, from the 1940s through the early 1960s.

<sup>9</sup> In 2001, the Gulf Cooperation Council (GCC) extended a special status to Yemen but is reluctant to extend full membership to Yemen, Iraq, or Iran.

<sup>10</sup> Other nations that have said they plan to construct civilian nuclear reactors or have sought technical assistance and advice from the International Atomic Energy Agency (IAEA), the Vienna-based United Nations nuclear watchdog agency, in the last year include Egypt, Jordan, Syria, Turkey, and Yemen, as well as several North African nations. See Bob Drogin and Borzou Daragahi, "Arabs make plans for nuclear power," *Los Angeles Times*, May 26, 2007.

<sup>11</sup> Iranian sources claim the GCC invited Ahmadinejad to speak, but Gulf officials say the Iranian invited himself to Doha for the annual summit. He reportedly spoke about a 12-point plan for regional security, but no further information has been made available. The Arab press has begun speculating that Ahmadinejad will be invited to this winter's meeting.

<sup>12</sup> For the latest IAEA report on Iran's enrichment activities, see "Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions 1737 (2006), 1747 (2007) and 1803 (2008) in the Islamic Republic of Iran," GOV/2008/38, September 15, 2008. The Board of Governors announced that it had reached an impasse with Iran over its refusal to account for previous military research, noted that Iran had made "substantial gains" in its enrichment efforts, and concluded that Iran's resolve to build its nuclear infrastructure in defiance of international standards had hardened. See also Joby Warrick and Thomas Erdbrink, "U.N. Agency at 'Dead End' as Iran Rejects Queries on Nuclear Research," *The Washington Post*, September 16, 2008, A17.

<sup>13</sup> Arab press reports in September 2008 reported that Kuwait and Iraq's Kurds had both objected to the Iraqi armed forces receiving aircraft that could be used once again to attack them.