8

The Middle East in a decade of globalisation (1991–2001)

While for much of the world globalisation is associated with growing interdependence and the spread of 'zones of peace', in the Middle East the decade of globalisation was ushered in by war, was marked by intrusive US hegemony, renewed economic dependency on the core and continuing insecurity, and ended with yet another round of war in 2001.

In the early 1990s, prospects looked different to some observers: the end of the Cold War, the second Gulf War, and the advance of economic globalisation seemed to provide a unique opportunity to incorporate the area into a 'New World Order' in which the struggle for power would be superseded by the features of the pluralist model – complex interdependence, democratic peace. The defeat and discrediting of Iraq's militaristic Arab nationalism, the beginnings of the Arab–Israeli peace negotiations, and a Washington-imposed Pax Americana were to facilitate creation of the co-operative security arrangements needed to tame the power struggle. The consequent dilution of insecurity, together with the exhaustion of economies from arms races, would allow economic development to push military ambitions off state foreign policy agendas. Access to the global market and investment would both require and encourage policies of peace (Solingen 1998) which, in turn, would foster regional economic interdependence and co-operation in resolving common problems such as water scarcity. This would create vested interests in peace, while public opinion, exhausted by war and acquiring enhanced weight from democratisation, would restrain state leaders. In consequence, the regional system would move, in Korany's words, 'from warfare to welfare'. The final displacement of Pan-Arabism by the doctrine of state sovereignty would allow 'normal' state-to-state

relations based on shared interests and accord non-Arab states such as Turkey and Israel legitimate membership in a 'Middle East system' (Barnett 1996–97; Ehteshami 1997; Korany 1997; Tibi 1998).

In fact, few of these benign expectations for regional order were realised in the first decade after the Gulf War. Globalisation proved to be very uneven in its economic impact on the region and seemed to benefit a few at the expense of the many; as such, it was an obstacle to rather than an impetus to democratisation. The Arab–Israeli peace process dead-ended and arms races actually accelerated. While the intractability of regional conflicts and problems helped derail the benign promise of globalisation, an equally important factor was the way the much-intensified penetration of American hegemonic power was applied in the region. There is much debate over whether a world hegemon exercises its power in a largely self-interested way or whether successful hegemony means satisfying the interests of a wide range of lesser powers. In the developed core, where Washington must deal with other major powers and is itself locked into interdependencies, its role may be relatively benign; but in the Middle East its power was applied so systematically on behalf of a minority of privileged clients and so aggressively against others that it was widely perceived as a malign hegemon. Many regional states sought to use, evade or appease American power but, given the weakness of the region, it was perhaps inevitable that actual resistance would chiefly take a non-state form. The September 11 2001 attack by Islamic terrorists on the very heart of America led the US into its second Middle East war in a decade. At the end of 2001, the region, far from entering the 'zone of peace', was at risk of becoming the arena for a 'clash of civilisations'. What went wrong? Such an outcome might have been anticipated given the way globalisation was ushered into the Middle East – namely by a profoundly unequal war whose outcome gave the Western victors excessive power over the region and insufficient incentive to satisfy the interests and values of the region's states and peoples.

The second Gulf War

The second Gulf War represented a watershed event in the Middle East that sharply underlined how far it is a 'penetrated system', its politics a product of interaction between global and local forces. The war, likewise, can only be understood by recourse to variables

on multiple 'levels of analysis'. Regional level conflicts and Iraqi political economy largely explain the Iraqi choices that unleashed the war. However, there would have been no war without global level factors, namely, an American attempt to secure global hegemony that was intimately connected to a struggle over the international oil market. Finally, despite the grave issues at stake, it was the peculiarities of the policy process inside the two main protagonist states that made a violent resolution of the conflict unavoidable. Without the interaction of all these levels, there would have been no second Gulf War.

Level one: formation of a 'war state'

Saddam's Hussein's decision to invade Kuwait provoked the second Gulf War but this was not a purely idiosyncratic choice, for Iraqi state formation produced a certain kind of state which made war possible, in certain circumstances even likely, though not necessary. The very weakness of Iraq at its birth as a state produced a reaction, a drive to overcome this weakness at home and abroad, which turned Iraq, in Mufti's words (1996: 220–30), into a 'war state'.

Iraq's weakness was a function of its formation as a artificial state, arbitrarily carved by Great Britain out of conquered Ottoman domains and combining three ethnically different regions which shared no history of statehood or common identity – the Sunni Arab centre around Baghdad, a majority Shi'a south and the Kurdish north. None of Iraq's pre-Ba'th regimes found a viable state-building formula which could stabilise this centrifugal society. The monarchy, resting on a thin stratum of landlords and tribal chiefs and lacking popular support and nationalist legitimacy, was only kept in power by the British; ironically, the one issue which united most of Iraq's disparate politically active population and produced the 1958 revolution was opposition to British tutelage. The 1958 revolution marked the mobilisation of the masses into politics but the military regimes that emerged from it were too fragmented to build the institutions needed to incorporate the mass public; their attempts to stay in power by balancing competing forces resulted in fragile regimes barely controlling a country seemingly made ungovernable by the rival mobilisation of Shi'a communists, Arab nationalists, Ba'thists and the Kurdish KDP (Batatu 1978; Bromley 1994: 135–8; Frankel 1991: 18; Mufti 1996: 98–167).

All this only changed after the second Ba'th regime, which seized

power in a 1968 coup, finally found a workable power formula. First, the Ba'thist leadership, a product of a decade of unrestrained power struggle, was convinced that only utterly ruthless treatment of opponents could defeat the natural rebelliousness of Iraqi society. Moreover, the man who survived the post-1968 power struggles within the regime, Saddam Hussein, an urban guerrilla turned Stalin-like organiser, was arguably the 'fittest' to survive in this environment. To consolidate his position, he relied on kin and sectarian *assabiya* to construct a patrimonialised power centre while brutally purging rivals and forging new instruments of power. The Ba'thisation of the army and intensive intelligence surveillance rid the officer corps of factionalism and finally put an end to the age of coups; the army's massive increase in size gave the regime, for the first time, thorough control over Iraqi territory. In a burst of organisation building, the Ba'th party expanded from a conspiratorial group into a 500,000-member 'institutionalised and deeply invasive' Leninist apparatus with another million supporters or sympathisers (Miller and Mylroie 1990; Mufti 1996: 204; Norton 1991: 25).

The 1970s nationalisation of the oil industry and the oil boom put soaring oil revenues in the hands of the government: its share of GNP doubled from 39 to 60 per cent and its share of investment from 50 to 70 per cent (Mufti 1996: 202–3). This control of the economy gave the regime massive patronage resources, enabled bureaucratic expansion which recruited nearly a million state workers dependent on the government for their livelihoods, and provided the wherewithal for crash modernisation in which infrastructure – roads, telephones – doubled and state penetration of society increased. Oil relieved the state of the need to extract taxes, giving it considerable autonomy of society. It also allowed the public sector to remain dominant in an age of *infitah*. Although private crony capitalism was encouraged among regime clients, the party and the regime's clientalist networks remained ladders of political recruitment from plebeian strata, diluting the consolidation of state elites into a new bourgeoisie. No bourgeois class formed to balance the state elite or with a stake in economic *infitah* as in Egypt where this class helped subordinate nationalist ambitions to participation in the world economy (Bromley 1994: 139–41).

Lacking a class base, the regime remained threatened by deep-seated sectarian-ethnic cleavages which, in the absence of a secure

Iraqi national identity, could only be contained by extraordinary means. Autonomous civil society was eradicated and citizens incorporated in all-encompassing totalitarian structures of control, co-opted by material benefits and the developmental achievements of the regime, or demobilised by fear enforced by a vast network of informers and a pervasive secret police (Norton 1991: 25). State patronage was used to divide the population, favouring or disfavouring groups on the basis of perceived loyalty (Bromley 1994: 139). All opposition from the Kurdish or Shi'a communities was brutally repressed; indeed, during the Iran–Iraq war, 250,000 Shi'a supposedly of Iranian origin were expelled to Iran, Kurdish villages suspected of rebellion were razed and relocated and mass killings were carried out (Khalil 1989; Mufti 1996: 229–30).

At the same time, Arab nationalist ideology was used to legitimise the state, in the first instance to consolidate a Sunni support base, but also to bridge the gap with the Shi'a. Many Sunnis felt limited affinity for a separate Iraqi state in which, indeed, they were a minority and found Pan-Arabism a much more attractive identity. Paradoxically, the regime also secured support from Sunnis by exploiting the threat to the integrity of the secular state and its officially dominant Arabism from Kurdish separatism and Islamist Sh'ia groups inspired by Iran. Many Shi'a were attracted by upward mobility through state jobs and by their systematic recruitment into the ruling Ba'th party, which promoted the Arab identity they potentially shared with the Sunnis. The Iran–Iraq war was the test of this control strategy. That the majority of the population and the bulk of wartime conscripts were Shiite and hence possibly susceptible to the appeal of Iranian revolutionary Islam against their own Sunni-dominated secular state, was the regime's potentially fatal liability. Yet there were no Shi'a uprisings or defections to Iran during the war even in the face of major defeats (Gause 1991: 17).

Iraq's state formation had several key consequences for its foreign policy. First, the credibility of its state-building Arab nationalist ideology required Iraqi leadership on the Pan-Arab stage. Iraqi leaders, from the very founding of the state, imagined that Iraq had the potential to be the Prussia of Arab politics but for years this role fell to Egypt while Iraq was preoccupied with instability at home. With the rise of the Ba'thists to power an ideological thrust was given to the notion that the arena of political competition was not within a single state, but a contest for Pan-Arab leadership; once

they consolidated the state at home, they started to act on these ambitions in the region (Mufti 1996: 194).

Secondly, if the arbitrary drawing of Iraq's borders had created an artificial state within, it also artificially excluded much as well. In particular, Iraq's southern and south-eastern borders with Iran and Kuwait were forced on it by Britain explicitly to limit its access to and power projection in the Gulf, its economic lifeline. This built a powerful irredentism into Iraq's very fabric. Recurrent Iraqi leaders, from King Ghazi to Abd al-Karim Qasim, contested Kuwait's independence, insisting it had been a part of Iraq under the Ottomans until separated under British tutelage. The disputed and ill-defined Iran–Iraq border along the Shatt al-Arab put Iraq into permanent conflict with a more powerful Iran against which it was mostly on the defensive. Iran under the Shah supported Kurdish insurgency against Baghdad which forced Iraq to accept a 1975 readjustment of the boundary to its disadvantage. This situation both generated considerable insecurity in Baghdad and inflamed irredentist grievances (Frankel 1991: 17–18; Tripp 2001: 168, 170, 179–82).

Third, the regime, which always rested on a military pillar of power, created, during the Iran–Iraq war, an enormous, profession-alised military machine with some 1 million soldiers under arms at the end of the war. It was, moreover, well equipped with advanced weapons financed by oil or debt and provided by Western states seeking profits or anxious to see Iran contained. What had once been a defensive Iraq, barely able to control its own territory against Kurdish insurgency, was, by the end of the Iran–Iraq war, in a posi-tion to pursue an activist foreign policy against weaker neighbours.

Fourth, the paradox of Iraq's oil-driven development was that the investment of oil revenues in rapid modernisation, education and welfare created what seemed to be the Arab world's most developed state with the most balanced power assets; but, at the same time, oil-fuelled development created a new dependency on imported machinery, food and consumer goods which would make Iraq par-ticularly vulnerable to economic pressures and fluctuations in the price of oil (Mufti 1996: 202–3). Indeed, in the aftermath of the Iran–Iraq war, Iraq, deeply indebted to both Western and Gulf Arab creditors, suddenly discovered its access to foreign imports restricted and the leverage of its rich Gulf funders over it enhanced. Iraq's massive build-up of military power in excess of its own substantial

economic base had bankrupted it. For Saddam, the invasion of Kuwait appeared to be a solution to this dilemma. However, additional regional level factors, specifically Saddam's Pan-Arab ambitions, the Kuwait–Iraq conflict, and a regional power imbalance helped create the environment in which this decision could seem rational.

Level two: an unstable region

Regional conflicts, ambitions and power imbalances   Once the Iraqi state was, by the late 1970s, relatively secure at home, it was better positioned to act on its regional grievances and ambitions. Saddam made Iraq into an aggressive actor in inter-Arab politics, seeking to destabilise the rival Ba'thist regime in Syria and to isolate Egypt after Camp David. He promulgated a National Covenant, which, in Nasser style, sought to lay down Pan-Arab standards for the Arab states. While acknowledging the reality of independent Arab states, Saddam insisted that they should not allow foreign bases or troops and that the richer should share their wealth with the poorer (Mufti 1996: 221–9), an overt challenge to the Arab Gulf monarchies. In 1980, the threat from Iran was met, not by appeasement as in 1975, but by aggression. Saddam evidently saw this war as a way of mobilising the Arabs behind his ambitions (Mufti 1996: 220–30). In fact, it forced him to dilute his challenge to the Gulf monarchies whose financial help he needed for the war, but, by contrast to Egypt after its 1967 war, the costs of the war only temporarily moderated Saddam's ambitions.

Indeed, the most salient theme in regional geopolitics in the aftermath of the Iran–Iraq war was Iraq's bid for Pan-Arab leadership. Iraq saw itself as the victor in a war which had successfully defended the Arab eastern flank against Iran. It saw itself and was widely seen in the Arab world as the Arab state with the greatest power potential that entitled it to Arab leadership. At the same time, Saddam perceived threats and opportunities issuing from the end of the Cold War of which he sought to take advantage to assert this leadership. The decline of the Soviet Union and the tide of Soviet Jewish emigration to Israel threatened to shift the regional balance against the Arabs at a time when, under the Likud, Israel was rejecting the latest bid for a negotiated settlement to the Arab–Israeli conflict. Taking advantage of the damage this did to moderate Arab leaders, notably

Egypt's Mubarak who promoted his role as Arab-Israeli inter-locutor, Saddam proposed a confrontational stand against Israel's American backer, urging the use of the oil weapon, and, in response to Israeli threats, warning that he would burn half of Israel (with chemically armed missiles) if it attacked any Arab country. The enthusiastic mass response to this strengthened and emboldened Saddam. But his bid was rejected by Egypt and Saudi Arabia which, together with Syria, started forming a new anti-Iraq axis. Invading Kuwait was, in part, a gamble to force his leadership and strategy of confrontation on his rivals, but, in fact, it only strengthened their opposition to him (Khalidi 1991a: 170–1, 1991b: 60–1; *Christian Science Monitor*, 4 December 1990, 4 January 1991; *The Economist*, 29 September 1990).

The Kuwait–Iraq dispute was, of course, the immediate occasion of the invasion. Iraq's historic reluctance to accept Kuwait's legitimacy conditioned Iraqi attitudes in the dispute, but a more immediate issue was Iraq's attempts to secure access to the Gulf by either incorporating or leasing the Kuwaiti islands of Warbah and Bubiyan. Kuwait rejected this and sought to use Iraq's economic vulnerabilities to impose a final settlement of the boundaries between the two states to its advantage. The most immediate bone of contention, however, was what Saddam Hussein declared to be Kuwait's 'economic warfare' against Iraq: its 'over-pumping' of oil in excess of its OPEC quota, driving down the price of Iraq's oil exports; its encroaching on the Iraqi share of the jointly-held Rumailan oil fields; and its insistence on repayment of loans made to Iraq for the war with Iran – which Iraq interpreted to be a quid pro-quo for protecting Kuwait and the Gulf from the Iranian threat (Bahbah 1991; Khalidi 1991b: 62–5; *Christian Science Monitor*, 10 September 1990, p. 8).

Many states have comparable grievances against their neighbours, but few invade them. The relative permissiveness of the regional environment toward the use of force conditioned Iraq to opt for such means. To be sure, there was a Pan-Arab norm of peaceful settlement of disputes, underpinned by a tradition of inter-Arab mediation; both Egypt and Saudi Arabia tried to mediate the dispute with Kuwait but this 'Arab solution' failed: Kuwait seemed to play a reckless out-of-character game, apparently with American encouragement, of provoking rather than conciliating its powerful neighbour. But Arab political culture lacks the powerful normative

barrier to the violation of state borders which restrains states else-where: Saddam Hussein seemingly believed that he could legitimise his invasion as a blow for Pan-Arabism against artificial borders and the approval of segments of the Arab public suggests he was not wholly wrong (Halliday 1991: 395–8).

In the absence of institutionalised norms, it is the balance of power that must keep the peace. However, the Gulf region was afflicted by built-in chronic power imbalances from the contiguous position of weak rich states and large poorer ones. The build-up of Iraq's huge military machine in the Iran–Iraq war and the enerva-tion of Iran as a check on it as a result of the war's outcome exacer-bated these imbalances. Potential Soviet restraints on Iraq – a Cold War function of preventing local conflicts from escalating into superpower confrontation – had declined as Iraq became less depen-dent on Soviet arms and the USSR disengaged from the area under Gorbachev. In this situation, the map imposed on the region, specif-ically, the Iraqi giant contiguous with the Kuwaiti midget, was a structural invitation to war (Hiro 1991b; Khalidi 1991b).

Formation of an anti-Iraq Middle East coalition   Without creation of an anti-Iraq Arab coalition that could facilitate US intervention against Iraq, there would have been no war and possibly a very dif-ferent kind of 'Arab solution' to the invasion. Remarkably, however, the US managed to co-opt the three most pivotal Arab states into a Western-led coalition against another Arab state. Saudi Arabia, most crucial, provided the territorial base and a lot of the financing for the US intervention, while Egyptian and Syrian participation in the coalition were essential to managing Arab public reaction to it. Saddam's invasion of Kuwait had violated the norms of sovereignty which had been incorporated into the Arab elite consensus, but their support for Washington's assault on Iraq was itself such an egre-gious violation of Arabism that, arguably, they must have had other vital interests at stake to so risk the very bases of their domestic legit-imacy. While each had its particular motives, the dependence of all three states, in one way or another, on the US gave Washington crucial leverage over them. This construction of the coalition was both a symptom of – and a major watershed in deepening – the increasing American penetration of the region.

Saudi Arabia's motives for inviting the Americans in were, of course, security-centred. The Saudis probably did not expect an Iraqi

invasion, but in an anarchic system, one must prepare for the worst-case scenario and if Iraq succeeded in keeping Kuwait, it would be in a position to intimidate Saudi Arabia over the longer term. The driving factor in the Saudis' perceptions was that, being weak and rich in a dangerous neighbourhood, they could not do without an external protector and to deny the US the access to their territory it was demanding could well cost them American protection.

As the Arab world's pivotal state, Egyptian support for the Gulf coalition was crucial. If Saudi Arabia was motivated by its security dependency, Egypt's choice was ultimately motivated by its economic dependency. President Mubarak had worked assiduously to position Egypt as the 'moderator' of the Arab system: enjoying American confidence and Arab leadership, Egypt would be pivotal to resolving or containing regional conflicts, especially the Arab–Israeli conflict. It was in this capacity that Egypt was valuable to the West and entitled to the foreign aid on which its economy had become dependent. However, at a time when Egypt faced a growing debt crisis and the possibility of default, Saddam Hussein's promotion of a confrontational strategy toward the US and Israel threatened Egypt's role. On the other hand, the invasion presented a welcome opportunity to demonstrate Egypt's continued importance to regional stability and thereby win debt relief. In fact, Cairo was promised and given unprecedented debt forgiveness (Abdalla 1991; Haseeb and Rouchdy 1991; Hetata 1991).

Syria was essentially engaged in geo-political balancing. Iraq under Saddam was a major rival for Pan-Arab leadership and a potential military threat (especially after its war with Iran was over); the war was a chance to cut Saddam Hussein down to size. More important, however, was Syria's conflict with Israel over the Golan Heights for, with the end to Soviet patronage and protection in the post-Cold War era, Syria was exposed to a power-imbalance in Israel's favour and left without the military option needed to credibly threaten war in the absence of an Israeli withdrawal from the occupied Arab territories. Syria had no alternative to a negotiated recovery of the Golan and it could only hope to secure one if the US was prepared to broker an Arab–Israeli settlement that recognised its legitimate interests. Syria's diplomatic dependency on the US meant it had to bring Washington to put aside old animosities and accept Syria as a responsible power on the side of regional stability. The Gulf War was a golden opportunity to do so (Hinnebusch 1997).

Level three: the political economy of oil

The concentrated oil reserves of the Gulf were, of course, the main stake in the war: in one sense, the war was a north–south conflict over resources – specifically over the determination of the north, and especially the US hegemon, to keep control of vital resources located in the Arab Gulf but central to the economic health of the whole world capitalist economy. Direct US control over world oil was declining: its own proportion of world reserves shrunk from 34 per cent in 1948 to 7 per cent in 1972 and its share of production decreased from 20 per cent in 1970 to 10 per cent in 1991. Yet, in the same period that its imports had risen from 12 per cent to 50 per cent of its consumption (1970–91), OPEC had diluted the control of US MNCs over oil produced abroad. To be sure, in 1990 only about 12.5 per cent of US oil consumption was from Gulf sources and, in the short run, Iraq and Kuwait together supplied only 7 per cent of world oil demand. However, looking to the longer term, Iraq, Kuwait and Saudi Arabia controlled 40 per cent of world oil reserves. The concentration of oil reserves in such a turbulent region made guaranteed reliable access to them a vital interest that would have to be defended by whatever means (Kubursi and Mansur 1993: 7; Tanzer 1991: 264; *Christian Science Monitor,* 10 September 1990).

A shorter-term threat was Iraq's influence over the *price* of oil. Some argue that prices are determined by the global oil market, not producers – so there is some debate over the extent to which Iraq would have been able to control prices. However Saudi Arabia, with a 21 per cent share of world exports, was crucial to moderating prices and had great influence over the price of oil on the 'spot market'. Were Iraq to have retained Kuwaiti fields and remained in a position to intimidate Saudi Arabia, it might have been able to dictate prices, causing major economic headaches for Western governments. However, regardless of who controls the oil fields, they must sell oil on the international market where excessive prices reduce demand, eventually forcing prices down; moreover, even in the short run, Iraq, desperate for revenues (for reconstruction and debt re-payment) would likely have needed to maximise production, thus keeping prices at moderate levels. Hence, oil access and price are insufficient explanations for the high US/Western perception of threat from Iraq (*Christian Science Monitor* 7, 8 August 1990). In any case, if Iraqi intimidation of Saudi Arabia was the main lever by

which it could influence oil prices, this could have been neutralised by the deployment of defensive forces there, stopping far short of the war that was actually launched by Washington.

Equally important, however, to the oil relation between the 'core' and the oil-producing 'periphery' was the 'recycling' of the petrodollars accruing to the oil producers through Western banks and through the purchase of Western arms. The conservative Gulf monarchies moderated prices and recycled proceeds on a massive scale without threatening the West. Iraq, by contrast, had not acquired a stake in Western economic health through large-scale investment and while its arms purchases recycled petrodollars, once Iran was defeated this could not be allowed to continue since it overly strengthened Iraq.

A strengthened Iraq was all the more unacceptable because it threatened to *politicise* the oil relation. What was most alarming to the US was that Saddam Hussein had explicitly proposed the reactivation of the oil weapon, which meant making Western access to oil conditional on a favourable Western policy in the Arab–Israeli conflict. The West could not afford to have such an independent, even hostile regime in charge of 'the world's' concentrated oil reserves. Rather, it was crucial that oil remain in the hands of friendly regimes which, by virtue of their dependence on the US for security and their Western investments, had a shared interest with the West in ensuring stable unpoliticised access to oil at moderate prices. Iraq's power intimidated these regimes and its example threatened to destabilise them. What was at stake, therefore, was not access to oil but access on Western terms (Thomas Friedman, *NYT*, 12 August 1990, p. 1; Andrew Kopkind, *The Nation*, 10 September 1990; Doug Bandow, *NYT*, 17 September 1990).

Level four: the international system and US hegemony
The systemic transformation of the international system at the end of the Cold War and the looming end to US–Soviet bi-polarity provided the global context of the Gulf War. The Iraqi invasion of Kuwait was the precipitant of the conflict but it resulted in a global war partly because the US took it as a challenge to the world order that it wanted to shape and defend. Had such an invasion taken place during the Cold War or in some obscure part of the world where no global interests were at stake, there would have been no comparable global war.

With the end of the Cold War, the US was positioning itself as the unchallenged world hegemon. Wallerstein (1974) argues that, owing to the political fragmentation of the international capitalist system, its maintenance and expansion depends on a hegemon – a state qualitatively different in function from others, which enjoys preponderant economic, political and military power that is used to police challenges to global order. The hegemon also sustains the functioning of the world capitalist political economy by breaking down barriers to international trade and investment, protecting the interests of the international capitalist class (i.e. the multinational corporations) and ensuring the capitalist core's access to vital economic resources in the periphery, above all to cheap energy. The hegemon's success depends in part on the ideological hegemony of liberalism which generates a measure of consent but while this ideology dominates the core it is periodically challenged in the periphery and hegemony there is more likely to require the application of military power. Historically Great Britain played the role of hegemon, providing the main power and capital for dragging the Middle East into the international division of labour. After W. W. II, however, the US superseded Britain, seeking to absorb most of the Third World into the world capitalist system while militarily containing Soviet or radical nationalist challenges to it.

However, the US ability to play the hegemon was in doubt from the mid-1970s through the 1980s owing to the apparent economic decline attributed to its 'imperial overreach' – excessive military spending and lack of domestic investment combined with rising economic competition from Europe and Japan which were less willing than heretofore to defer to the US. Indeed, a Pentagon planning document in the late 1980s discussed the need for the US to defend its hegemonic power from such competitors. At a time when some of the other ingredients of US economic hegemony, such as financial assets and trading capacity, had declined, control of Middle East oil, including petrodollar recycling, was an all-the-more crucial instrument of hegemony and source of leverage over economic competitors.

It is no accident that US foreign policy and its watershed doctrines – from the Truman and Eisenhower Doctrines through those of Nixon, Carter and Reagan – all explicitly identified control of Middle East oil as central to the US national interest (Kubursi and Mansur 1993: 8). In the view of some structuralist analysts, the US

orchestration of the Gulf War was used to demonstrate the continuing indispensability of US hegemony to protecting the world capitalist core's control of oil against Third World challenges and restored the US protectorate over global oil resources. The war also ensured that Gulf petrodollars would continue to be recycled through US institutions and firms and therefore serve US competitiveness. In addition, in the Gulf War the US actually managed to make its imperial policing profitable by inducing its economic competitors (Germany, Japan) and clients (Saudi Arabia, Kuwait) to pay for the service (Aarts 1994; Bina 1993; Darnovsky, Kauffman and Robinson 1991; Kubursi and Mansur 1993).

US hegemony was also threatened by the perceived decline of the utility of military force. The US needed an opportunity to show the world that American military power was still usable and essential to world order. A Pentagon planning document before the Iraqi invasion identified the main potential threats to Pax Americana as militaristic Third World nationalist regimes. Iraq was fingered as a possible troublemaker owing to its attempt to acquire missiles and 'Weapons of Mass Destruction' (WMD) and its challenge to Israel. Once Iraq invaded Kuwait the advantages of confronting it came into focus. The Pentagon had wanted enhanced military bases in the Gulf since the mid-1970s, but the Arab Gulf states had demurred for domestic reasons; the invasion was a perfect opportunity to establish a greater presence and enhance America's ability to project power globally. It was also an opportunity to demonstrate US resolve to protect its regional clients, as a credible hegemon must. The military defeat of Iraq would demonstrate that US military force was effectively usable and send a warning to other potential troublemakers that, as President Bush put, it: 'what we say goes' (Klare 1991).

If the US was to retain hegemony, the US public had to support a globalist role but with the end of the Soviet threat, the US military-industrial complex needed a new mission to justify continued military spending. This new mission would be a Pax Americana, the defence of the liberal world order emerging from the defeat of communism against the remaining threat of Third World – especially Islamic – pariah states. Moreover, the Pentagon was determined that the war would be fought with the unrestrained application of its massive firepower and new high-tech military capabilities. Only if fought in this way would a war assure the American public that

international policing could be cheap and incur minimal casualties. The Iraqi invasion posed a perfect opportunity to banish the Vietnam syndrome at home (Klare 1991).

Whatever the US might have wished to do in the Gulf War, it was the collapse of bi-polarity that gave it the opportunity to act. In the Cold War bi-polar world, the risks of superpower confrontation would probably have restrained it. It was only the USSR's withdrawal from global competition with the US and, specifically, the end of Soviet opposition to the projection of US military power that made it possible for the US to mount an international coalition and to intervene in the Gulf on such a massive scale. The war hastened the collapse of the Soviet Union, as Gorbachev's pro-Western policy was part of the disaffection that produced the failed conservative coup and Soviet collapse. The collapse of East Bloc alternatives to capitalism and the end to Soviet patronage of Third World nationalism enormously increased the self-confidence of US elites that a capitalist Pax America could be imposed against lingering resistance in the Third world.

This is not to argue that the US planned the war or even that it was waiting for the opportunity that the Iraqi invasion presented. Indeed, the invasion apparently took Washington by surprise and it was not even initially prepared or seemingly keen to act. But once policy makers assessed their options and realised the opportunities could outweigh the risks of intervention, they quickly determined on one and set out to mobilise the support needed to undertake it.

Level five: decision-making

While geopolitical analysis tries to identify the 'objective' interests, threats, opportunities, and capabilities of states, analysis of the decision-making process is necessary to understand how and why a country reacts to its geopolitical situation as it does. Analysis of how states choose between conflicting goals and match means with them frequently reveals leadership flaws, such as misperceptions, and domestic pressures, which, to the analyst, distort the geopolitical rationality of decisions. Specifically, in explaining war, analysis seeks to understand why leaders reject compromises that could *satisfice* their interests at less risk and cost than going to war. This is most important in understanding Iraq for which the costs and risks were exceptionally high.

Iraq   Regime stability had always been a decisive calculation for Iraqi leaders and arguably, this was under some threat in the period running up to the war. The end of the Iran–Iraq war was trumpeted as a Pan-Arab victory, but Iraq had paid a high cost and made little tangible gains while Iraqis expected a peace dividend. But repayment of Iraq's economic debt and Kuwaiti over-pumping were perceived to threaten post-war recovery (Bromley 1994: 142; Chaudhry 1991). The invasion of Kuwait, besides realising Saddam's Pan-Arab ambitions, promised to alleviate this dilemma: Saddam sought to reinforce domestic support by giving Iraqis war spoils and portraying the annexation of Kuwait as a Pan-Arab challenge to imperialism.

Yet, there were other less risky ways of securing the regime and the decision to opt for the military occupation of Kuwait resulted from a profound leadership miscalculation of international permissiveness for such a venture. Arguably, Saddam's risk-taking personality made him prone to such miscalculation and his seeming victory over Iran had, no doubt, reinforced his recklessness (see chapter 4). Tripp (2001: 172) argues that Saddam and his inner circle projected their unforgiving view of politics and the ruthless methods which were a product of the internal power struggle, onto the external arena, failing to understand that such behaviour was outside the pale of the emerging post-Cold War world order. Moreover, the nature of the decision-making process meant that there were no effective checks on Saddam. The totalitarian state of fear and the boundless cult of personality he had created turned his lieutenants into submissive sycophants who, knowing the cost of opposition, were bound to tell him what he wanted to hear.

As such, Saddam repeatedly miscalculated the situation or misplayed his hand. He underestimated the US and Western reaction to his invasion, perhaps because they had built him up against Iran. He may have thought the US would acquiesce because of US ambassador April Glaspie's remark that Washington considered the dispute with Kuwait to be an inter-Arab matter and the assurances he gave her that Iraq respected US oil interests in the region. On the basis of the Vietnam experience, Saddam believed the US could not sustain casualties and that air power was of limited importance, but the parallel of Vietnam and Iraq was faulty. He either miscalculated the reaction of states like Egypt and Saudi Arabia, which had been recent close allies against Iran, or falsely believed that the pro-Saddam

acclaim of the Arab street would deter their timid rulers from taking the side of the US. He also falsely believed the Soviets would block an American intervention and was astonished and outraged that they took the American side against their old ally (Hitchins 1991: 115–17; *Christian Science Monitor*, 17 January 1991; *The Glaspie Transcript*).

In the post-invasion diplomatic contest in which attempts were made to secure Iraqi evacuation of Kuwait without war, Saddam played a poor diplomatic hand. Once it was clear there would be a robust international reaction, he could have bargained withdrawal for some Kuwaiti concessions. But the formal annexation of Kuwait, enacted in reaction to the dispatch of American troops, made it impossible to compromise without losing face. Whether this was a rational tactic to show his enemy he had no way back and thus that he would fight any attempt to get him out of Kuwait or a prideful refusal of concessions to what he saw as the arrogance of the UN demand for unconditional withdrawal, such obduracy cost Iraq chances to forestall or divide the coalition (*Christian Science Monitor*, 3 January, 11 February 1991). Later, the decision to withdraw from Kuwait on the eve of the coalition ground offensive only sowed confusion in Iraqi ranks and made for a very poor defence.

The US   There is no doubt that the US could have achieved many of its objectives short of war but domestic politics and the character of its leadership made war inescapable. First, US Middle East policy seldom takes the form of the rational calculation of national interests that, had it been in evidence, might have advised serious consideration of a peaceful resolution. This is because the policy process is so uniquely vulnerable to colonisation by pressure groups. In this case, the Middle East lobbies, normally in conflict, tended to come together against Iraq. The coalition of conservative Arab state lobbyists, oil companies, and arms exporters, including big contributors to the Republican party, were for containment of and perhaps action against Iraq, although they feared the effect of the latter on Arab opinion could undermine their Middle East interests. Zionist pressure groups, however, had no such hesitation: since Saddam's speech threatening to burn half of Israel, a campaign of demonisation of Iraq had begun. Zionists were well positioned in the national security bureaucracy as well as the press and Congress to argue for action and offending this lobby is dangerous to the political health

of American politicians. Public opinion, being split and vulnerable to media manipulation, was largely neutralised as a check on either pressure groups or elite belligerency.

President Bush and his inner circle made the decision for war and the outcome was no accidental war from miscalculation or misperception in Washington. There was, perhaps, some residual element of irrationality. Bush felt a need to counter his 'wimp' image by acting tough; his demonisation of Saddam – the Hitler image – deterred negotiations on both sides. However, the Bush administration wanted a war, not a diplomatic settlement and the proof is that US policy makers openly feared Saddam might make concessions which could deprive them of this opportunity – the so-called 'nightmare scenario' of a partial Iraqi withdrawal from Kuwait. It was a rationally calculated 'preventive war' by men imbued with the zero-sum national security ethos fostered by the Cold War. Saddam had to be beaten because his 'linkage strategy' – offering withdrawal from Kuwait in return for Israeli withdrawal from the occupied territories – dramatically exposed the double standards by which the US exempted Israel from the norms it enforced against others. Any sign of US weakness would, it was believed, encourage Arab nationalists and Islamists to challenge US interests across the region. Were Saddam to retreat with his military assets intact, he would be a future threat needing constant containment and in a position to revive Arab nationalism, play on the double standards and thus threaten both Israel and the Arab clients that ensured US access to oil. It was far better for the US to deal with Saddam while it had the coalition and the UN behind it and before Iraq got the nuclear deterrent that would prevent such action. Thus, the US rejected Iraq's offer to withdraw from Kuwait on the eve of Washington's ground offensive. Moreover, once Iraq was defeated, Washington imposed a victor's dictat meant to destroy the country as a viable power. A different set of decision-makers might have seen things differently, might have calculated that permitting Iraq to retreat or at least accept an honourable defeat would better serve regional stability than attempting to destroy it. But given the men in power in Washington, the war and its aftermath was virtually over-determined (Elizabeth Drew, 'Letter from Washington', *New Yorker,* 4 February 1991; John Mack and Jeffrey Z. Rubin*, Los Angeles Time*s, 31 January 1991; Coleman McCarthy, *Washington Post*, 17 February 1991; *Christian Science Monitor*, 25 January 1991).

The consequences of the Gulf War: new world order or disorder?

The Gulf War did not, as some expected, radically transform the Middle East system which, instead, remained locked into the old power politics. What it did do was open the region to much greater external penetration and shift the regional balance of power to the advantage of the non-Arab peripheries. While the war opened a window of opportunity to advance a resolution of the Arab–Israeli conflict, Arab weakness, American hegemony and Israeli superiority prevented the equitable compromises that alone might have issued in a settlement. Without such a settlement, any attempt to shape a new order based on legitimacy rather than force was doomed.

Power politics in a Pan-Arab vacuum
The second Gulf War both reflected and contributed to the further enervation of the remnants of Arab solidarity that had heretofore contained inter-Arab conflict. Saddam Hussein's use of Arabism to justify his invasion of another Arab state discredited the sentiment among Gulf Arabs. The formation of the anti-Iraq coalition showed how decision-making in the Arab states was driven almost exclusively by individual geo-political interests and Western economic or security dependency and hardly at all by supra-state identity. That a majority of the states of the Arab League voted to invite foreign intervention against Iraq demonstrated that the sanctity of borders had achieved legitimacy – at least among governments – at the expense of Arab identity and norms against Western intervention (Barnett 1998: 217). Inter-Arab institutions were much weakened: the coalition states, led by Egypt, once the champion of Pan-Arabism, had manipulated the Arab League into facilitating Western intervention against another member of the League at the expense of an 'Arab solution' to the crisis.

  In the post-war period, the Arab League was paralysed, with no agreement possible on holding an Arab summit between 1990 and 1996 even though momentous decisions were being taken affecting the common Arab interest, notably in the Arab–Israel peace process. This paralysis reflected, above all, the inability to heal the rift between Iraq (and to a degree its supporters) and the Gulf Arabs, especially Kuwait, which distanced themselves from Arab core concerns such as Palestine. The Arab League Secretary-General, presumably the keeper of the common interest, announced that

henceforth no Arab state could interfere in another's definition of its own interest and security. Brief hopes for the creation of a new collective Arab security framework embracing Egypt, Syria and the GCC under the Damascus Declaration failed when the latter chose to rely on Western treaties, further enervating the Arab norm against overt foreign treaties and bases (Barnett 1998: 227–8; Faour 1993: 84–5). While Saddam's arousal of the Arab street in the Gulf War had showed the durability of mass Pan-Arab sentiment, it was contained by authoritarian regimes, receded in the wake of Iraq's defeat, and ceased to be a constraint on states in the post-war Arab–Israeli negotiations.

A main effect of Arab fragmentation was the increased ability of hostile periphery states to exploit Arab divisions and their greater engagement in balancing against Arab states. The virtual collapse of Arab collective security was sharply exposed amidst the intensification and cross-border spillover of the Kurdish–Turkish conflict. The conflict not only drew Turkey into punitive expeditions in northern Iraq against Kurdish Worker's Party (PKK) guerrillas, but also sharpened disputes with Syria, which gave sanctuary to the PKK. This dovetailed with a conflict over Turkey's control of Euphrates water on which Iraq and Syria were dependent in which Syria was trying to use the PKK as counter-leverage against Ankara. For this and other reasons, Turkey and Israel entered a security pact, which, in enabling Israeli forces to use Turkish territory, encircled Syria and threatened Iraq and Iran. Arguably, the water dispute between Turkey and downstream Arab states was a precursor to an increasing struggle over control of an ever scarcer and utterly vital resource that could become as important to the region as the older battle over oil. Arguably, too, both the military and water security of Arab states were at stake in this conflict but the continued paralysis of Arab collective institutions was underlined by the outcome of the conflict. When, in 1998, Turkey's threats of war against Syria forced it to expel the PKK, not only was Arab support for Syria ineffective but Jordan was actually tacitly aligned with the Israeli–Turkish alliance. If there was any check to this alignment it was the countervailing power of the Syrian–Iranian alliance. This episode made it clear that, far from a new collective security system taking hold, intractable conflict and military power remained central to the region's international relations. This was all the more so because the promise that the post-war Arab–Israeli peace process would resolve the region's

most enduring conflict also proved illusionary (Carley 1995: 16–19; El-Shazly and Hinnebusch 2001: 78–80; Kirisci 1997).

A flawed peace process

The 1990s did begin with movement, starting with the 1992 Madrid Peace conference, toward the resolution of the Arab–Israeli conflict. The peace process had its roots in the rising costs of the conflict in the 1980s and a very gradual and uneven realisation by both sides of the declining utility of force in reaching their goals. For both Israel and the PLO the 1982 Lebanon War was decisive. Israel paid a high cost but failed to reach many of its objectives while the PLO's loss of its south Lebanon military front made armed struggle obsolescent as a method of realising Palestinian national rights. The focus of Palestinian resistance became the '*intifada*' – an unarmed rebellion in the occupied territories, which the Israelis tried to repress by force and economic deprivation. The *intifada* put Palestine back on the world agenda and cost Israel international opprobrium. Only as the PLO thus achieved international legitimacy could it afford to recognise Israel and in November 1988 it accepted UN Resolution 242, contingent on acquisition of a Palestinian state in the occupied territories. The consequent US decision to start a dialogue with the PLO after it renounced terrorism, presented a new opportunity but was taken by the Israeli elite to be a threat against which the Labour and Likud parties joined in a 'wall-to-wall coalition' government.

However, the two main Israeli parties were drawing apart. The Likud government continued its drive to expand Jewish settlements in occupied territory, 'creating facts' which it expected would put a 'land-for-peace' settlement beyond reach. This stimulated the rise of terrorism by Islamic militants which pushed Israel both toward and away from a negotiated settlement (Smith 1996: 302–8). Inside the Labour party, by contrast, the traditional realist security doctrine stressing the primacy of military power and territorial defence was incrementally being challenged: on the one hand, by the new threat to Israel from the regional spread of weapons of mass destruction (WMDs), against which the occupied territories provided no defence, a reality underlined by Iraq's use of Scud missiles against it during the Gulf War; on the other hand, by the growing effectiveness of sub-state guerrilla warfare (in southern Lebanon), insurgency (the *intifada*) and terrorism which seemed to enervate Israel's

ability to translate conventional military superiority into security and political ends. The increasing costs of containing the Palestinian *intifada* raised doubts about the viability of the occupation status quo. At the same time, Labour's constituency, rooted in the new technocratic-entrepreneurial middle class, was embracing an economic strategy of globalisation and viewed peace negotiations as crucial to overcoming Israel's poor record in attracting investment and to breaking out of the international diplomatic isolation which obstructed its access to markets (Solingen 1998).

However, it took global transformation and a watershed election to stimulate a new peace initiative in Israel. The end to the Arabs' Soviet patron, the defeat of Iraq and the grave weakening of the PLO in the Gulf War reduced the conventional security threat to Israel while a peace settlement offered the chance to neutralise both the WMD and the internal Palestinian threats. Some Israelis, moreover, believed the increasing readiness of the Palestinians and the Arabs generally for a settlement presented a new opportunity to end the conflict. The beginning of the Madrid peace talks and, in particular, of Syrian–Israeli negotiations, presented Israel with a very real opportunity to finally attain regional acceptance and security. The rejectionist Shamir government had no interest in taking up this opportunity, but the US, motivated to consolidate its new dominance in the area by engineering a settlement, pressurised Shamir to enter negotiations at Madrid and he was forced to go through the motions.

Then, in the 1993 Israeli elections, the electorate was given a choice between the Likud's rejectionism and the promise of serious peace negotiations. The Israeli public was alarmed by how Shamir's intransigence had brought relations with the US to an unprecedented low, but, equally, his diversion of resources to the expansion of settlements in the occupied territories at the expense of investment and jobs needed by his Sephardi constituency and the new Soviet immigrants turned many of the latter against him; hence for once, the domestic economic costs of foreign policy intransigence came together with a favourable external situation, to stimulate a shift in Israeli public opinion. The election of the relatively dovish-leaning Labour–Meretz coalition under Rabin produced a government with a unique composition. It incorporated younger more dovish leaders around Shimon Peres, notably Yossi Beilin, who were prepared to take some risks for peace while Prime Minister Rabin's

hard-line credentials gave him the credibility to break Israel's traditional paralysis and seize the new opportunities (Aronoff and Aronoff 1998: 14–15). The immediate outcome of this change in Israeli policy was considerable progress in the peace negotiations. But even this government, still ultimately driven by hard-headed national security priorities, remained determined to extract the maximum and concede the minimum in the negotiations. Given the profound power imbalance in its favour, it was well situated to confront the Arabs with a choice between no settlement and one that would concede them less than the internationally recognised land-for-peace trade they had long considered their bottom line.

This power imbalance was in part global, the disappearance of Soviet backing on the Arab side and the American deployment of its newly hegemonic power largely on Israel's behalf. It was also, however, a result of the decline of Arabism, which, fragmenting the Arab states, put them at a major disadvantage in negotiating a new order. This was sharply exposed by the inability of the Arabs to convene a summit and reach a consensus on a common strategy toward Israel. The US, on Israel's behalf, insisted on and the Arab states conceded separate negotiating tracks between the individual Arab states and Israel, rather than an all-Arab team bargaining jointly for a comprehensive settlement. The resulting inability of Syria, the PLO and Jordan to hold to a common front in the negotiations, and the consequent ease with which Israel played them off against each other, weakened the leverage of each individual Arab party. Despite protests by Syria that Israel should not enjoy the fruits of peace before conceding its reality (Barnett 1998: 235), premature normalisation by the Gulf states weakened pressure on Israel to concede a comprehensive settlement. Barnett argues that Arab solidarity, rooted in the we-they fault fostered by threat, weakened as the perceived Israeli threat declined in an environment where peace seemed realistic and attainable.

Given the weakness of an Arab collective stance, the Palestinians may have seen no alternative to the unilateral deal reached at Oslo. The Oslo accord produced the breakthrough of mutual Palestinian–Israeli recognition and raised the prospect of Palestinian self-determination, even statehood. However, the PLO negotiators, seemingly victims of wishful thinking, appeared to assume Oslo would lead inevitably to a Palestinian state and critically failed to insist that the accord stipulate the minimum condition for

confidence-building, namely, an end to further Jewish settlement on the Palestinian land which would potentially constitute such a Palestinian state. The accord merely committed Israel to negotiate with the PLO over a vague set of principles and, given the power imbalance between a regional superpower and a non-state actor, the outcome of such negotiations was bound to be inequitable. To reach an equitable settlement, the more powerful side would have to make the most concessions; only if a mediator had weighed in to right the power imbalance was such an outcome likely but, perversely, the Americans consistently reinforced the more powerful Israeli side (Murphy 1997: 122–3).

Nor did the Arab world add any serious weight to the Palestinian side. The PLO, in striking a separate deal with Israel, assumed full responsibility for the fate of the Palestinians, marking a watershed in releasing remaining constraints from public opinion on the Arab states to pay even lip service to the Palestinian cause. Oslo thus precipitated Jordanian and Syrian moves toward their own separate agreements with Israel. Subsequently, neither Syrian objections nor domestic opposition deterred King Hussein from reaching a peace treaty and normalisation with Israel despite the lack of a comparable settlement on the Palestinian and Syrian fronts. Most remarkably, Israel and Syria tacitly agreed on the principles of a land for peace settlement over the Golan Heights and made considerable progress in negotiating the details of the necessary security arrangements. The state-to-state conflict between Israel and the Arab states was, thus, largely neutralised: it seemed very unlikely the Arab states would ever again combine against Israel. Israel came to believe that it could have peace with the Arab states without necessarily conceding the minimum to Palestinian self-determination, although most Arab states still felt it the better part of wisdom to refrain from more than incremental moves toward normalisation of relations prior to such a comprehensive settlement.

The development of Israeli–PLO negotiations under the Oslo accords, including the proposals of Ehud Barak in 2000, pointed toward a grossly inequitable settlement that risked merely legitimising and systematising an indirect form of Israeli rule. To be sure, an autonomous Palestinian Authority (PA), possessing the rudimentary institutions of statehood, was established under PLO leadership on limited parts of West Bank and Gaza territory. However, Israel continued the expansion of Jewish settlements in the occupied

territories and by 2000 Israel had seized 42 per cent of Palestinian land on the West Bank for settlement (*Guardian*, 15 May 2002, p. 11). Israel made it clear it hoped to satisfy the Palestinians with autonomy on the remaining parts of this territory without according them sovereign statehood. It seemed likely that in any final settlement the Palestinian entity would incorporate perhaps 77 per cent of the West Bank and Gaza while substantial blocks of settlements around Jerusalem would be incorporated into Israel (in return for desert land). Palestinian self-rule areas were likely to be Bantustans, lacking territorial contiguity, surrounded by Israeli security roads and settlements, and always vulnerable to reoccupation. While Barak's proposals insisted on Israel retaining sixty-nine Jewish settlements where 85 per cent of the settlers lived – in violation of the Geneva convention – in the Gaza strip alone, 1.2 million Palestinians were penned into a tiny area with little economic prospects. The Palestinian entity, reduced to a captive export market and a source of cheap labour for Israel, and deprived of all but a fraction of the water resources (that had been appropriated by Israel), was unlikely to be economically viable and certain to remain financially dependent on Western donors for the foreseeable future. Needing to appease Israel, the PA was reduced to the role of enforcing Israeli security demands against its own people, saving Israel the costs of direct occupation. The emerging Palestinian entity would enjoy few of the attributes of true sovereignty, including control of its airspace, sea coast and borders, but in return for self-rule would be required to forfeit the rights of return or compensation of the exiled Palestinian Diaspora which are enshrined in UN resolutions (Hagopian 1997; Karmi 1999; Kubursi 1999; Murphy 1997: 123–30; Zunes 2001).

Indicative of the precarious grounding of this elite-led peace process in domestic society was its periodic breakdown into violence. Continued Israeli settlement activity inflamed Islamic terrorism against Israelis; this led to election of the hard-line Netanyahu government which tried to renege on the implementation of Oslo and pushed a Syrian–Israeli settlement off the agenda. This finally precipitated an Arab summit, the first since the Gulf War, which resolved to make normalisation of relations with Israel dependent on implementation of the peace process (Barnett 1998: 221–6). The Ehud Barak government elected in 1999 briefly revitalised the process. Syria and Israel, between whom there was a rough power

balance, came very close to a settlement, but each, playing realist hardball, missed the chance and much the same happened in Barak's negotiations with the PA.[1] The failure of the latter negotiations precipitated the second and much more violent al-Aqsa *intifada* in 2000 which coincided with the rise of the ultra-rightist Ariel Sharon to power in Israel and the resurrection of militant Islamic alternatives to Arafat's PLO among the Palestinians. The failure of the moderates to reach an equitable agreement had allowed the rejectionists on both sides to escape their early-1990s marginalisation and to reclaim the dominant ground. Even if the application of massive Israeli repression forces the PA to accept an Israeli-imposed settlement, such a false peace would lack the legitimacy necessary to endure without continuing massive repression and economic subjugation. As such, it would be likely to de-legitimise the PA and any Arab leaders that accepted it, undermining rather than cementing the region's precarious stability.

Failed pluralist designs

The peace process was promoted as an opening wedge to regional economic integration and globalisation. The multilateral talks held within the Madrid framework on water and economic co-operation between Israel and the Arabs were expected to build confidence, while economic normalisation was to be an incentive and guarantor of peace. Several conferences, bringing together officials and business people from the Arab states and Israel promoted trade and joint ventures and a Middle East Development Bank was proposed to facilitate this. A Middle East Common Market was advocated by Shimon Peres in which Israel would contribute technology, the Arab oil states capital and markets and the non-oil states labour. The resulting economic interdependence would arguably create cross-national business interests with a stake in peace.

However, the practical prospects for Arab–Israeli economic integration appeared quite selective at the end of the 1990s. Israel and the oil-poor Arab states had little in common and Israeli economic relations with Egypt, in spite of their long peace treaty, remained minimal. Amidst continuing political mistrust, the Israeli–American-backed Middle East market was perceived by some Arabs as an Israeli bid to conquer through market power what it could not do militarily. Given that Israel's GNP equalled that of Egypt, Syria and Jordan combined, economic integration would likely make

Israel the core of the regional economy, enabling it to exploit cheap Arab labour and energy and turning neighbours such as Jordan and the Palestinian entity into economic satellites (Aarts 1999; Korany 1997). While the small Arab entrepreneurial classes that could benefit from such lopsided development might acquire a stake in peace, it was also likely to inflame nationalist/Islamist opposition.

An alternative project envisioned globalisation advancing regional peace, not because regional partners were economically integrated but because individual states were tied into the global economy by economic liberalisation. In this scenario, influence would flow away from the military and toward liberal internationalist elements in ruling coalitions which understood that regional access to global investment and markets was dependent on regional peace and Western alignment (Solingen 1998). Indeed, an early precursor of this route was Sadat's Egypt where economic liberalisation, Western alignment and peace with Israel went hand in hand; Jordan, likewise, opted for peace with Israel to restore the economic aid it had lost for siding with Iraq in the Gulf War and to revitalise a depressed economy badly needing foreign investment. Iran's postwar need for investment was paralleled by the moderation of its foreign policy.

But these developments were far from creating the 'complex interdependence' that makes war unthinkable, as the record of the region's two most 'globalised' states makes clear. It was Israel that most successfully pursued globalisation as an alternative to regional integration, using Oslo to end the Arab secondary boycott which had effectively limited its economic relations and the peace process to attract high-tech MNCs which would export to East Asia and Europe (Murphy 1997: 132–4); yet this did not prevent the election of the ultra-nationalist Sharon, a leader prepared to jeopardise Israeli prosperity in defence of Likud's irredentist project. Turkey, similarly prioritised the repression of the Kurdish insurgency over good relations with the EU.

The notion that globalisation spreads the zone of peace rests, in part, on the expectation that it delivers economic prosperity which populations will not wish to sacrifice in conflicts; but in the Middle East this is doubtful, at least in the short run. As chapter 2 showed, the region as a whole continues to suffer from a massive export of capital, continuing debt and dependency and very limited economic development amidst high population growth (Guerrieri 1997). The

spearheads of globalisation, notably the IMF, harnessed regional states to enforce their neo-liberal agenda against recalcitrant populations, splitting societies between new bourgeoisies who benefited and the marginalised masses that turned to radical Islam as a vehicle of protest (Abdel-Fadil 1997; Farsoun and Zacharia 1995). The Euro-Mediterranean initiative, designed to consolidate and accelerate globalisation in the region by systematically imposing the core's liberal order on each of the regional states, made breakthroughs in Morocco and Tunisia. But this scheme, in opening Middle East industries to ruinous European competition while maintaining the protection of Europe's agricultural markets from Middle Eastern exports, merely reflected the profound power imbalance between Europe and the Middle East (Joffe 1999; Owen 1999).

Nor did globalisation stimulate the political democratisation and 'democratic peace' its advocates expected. While economic liberalisation was accompanied by limited political liberalisation experiments, these were stalled and even reversed by the rise of Islamic political movements, fuelled by the damaging impact of structural adjustment on marginal populations and by the Westward foreign policy alignments and accommodations with Israel which accompanied economic liberalisation. Egypt's Mubarak, whose government's IMF-imposed structural adjustment was reversing the populist social contract and who portrayed his fight against political Islam as a stand on behalf of the Western world, could hardly afford democratisation and reversed his previous halting steps toward it. Intense though peaceful domestic opposition to Jordan's separate peace with Israel forced King Hussein to put Jordan's democratisation on hold. Generally, externally-driven peace agreements and economic liberalisation have been obstacles to rather than facilitators of democratisation in the Middle East. The region's 'internationalist coalitions', thus, remain dependent on Western support, not domestic legitimacy. At the end of the century, the pluralist design showed little sign of generating a new political order in the Middle East.

The failure of Pax Americana
American attempts to substitute for an indigenous order with a Pax Americana were also failing. To be sure, the Middle East was exceptionally impacted by the rise of US hegemony for, unlike other regions, there was no regional great power, comparable to China or

India, which could balance it. The defeat of Iraq and the much-enhanced American military presence in the Gulf seemed to effectively deter any future challenges to Washington. Its manipulation of the UN Security Council sanctions against Iraq demonstrated its ability to punish recalcitrant actors as never before. The US sponsorship of the Arab–Israeli peace process also made it pivotal to the interests of all regional actors, including Arab nationalist Syria, and fostered a potential Israeli regional hegemony working in concert with Washington. US influence was also exercised indirectly through the other most powerful states in the region – Egypt, Turkey and Saudi Arabia. The dependence of the Arab Gulf, especially Saudi Arabia, on American protection from a resurgent Iraq and Iran abetted US determination to maintain its enhanced military presence. Those regional powers not yet resigned to American hegemony – Syria, Iraq, Iran – were surrounded and contained or co-opted.

However, if there ever was a chance for the US to use its unrivalled power to foster a stable regional security order, Washington missed it and instead, in certain ways, it actually exacerbated the insecurity of the region. First, massive arms sales to the Gulf states and Israel, largely by the US, threatened the military balance and spurred a counter-build-up by the Syro-Iranian axis and hence an increased level of regional militarisation. The expectation of a decline in the utility of military force after the Cold War hardly applied to the Middle East where weapons proliferation continued, with all its repercussions for the 'security dilemma'. Insecurity also fuelled a drive by regional states to acquire non-conventional deterrents. Of the twenty-five countries having or developing ballistic missile capabilities, eleven were in the Middle East (Norton, 1991: 20–1). Again, the US passed up a chance to check the non-conventional arms race by backing Israel's refusal to sign the Nuclear Non-Proliferation Pact; inevitably, despite US efforts to prevent it, when one side acquires non-conventional weapons and delivery systems, other states will seek the capability to deter the threat they pose.

Washington's policy of designating and isolating 'pariah states' was also ultimately destabilising. The 'Dual Containment' of Iran and Iraq obstructed the moderation and normalisation of Iran's role in the region. But it was the American exacerbation of the problem of Iraq that was the main source of regional instability. In the wake of the Gulf War, the American-dominated Security Council imposed

unprecedented demands on Iraq – to dismantle its chemical and biological weapons and missiles, to recognise a Kuwaiti border imposed without consultation with Iraq, to pay reparations from oil exports and forgo claims to compensation, to seek permission for all imports, and to submit to international inspection. Later, no-fly zones were unilaterally imposed and enforced by an on-going US–UK air campaign against Iraq. A decade after the Gulf War, Washington continued to obstruct all initiatives to lift economic sanctions on the country.

The aim was not just to strip Iraq of non-conventional weapons, but to impose sufficient suffering that Saddam would be toppled from within or, that failing, to keep Iraq permanently weak. While the limits imposed on imports of food and medicine by the sanctions regime were an irritant, the major damage was its use to prevent the reconstruction of Iraq's infrastructure, preventing the restoration of irrigation and industry and the repair of disease-controlling sanitation systems. The consequences were devastating for Iraq. From 6,000 to 7,000 children a month were dying of sanctions-related causes according to Denis Halliday, the UN humanitarian co-ordinator for Iraq who argued that the Washington-imposed sanctions regime 'amounted to genocide' (*Middle East International*, 12 February 1999, p. 23). Radiation from the depleted uranium weapons used by the US was reported to have contaminated wide areas. Yet Washington remained oblivious to the human costs of its policies which Secretary of State Madeleine Albright notoriously declared to be 'worth paying'. Keeping Iraq as a pariah state, however, only postponed and exacerbated the unavoidable problem of rehabilitating and readmitting it to the regional system. The sanctions – making Iraqis more dependent on state rations for daily survival – actually strengthened Saddam Hussein's hold on power while his external ambitions could easily have been contained without the intrusive and punitive measures that constantly inflamed Iraqi–Western relations. The refusal to let Iraq get on with post-war reconstruction deterred it from what would otherwise likely have been a natural turning inward to its own problems. A whole generation of Iraqis, victimised by Western sanctions backed by Iraq's Gulf neighbours, had legitimate grievances possibly mobilisable by revanchist leaders in the future (Graham-Brown 1999; Niblock 2001; Simons 1996).

There, were however, recessive but important counterforces to

US hegemony. Its ability to lead in the Gulf War had been a function of the broad threat Saddam Hussein posed to a variety of actors – both the economic interests of the industrialised states, and the sanctity of borders so dear to Third World states – but this threat had been largely neutralised (Norton 1991: 23). US hegemony depended in good part on the acquiescence of other world powers and major regional powers. This could only be readily sustained if the hegemon consulted with and satisfied the interests of these partners and if it was effective in dealing with the two main threats to regional stability, Iraq and the Arab–Israel conflict. Yet the special relation with Israel which was supposed to allow the US to broker a resolution of the Arab–Israeli conflict had failed to deliver an equitable or permanent solution ten years after the start of the Madrid peace process. The US was more successful in containing Iraq, a conflict in which its military power was most readily deployed; however, even in this case, US policy, in keeping the conflict going, actually exacerbated regional instability and was pursued in increased disregard of the interests of other states.

Washington's inability to mobilise the UNSC in the 1998 Iraq inspections crisis indicated an erosion in its hegemony that allowed Iraq to exploit conflicts of interest between the core states. US unilateralism had its limits: since it did not finance the Gulf War, it is questionable whether the US could act alone in a future land confrontation with Iraq. The attempt of the US to impose, through extra-territorial legislation, the isolation of Iran also aroused impatience with its unilateralism. US policy provoked a similar dissatisfaction and an increased independence among even its closest regional allies. Egypt proved a disappointment to Washington by its campaign to force Israel into the Nuclear Non-proliferation Treaty in the late 1990s and its refusal to pressure the PA into an inequitable final status deal with Israel in 2000. Saudi Arabia refused the use of its bases to stage air attacks on Iraq and later Afghanistan. Increased co-operation between Syria and Iraq raised the possibility of a Syrian–Iraqi–Iranian axis seeking to contain American intrusion.

At the popular level revulsion against American hegemony was much more advanced. The Middle East was the one region where Western ideological hegemony remained contested: to this extent Huntington's (1993) 'clash of civilisations' thesis, though exaggerated, had a core of truth, for Western penetration did stimulate a resurgence of cultural and religious resistance: 'Islamic jihad'

reacting to McDonaldisation (Barber 1992). However, the West was not chiefly resisted for its supposedly antithetical values, many of which were actually shared by local people or for its material superiority, the products of which were widely embraced in the region. Rather, the West was resented because it was seen to pursue an agenda targeting the Muslim and Arab worlds. The Western-identified enemies of the New World Order, the 'terrorist' groups and the 'pariah states' were exceptionally concentrated in the Middle East – Iran, Iraq, Libya, Sudan. The double standards of the US – its ongoing attacks against a virtually defenceless Iraq and the victimisation of the Iraqi people by an unending sanctions regime in the name of UN resolutions, juxtaposed to the approval of overt Israeli violations of UN resolutions and the pressure to accept a triumphant Israel without the satisfaction of internationally recognised Palestinian national rights – were blatant in the eyes of Middle Eastern publics (Salem 1997: 32). To the considerable extent US hegemony therefore lacks ideological legitimacy in the region, American influence is always on the verge of 'deflating' to the threat and use of crude military force which is much more costly to employ.

The dilemma in which this put Arab governments, caught between the US and their own people, was captured by Rami Khouri's (1998) comments on the resolutions of a conference of Arab parliamentarians condemning the 1998 'Desert Fox' air campaign against Iraq:

> The Arab parliamentarians express their people's intense emotional and political anger with the US and UK, and make rhetorical and symbolic gestures of solidarity with Iraq; but they cannot change Anglo-American . . . policies to Iraq . . . [as] many Arab states depend heavily on the United States (and Europe) for financial support, technical assistance, food, markets, armaments, diplomatic support, or sheer survival through direct military protection . . . [while] Arab parliaments will not defy Arab . . . power elites . . . the exercise of political power that is not subjected to checks-and-balances . . . results in tyranny by the powerful and dependency by the weak.

Laura Guazzone (1997: 237–58) points out the paradox of US hegemony in the region: while at the military level it stabilises the Middle East against revisionist states, its biased and inequitable application continually stimulates the nationalist and Islamic reaction at the societal level that keeps the regional pot boiling. As

such, it is questionable whether the US actually delivers the stability expected of a hegemon.

Magnet for terrorism

In this situation, indigenous resistance increasingly took the form of small group terrorism, the weapon of the weak. It is no accident that the Middle East, the most penetrated regional system, has witnessed by far the most international terrorist incidents or that the US is increasingly the target. The September 11 2001 attacks by Osama bin Laden's terrorist network on the World Trade Center and the Pentagon raised this to a new level. While some interpreted the attacks as a symptom of a 'clash of civilisations', in fact, Osama bin Laden and his following of 'Arab Afghans' were partly a US creation, fostered against the Soviets in Afghanistan. They were turned against the US, not by religious or cultural differences, but by its continued presence in Saudi Arabia, 'home of the two mosques', its perceived control over Arab oil, its siege of Iraq, and its support for Israeli oppression of the Palestinians. The attacks were also a reflection of globalisation in that Bin Laden's al-Qa'ida was a function of the acceleration of global transportation, communications, and immigration; multi-national in composition, it was a 'post-modern' terrorist network. In a globalised, intensely interdependent but anarchic world, every US action now produces a multitude of unanticipated reactions. Moreover, the geographic scope of opposition to US policy has progressively widened from the Arab world to the much wider Islamic world: first to Iran, then Afghanistan, now increasingly publics are being inflamed by animosity toward Washington from Pakistan to Indonesia, to the Islamic Diasporas in the West itself.

While most Middle East regimes have themselves been the targets of 'terrorism' from disaffected elements of their own societies and are either dependent on the US or fearful of its power, their overt enlistment in an indiscriminate US 'anti-terror' campaign will likely only further cost them precarious legitimacy and nourish radical groups at home. Middle East public opinion, while shocked at the loss of life in the 11 September attacks, widely believed that US policy bore major responsibility for having stirred up the deep animosity on which terrorism flourished; but Washington denied that fighting terrorism requires addressing its roots or that it was, itself, part of the problem. If the US seeks to punish uninvolved groups,

such as Hizbollah, which are perceived in the region as liberation movements, or to act against the states on its 'terrorism list', including Iran, Libya, Syria and Iraq, it will be perceived as initiating a war against the Arab–Islamic world, not just certain terrorist groups or pariah states. This would risk further inflaming populations across and beyond the region and making the 'clash of civilisations' a self-fulfilling prophecy.

Pan-Arab revival?

In the first years of the new millennium, there were signs of a Pan-Arab revival. This was driven firstly by common threats. The massive repression of the al-Aqsa intifadah revived a sense of threat from an Israel which, under Sharon and backed by the American hegemon, seemed to be acting without restraints; the prospect of peace gave way to the possibility of renewed war. The intense post-September 11 pressure to enlist regional states in the American 'war on terrorism' and the prospect that the US might unleash destabilising wars, beginning with an assault on Iraq, also tended to bring Arab elites together in defence of shared Arab interests. The revival of the summits systems gave some institutional expression to this new sense of Arabism at the inter-state level while the deepening of trans-state discourse fostered by Arab satellite television revived consciousness of a common Arab community at the societal level. The most dramatic manifestation of the reconstruction of an Arab identity was the reconciliation of Saudi Arabia and Kuwait with Iraq at the March 2002 Arab summit. Yet, the economic and security dependency of key Arab states sharply limited their capacity to withstand American pressure and the tendency of each to seek individual security or gains by appeasing Washington remained powerful.

Conclusion

The Gulf War and its aftermath massively heightened Western penetration of the region in a way the architects of the Baghdad Pact could only dream of. If this had been the price of increased regional security and prosperity, many people in the Middle East might have considered it worth paying. But American hegemony, far from increasing either individual or collective security proved to be counterproductive for regional order.

The collapse of the Arab–Israeli peace process was the nub of the failure and suggests that it is not hegemony but symmetry in power that facilitates order-building. At the Arab–Israeli level, conflict resolution was more likely to succeed when a relative power balance inflicts a certain symmetry of costs on the parties, giving each the incentive to accommodate the others' interests. The relative Arab–Israeli power balance emerging from the 1973 war provided the incentive for both sides to enter the first peace process; a decade later, mutual disaster in Lebanon provided another incentive for Israel and the PLO. Where there was a reasonable balance of power, each party could hope to secure its vital interests as Egypt and Israel did in their peace settlement and as Israel and Syria later came close to doing. Where the imbalance is too great an effective mediator must try to right it; instead, however, the peace process was continually set back by massive American aid to Israel which, relieving it of much of the costs of the conflict and reinforcing its military superiority, enabled it to insist on a peace settlement on its own terms. Where the power symmetry was especially sharp, as in the Israeli–Palestinian relation, the basic needs of the weaker party predictably went unsatisfied and the conflict therefore remained intractable. Assymetry at the regional level was inextricable from that at the global level: for while the end to bi-polarity seemed to give America the power to shape the Middle East order, it had removed much of the incentive to make it an equitable one.

Not just a power balance but normative agreement is important to order-building. As Barnett argues (1996–97: 614–16), a stable order depends on congruence between the normative expectations of society and those of state elites. While the international hegemon and key regional elites may believe there is no viable alternative to the Middle East status quo, significant parts of indigenous society retain visions of an Arab-Islamic order free of Western and Israeli dominance. There remains a gap between the state-centric behaviour of Arab state elites, which privilege sovereignty, and the normative expectation, partly 'domestic' but still embedded in trans-state discourse, that states should act on behalf of the shared (Arab) community. This gap taints the legitimacy of regimes and encourages challenges to the regional order by sub- and trans-state movements and 'terrorist' networks. The separation between elites and society was sharply underlined by the 1994 Sharm al-Shaikh meeting of a concert of state leaders, both Arab and Israeli, who identified

the main security threat as internal – from radical Islamic terror (Barnett 1996–97: 617).

To a very considerable extent, therefore, the regional status quo, lacking indigenous popular legitimacy, is erected on hegemonic external force and on economic and security relations which benefit a relative few. The continued application of American force in the region is thus essential to maintain the status quo but, paradoxically, further undermines its legitimacy. What is now also becoming increasingly clear is that regional instability cannot be confined to the region. At least once per decade a major regional crisis, fed by festering conflicts, has erupted and spilled over into a world crisis. In the latest case, the 11 September events, the particular character of the crisis was shaped by the dominant features of the current international system, namely US hegemony and globalisation. The US response, an intensification of its military intervention in the region, appears likely to exacerbate the problem it seeks to address.

Notes

1 It is a myth that Arafat rejected a 'generous' offer from Barak of a Palestinian state on over 90 per cent of the West Bank/Gaza. See Malley and Agha (2001); Clark (2002); and the interview with Robert Mallay in *Middle East Insight*, 16:5, November–December 2001, 57–62.