



In the Midst of Change

The US and the Middle East from the War in Iraq to the War in Gaza

By Helle Malmvig, Senior Researcher

Research Paper



In the Midst of Change

The US and the Middle East from the War in Iraq
to the War in Gaza

By Helle Malmvig, Senior Researcher

This publication is part of a research collaboration on
The Middle East between Danish Institute for International
Studies and Institute for Strategy at the Royal Danish Defence
College.

Helle Malmvig, PhD, is senior researcher at the Danish Institute
for International Studies and is working on topics within interna-
tional relations in the Middle East and North Africa, in particular
EU and US foreign and security policies in the Middle East.

Helle Malmvig can be contacted by email: hma@diis.dk

Copenhagen March 2009

Royal Danish Defence College

Ryvangs Allé 1

PO Box 2521

DK-2100 Copenhagen

Denmark

Tlf.: +45 3915 1515

Fax: +45 3929 6172

Editor: Director, Institute for Strategy, Ole Kværnø, ifs-01@fak.dk, phone +45 3915 1210

Printed in Denmark by Danish Defence, Korsør

Graphic Design by Bysted

ISBN: 9788791421686

Number printed 300

Contents

Introduction	5
From Revolution to Retraction: US Middle East policy from 2001-2006 ...	6
The democracy agenda	6
Israel-Palestine	8
The Gulf	9
2006-2007: A Turning point for US Policies	12
A turn on Democracy	12
Israel-Palestine and the Annapolis agenda	13
Reversals in the Gulf	15
On the brink of regional disintegration: new alliances and emerging actors in the Middle East 2002-2006	17
Rising Iranian power	18
Sunni-Shia divisions	19
Democracy and Islamists: Challenges to the authoritarian state.....	20
One step forward, two steps back: from reconciliation to rivalry 2007-2009	22
Arab negotiations and reconciliations	22
Gaza, Regional rivalries and Obama	24
Conclusion: A Region in Midst of Change	28
Bibliography	30

Introduction

As the US President Barack H. Obama took over in the White House, the Middle East stood in the midst of yet another war between Hamas and Israel; dividing the region and even the Palestinians themselves. The Obama administration inherited a fragile and highly unstable region, in part as a consequence of the expansionist strategy of the Bush administration. After three consecutive wars in Iraq, Lebanon and Gaza, the security order of the Middle East is in shatters and regional divisions reign. Yet there are also new positive signs of rapprochements. The US seems intent on engaging with the Israeli-Palestinian issue right from the beginning, and the administration has already reached out to Syria and Iran.

What may these recent events spell for the future of the region and for US policy, and how did we get here in the first place? That is the topic of this report. It zooms in on the relationship between the US Middle East policy and the Middle Eastern security order from 2001-2009; addressing the shifting nature of US policy and its repercussions for the Middle East, while also pointing to the challenges and possibilities lying ahead after the Gaza War.

The report will advance two main arguments:

- The Bush administration broke with key elements of former administrations' Middle East policies. Yet, faced with regional crises and simmering civil wars, it made a u-turn and retracted to a more pragmatist and Realist policy.
- The regional security order has been completely disrupted in the aftermath of the Iraq war, and the region is marked by strong divisions. While some see this as evidence of a new Cold War in the region, this report argues that divisions and alliances are cross-cutting and fluid. A stable security order has yet not emerged.

The remainder of this report is structured in the following way: the first part will address three key issues of the Bush administration's foreign policy in the region from 2001-2006, then it will move on to show how the US administration from 2006-2008 went back on these very same issues in the face of deepening chaos and instability in the region. The second part will focus on the regional security level; showing how the security order was broken, creating new allegiances and dividing lines, and how these divisions have shifted and turned between the war in Iraq and the war in Gaza.

From Revolution to Retraction: US Middle East policy from 2001-2006

In the wake of the 9/11 attacks, the newly inaugurated Bush administration launched a new – and in some respects even revolutionary - strategy for the Middle East. Inspired by neo-conservative ideology, the Bush administration set out to transform the political and strategic landscape of the Middle East, essentially combining classic Wilsonian ideals of spreading democracy with Realist assertions about the necessity of using military force; unilaterally if needed.¹ Bush also questioned key points of previous administrations' Middle East policies, most notably their preference for regime stability in the Middle East, the unique importance attached to solving the Israeli-Palestinian conflict, and the value of the dual-containment approach in the Gulf established in the early 1990s. However, four years down the road the Bush administration went back on those very same issues. This U-turn seemed not to be a result of a new grand strategy for the region, but rather a result of re-active and pragmatic policy responses to looming civil wars in Iraq, Lebanon and Palestine that came to mark the Middle East. By the end of Bush's second term, the USA was greatly weakened and had in effect retracted from the region. This section will analyse this first period of revolutionary strategising in the Middle East, with a focus on the three key issues of democracy promotion, the Israeli-Palestinian conflict and the strategic balance in the Gulf. After this, the study will move on to show how the Bush administration dramatically shifted its position on these very same issues in aftermath of the Lebanon War in 2006.

The democracy agenda

During the election campaign Bush had explicitly distanced himself from Bill Clinton's policies of "nation-building" and "interventionism", and few would at that time have believed that Bush would go even further than Clinton had. Yet, with the attacks on the Twin Towers and Pentagon, spreading democracy became a defining characteristic of the US policy in the Middle East. According to the Bush administration, democracy was a long-term remedy for the many security challenges emanating from the region and was therefore, in the security realm, in the best interest of the US to further democracy building. Examples of these

(1) "Neoconservative" is of course an ambiguous term, yet Timothy Lynch makes a short and useful definition concurrent with the conceptualisation used in this report: "the unification of dominant, contrary paradigms: realism with its blunt assessment of power as an end in itself, and liberalism, with its hopeful assertion that we tend towards progress...Liberal ends by realist means" (Lynch 2008: 189). Stefan Halper and Jonathan Clarke (2004) make a more detailed description tracing neo-conservatism back to the Ronald Reagan years and point to three elements that unite neo-conservatives under the Bush Administration: 1) a religious conviction that international politics can be adequately conceptualized in terms good and evil, 2) a belief that relations between states are determined by military power and willingness to use it, 3) a primary or exaggerated focus on the Middle East p. 11.

include terrorism, intra-regional war and even the Israeli-Palestinian conflict. This supposed link between democratisation and security was most explicitly argued with respect to countering threats of terrorism and radicalism. It was believed that the so-called lack of democracy in the Arab world was the primary reason for the region's social stagnation, endemic corruption, and popular dissatisfaction. The *Arab predicament* had strengthened Islamist movements, who had emerged as the only real alternative and oppositional force to incumbent regimes.² The absence of peaceful democratic channels through which opposition and grievance could be expressed had caused Islamic extremism and in the last instance terrorism to grow. And hence by conversion, by supporting processes of democratisation, the USA would be uprooting the very causes of terrorism. In a famous 2003 speech to the National Endowment for Democracy, Bush boldly proclaimed that 60 years of tactical cooperation and support of authoritarian governments had neither brought the USA stability, nor served as a bulwark against Islamist radicalism. On the contrary, the close alliance with dictators in the region had brought 9/11 and a sea change was long overdue (see especially Bush 2003).

Democracy would be pushed both by diplomatic and military means. As early as 2002, US Secretary of State Colin Powell launched the so-called Middle East Partnership Initiative (MEPI), which through relatively traditional development tools of aid and capacity-building were to support political and economic reform in the region, and this initiative was supplemented with a multi-lateral programme called the Broader Middle East Initiative.³ At the same time, however, the USA was preparing for war against Iraq. The overthrow of Saddam Hussein was not only to hinder Iraq from requiring nuclear weapons; it was supposedly also designed to establish the conditions for lasting peace and freedom in the region.⁴ It was hoped that Iraq would emerge as a beacon of democracy, spreading liberal ideas and inspiring reforms in the region. Iraqi democracy would prove the thesis of *Arab exceptionalism*⁵ wrong, both by inducing people in the region to call for reform and by putting indirect pressure on Iraq's neighbouring regimes to

(2) Originally the title of Ajami's seminal book 'The Arab Predicament', which analyzes how the ideas of Arabism (socialism and Arab unity) were challenged and governmental legitimacy eroded in the wake of increasing economic decline and the catastrophic military defeat to Israel in 1967. Ajami's optimistic evaluations of the possibilities for a fast democratisation in Iraq and the region later became a prime inspiration for the Bush Administration's project of democratising the Middle East (Ajami 1981).

(3) This initiative caused much international debate and was renamed several times; today it is known as the Broader Middle East North Africa Initiative (BMENA) <<http://bmena.state.gov>>. On the MEPI initiative, see also <<http://mepi.state.gov>>.

(4) See e.g. Vice President Dick Cheney's speech to the Veterans of Foreign Wars 103rd National Convention, 26.08.2002, where he argued that regime change in Iraq should be seen as an opportunity for people in the region to grow up in freedom and dignity instead of oppression and poverty, terror and tyranny.

(5) The idea that the Arab world somehow is immune to democratisation in contrast to other parts of the world such as the formerly Communist Eastern Europe or Latin America.

democratise. In this sense, although it is often claimed that the Bush administration saw democracy as something, which would merely come out of the barrel of a gun, the administration in fact also seemed to believe in the workings of “soft” processes of socialisation in international politics. Iraq, it was believed, would work as an example to be emulated by others; showing the way for other Arabs and for neighbouring authoritarians to undertake reform.⁶

Israel-Palestine

The strategic emphasis on democratisation also had crucial consequences for other aspects of US Middle East policy, notably in relation to the Israeli-Palestinian conflict. After Clinton’s failure to reach an agreement at Camp David in 2000, it was clear that the Bush administration was far from keen on being dragged into the morass of the “Middle East Peace Process”. The Bush administration also took a very different view of Yasser Arafat and of the overall strategic significance of solving the Israeli-Palestinian conflict, than the Clinton and George Bush Sr. administrations had before him. In light of the second Intifada that broke out in 2000, Bush was convinced that a change of leadership was needed in the Palestinian territories, not least in order to prevent the growing number of terrorist attacks against Israel (Ottaway, Brown et al. 2008). This belief was strengthened in the wake of 9/11, when Israel successfully aligned its own battle against Palestinian militants in Gaza and the West Bank with the Bush administration’s “war against terror”. Israel and the USA seemed to agree that Arafat could not be trusted and that he was incapable, or perhaps even unwilling, to control Hamas and Islamic Jihad. The USA sought more or less to edge Arafat out of power and embraced the nomination of Mahmoud Abbas as prime minister.

Overall priorities and sequencing with respect to the Israeli-Palestinian conflict were also changed. From the outset Bush did not appoint a special envoy to the Middle East, as Clinton had done before him, and Bush openly announced that democratisation had to come before peace negotiations. The Palestinian authority needed to undertake political reforms – notably of the security sector and having elections – before the USA would engage in serious Middle East Peace efforts. As early as 2002, the Bush administration explicitly conditioned Palestinian statehood on the Palestinian leadership’s willingness to move forward on reforms and elections. In this way it was Palestine and not Iraq that was singled out as the first place for pushing the administration’s new security strategy of democratisation in the Middle East (see also Ottaway, Brown et al. 2008: 15).

(6) Examples include Bush, who claimed that “a new regime in Iraq would serve as a dramatic and inspiring example of freedom for other nations in the region”, Paul Wolfowitz, who argued that even minor democratic changes in Iraq would “cast a very large shadow, starting with Syria and Iran, and across the whole Arab world”, and Richard Perle who stressed that a reformed Iraq “has the potential to transform the thinking of people around the world about the potential for democracy, even in Arab countries where people have been disparaging”, quoted from the Spring Morning Herald, 30.10.2004 ‘War makes democracy a dirty Word’.

This downplaying of peace negotiations and upgrading of democratic reform was also evident in relation to the Arab government in general. For too long, the Bush administration pointed out – and not completely without reason – that the Palestinian-Israeli conflict had been used by Arab governments as an excuse for not undertaking political reform.⁷ The Bush administration therefore held that new priorities and changes in the very “mindset” of the Arab world were needed. Arab leaders had to recognise that it was not the Arab-Israeli conflict, but the lack of democracy, which constituted the underlying cause of the region’s problems. Reform should precede peace negotiations. This policy shift on reform and peace was in many ways as revolutionary a decision as invading Iraq. Since the 1967 war, the Arab-Israeli conflict has been a defining feature of the security architecture of the region, and a solution to the conflict has accordingly been viewed as one of the main recipes for security and long-term stability in the region. The open disengagement of the USA from the “Middle East Peace Process” therefore caused dismay, not only among the Arab allies, but also with many European governments. This feeling of dismay was further exacerbated by the fact that the USA was seeking to mobilise support for the Iraq war at the same time. In the wake of the first Gulf War in 1991, Bush Sr. had pressurised Israel to engage in negotiations resulting in the Madrid Process and later the Oslo Accords. The initial expectation therefore was that Bush would follow in his father’s footsteps. But these expectations were not met. Although he announced American support for a two state solution, he only gave half-hearted support to the Road Map initiative and was widely regarded as overtly pro-Israeli (Hinnebusch 2007: 221). For the Bush administration, the main strategic priority was Iraq, and by implication democracy, not the Arab-Israeli question.

The Gulf

Several justifications were employed to justify the war in Iraq. Central among these was Saddam Hussein’s supposed possession of weapons of mass destruction (WMD), his alleged ties with al-Qaeda, his defiance of the international community and of UN resolutions, and his brutal repression of his own people (see e.g. Hinnebusch 2007). However, the administration argued less openly for the growing geo-strategic importance of Iraq following 9/11. For the USA, the overthrow of Saddam Hussein and the Baathist regime would provide a much needed new stronghold in the Gulf. Saudi Arabia had played that part since the 1950s and with the *dual containment* policy of the Clinton administration (Indyk 1993)⁸, the strategic importance of Saudi Arabia had dramatically increased. However, the terrorist attacks against the Twin Towers and Pentagon in 2001 set

(7) See e.g. Barnett on how Arab governments successfully have employed the Israeli-Palestinian conflict as an explanation for a continuous postponement of political reform (Barnett 1998).

(8) Clinton’s dual-containment policy of Iran and Iraq were to secure that neither of the two regimes would be able to expand their power as to challenge the US ability to win two regional wars at the same time.

this alliance in motion. The House of Saud was obviously not behind the attacks, but it was at the same time well known that the Saudi monarchy for years had sought to balance internal opposition demands with external policies by promulgating its special branch of conservative Islam known as Wahabism (see e.g. Erslev Andersen 2007). Concern was openly voiced over Saudi Arabia's financing of charity work, madrassas and mosques in the wider Middle East and South East Asia. Some of these Saudi sponsored Islamic institutions had become virtual breeding grounds for radical anti-American sentiments and ultimately breeding grounds for terrorism. 15 out of the 19 terrorists involved in the terrorist attacks had Saudi origin, and the American public raised questions about the long-term strategic logic of maintaining such close ties with the Saudi Royal family, just as the Saudi monarchy was increasingly pressured from within – ironically not least from Bin Laden's rhetoric – to make the USA withdraw from "The Land of the Two Holy Places".⁹ In 2002, the Saudis thus denied the Bush administration use of its air bases for the Iraq invasion, and in the autumn of 2003, American troops and military infrastructure were pulled out of the permanent bases in Saudi Arabia, redeployed to Qatar, and of course to Iraq. Iraq and Saudi Arabia seemed to have changed places, at least for a while (see also Malmvig 2002; Royle 2002).

The invasion and subsequent regime change in Iraq were to change the strategic alliances in the Gulf in the short run and adjust the political landscape of Middle Eastern states in the long run. This logic was also in part held to be true in terms of Iran. Since the Iranian revolution in 1979 and the so-called embassy hostage crisis, the USA has held no official diplomatic relations with Iran, and it has continued to enforce an economic boycott against the country. The Clinton administration pursued the policy of containment along the lines of Kennan's original idea; Iran was to be firmly kept in check and isolated, while the USA would wait patiently for the regime to fall apart from within (see Kennan 1947). The Bush administration, however, was set on a much less accommodating and more aggressive line. In 2002, Iran was lumped together with North Korea and Iraq as part of the "Axis of Evil". Due to Iran's alleged pursuit of Weapons of Mass Destruction (WMDs) and support for terrorist groups, Iran was perceived as a serious threat to the USA and to key allies in the region. A nuclear armed Iran could threaten vital regional allies, not least Israel and the small kingdoms in the Gulf, and the clerical leadership in Iran could potentially provide terrorists with WMDs or blackmail the USA into concessions, or so the Bush administration argued. Following the disclosure of Iran's nuclear enrichment programme

(9) According to the Wall Street Journal October, 2001, Saudi Crown Prince Abdullah sent a critical letter to Bush already in August 2001 in which he wrote: "A time comes when peoples and nations part. We are at a crossroads. It is time for the United States and Saudi Arabia to look at their separate interests. Those governments that don't feel the pulse of their people and respond to it will suffer the fate of the Shah of Iran."

in 2002, the USA unequivocally demanded that Iran was to completely stop its nuclear activities, if not to be further isolated and sanctioned, ultimately by military force. While the Bush administration was ready to take Iran to the UN Security Council (UNSC), the EU countries, however, were critical of the confrontational US approach, and instead stressed the need for diplomacy and negotiations. The EU countries were obviously eager to hold common ground and to show the effectiveness of the “European way” after the deep rift over Iraq. This at first resulted in a successful agreement between the so-called EU³¹⁰ and Iran. Iran promised to suspend its enrichment programme and to allow international inspectors into Iran, in return for trade agreements and European nuclear technology. Although the Bush administration remained very sceptical about the EU’s engagement with Iran, increasing problems in Iraq seemed to let the USA gradually accepting a type of “good-cop-bad-cop” model. By 2005, the USA silently backed EU negotiations with Iran, when new economic incentives to Iran such as WTO membership were offered. In return, the EU implicitly accepted the possibility of UN Security Council sanctions, should Iran fail to cooperate (see Bush 21.02.2005; Malmvig and Fernando 2006). As the security situation in Iraq deteriorated, however, Iranian power only grew stronger. In January 2006, the newly elected President Mahmoud Ahmadinejad announced that Iran would resume its nuclear enrichment programme, and this paved the way for the adoption of the first UN Security Council resolution against Iran (1696), demanding a suspension of all enrichment-related and reprocessing activities.

Iran’s continuation of its nuclear activities and open defiance of the UN system were arguably causes of deep concern in the US administration, but these concerns were much enhanced by the US perception that the very of the nature of the regime in Iran constituted a security threat. Even before Ahmadinejad came to power, the Bush administration made no illusion of its wish for regime change and appealed directly to the “freedom-loving Iranian people”. In the (in)famous Axis of Evil Speech, it was accordingly stressed that “[...] some governments will be timid in the face of terror. And make no mistake about it; if they do not act America will. [...] Iran aggressively pursues these weapons and exports terrorism, while an unelected few repress the Iranian’s people’s hope for freedom” (Bush, 29.01.2002). Strong quarters of the Bush administration in fact believed that the war in Iraq would also solve the US security problems with Iran, serving either to frighten the clerical leadership into moderation or inspiring the Iranian people to rebel against their oppressors (Ottaway, Brown et. al. 2008: 8).

However, by 2006 it was clear to all parties that the Iraq war had in fact not eroded the power of the Iranian regime. On the contrary, Iran had been strengthened both domestically and regionally, and this spurred a growing

(10) EU3 consists of Germany, France and the United Kingdom

sense of insecurity and instability in the region. These rising tensions culminated with the war between Israel and Hezbollah and the simultaneous crackdown on Hamas in 2006. The region was now on the brink of three civil wars in Iraq, Palestine and Lebanon, and this contributed to a u-turn in the US Middle East strategy, as we will see below.

2006-2007: A Turning point for US Policies

In the midst of Israel's pursuit of Hamas in Gaza and aerial strikes in Beirut, US Foreign Minister Condoleezza Rice announced the birth pangs of yet another "new Middle East". This Middle East in the making was no longer defined by an axis of evil, but by a battle between "moderates" and "extremists". On the side of the latter stood Hezbollah, Hamas, Syria and above all Iran, whereas the former side was less explicitly defined, but seemingly including Israel, Jordan, Egypt, Saudi Arabia, the government of Fuad Siniora in Lebanon and later on the Abbas government in Ramallah. According to this new perception of the Middle East, each conflict of the region was locked into a larger battle between moderates and extremists. Whether conflicts were played out in Palestine, Lebanon or Iraq, they were essentially seen as proxy-conflicts (temporarily) deciding the balance of strength between the USA and the moderate forces on one side, and the extremist forces and Iran on the other hand side. With a Middle East on the brink of three civil wars and new alliances emerging, this dichotomised version of the region superimposed a somewhat orderly and neat image of the region's security problems, while also allowing the Bush administration to turn around on key positions and assumptions with respect to democracy promotion, the Israeli-Palestinian conflict, and the strategic possibilities in the Gulf.

A turn on Democracy

It became increasingly clear over 2006 and 2007 that the Bush administration effectively had abandoned the freedom and democracy agenda.¹¹ Prior to this, Saudi Arabia and Egypt had been singled out as particularly in need of reform, and the regimes' appalling human rights records had frequently been mentioned in foreign policy speeches and diplomatic conversations. With the Middle East divided along lines of "extremist" and "moderates", the authoritarian character of the regimes in Saudi Arabia and Egypt were now considered less of a problem, if not completely forgotten. In the fight against Iranian hegemony and the growing regional influence of Hezbollah and Hamas, the so-called moderate Arab regimes were once again considered key allies and strategic assets in the power balanc-

(11) As Ottaway, Brown et al. bluntly put it "Making things worse, US credibility has been deeply affected by a policy that first promised too much, and then was quietly frozen, if not abandoned (2008: 21).

ing games of the region. This turnaround was also noticed in Cairo, Riyadh and other “moderate” capitals such as Amman and Rabat. Saudi Arabia and Egypt had both undertaken various types of more or less cosmetic democratic changes, resulting in tentative consultations with Shia groups in the Saudi Kingdom and a hyped local election in 2005, in which women could not participate. Arguably, the Mubarak regime had gone much further than Saudi Arabia. In 2003-2005, Egypt allowed for competitive presidential elections, widening the space for political opposition such as the Kifayya movement, the Ghad party, and above all the Muslim Brotherhood. It was even promised that Egypt’s emergency laws, in place ever since 1981, would be suspended (see e.g. Herzallah and Hamzawy 2008). These events went hand in hand with mass demonstrations in Lebanon that called for Syrian withdrawal, and calls for new elections and reforms in Kuwait, which for a while seemed to suggest that the Bush administration indeed had helped to create a window of opportunity for local reform movements in the region (see also Salem 2008: 17)

But already by 2006 openings were blatantly reversed. The Mubarak regime postponed elections, cracked down hard on the opposition and extended the state of emergency. Faced with the Muslim Brotherhoods’ gains at the ballot box and a new secular opposition, Mubarak returned once again to old authoritarian practices (Albrecht 2007). At the same time, Hamas won a landslide victory over Fatah in the Palestinian elections, and this nurtured the already widespread disbelief in Washington over the blessings of democracy promotion (Middle East Foreign Policy Council Meeting 2007). From now on, the Bush administration was only too willing to turn a blind eye to democratic setbacks, since the incumbent Arab rulers again were seen as necessary partners in the fight against so-called Islamic extremists. In this sense, the Bush administration returned to the very same strategic analysis that it had so deeply questioned in the wake of 9/11: namely that the incumbent autocratic regimes can serve as bulwarks against Islamist opposition groups and thereby as guarantors of stability and a pro-western line.

Israel-Palestine and the Annapolis agenda

The strategy on democracy promotion was for obvious reasons not openly denounced by the Bush administration. However, this was to a large extent the case with respect to the Israeli-Palestinian issue. During the summer of 2007, Bush suddenly made clear that a settlement to the conflict was urgent and that he himself would be personally involved in facilitating an agreement on final status issues, i.e. borders, Jerusalem, and refugees (Ottawa, Brown et. al. 2008: 18). Condoleezza Rice similarly stressed a need for a so-called “Political Horizon” for the Palestinians, and suggested that the Israelis should be willing to leave most of the West Bank. This stood in sharp contrast to the Bush administration’s earlier position; not only in terms of (the lack of) prioritisation of the

issue, but also in terms of content. Shortly after his inauguration in 2001, Bush had announced that the so-called Clinton proposals were off the table¹², and in his famous letter to Sharon in 2004, it was even indicated that the large Israeli settlement blocks now had made the situation on the ground one where Israel could maintain parts of the occupied territories (Gold 2007). Yet with the launch of the Annapolis conference scheduled for November 2007, Bush now aimed to reach an Israeli-Palestinian agreement on the foundations of a Palestinian state within a year. This was an overtly ambitious agenda. Yet Bush managed to bring on board most Arab governments and was apparently willing to tackle the most contentious issues first. Many were obviously sceptical, not least because of the very late and very odd timing of Bush's involvement in the derailed peace process: At the evening of the Annapolis Conference, the Palestinians were under two separate governments and internally at war, the Israeli leadership was exceptionally weak with Prime Minister Ehud Olmert under criminal investigation for corruption, and the West Bank had become a Swiss cheese of ten separate enclaves, due to ever new cross-cutting roads, settlements, and barriers. It was therefore repeatedly asked why the Bush administration had not engaged in serious negotiations much earlier, at a point when a two-state solution realistically could have been pursued.

Several explanations were brought forward for Bush's belated interest in the Israeli-Palestinian conflict. Clearly, outgoing presidents are keen to make history, they wish to take care of their "legacy" and tend to embrace the Middle East Peace issue at the end of their term. Moreover, Bush was also pressured from Arab allies, whom he needed more than ever in order to build up the alliance of so-called moderate Arab states in the midst of deep regional conflicts (see e.g. Cornwell 2007; Cohen 2007; Greenway, 2007; Ottaway, Brown et al. 2008: 18). Yet Bush's involvement should first and foremost be seen in light of the strategic image of a Middle East divided along the lines of moderates and extremists. As noted above, according to the Bush administration, Abbas stood on the side of the "moderates" in the region, and his government in the West Bank was fighting against the "extremists" in Gaza, who were supported by Iran. In this sense, Abbas' fight was also Bush's fight. On the evening of the Annapolis conference Bush explained:

"The time is right because a battle is underway for the future of the Middle East -- and we must not cede victory to the extremists. With their violent actions and contempt for human life, the extremists are seeking to impose a dark vision on the Palestinian people -- a vision that feeds on hopelessness and despair to sow chaos in the Holy Land. If this vision prevails, the fu-

(12) I.e. the proposals/parameters on Palestinian statehood which Clinton made shortly before he left office and after the failure of Camp David, see in particular Clinton Parameters 2000.

ture of the region will be endless terror, endless war, and endless suffering. Standing against this dark vision are President Abbas and his government" (Bush 27.11.2008).

In other words, the timing of the Annapolis conference was right, because it was believed that US sponsored negotiations over a final agreement would strengthen Abbas and discredit Hamas. A final settlement would show to the Palestinian people that Abbas could deliver where Hamas could not. In the battle between Hamas and Fatah, the former was to be conquered both by military, financial and symbolic means, and a peace agreement would arguably constitute a big symbolic victory to Abbas. According to this zero-sum logic, the USA also provided the government in Ramallah with financial support, military aid and training. 90 million USD were appropriated by the US Congress to train Palestinian forces working within the West Bank area in 2008, while harsh international sanctions against Hamas were kept intact (Aaron, Chubin et al. 2008: 13).

Reversals in the Gulf

2006 was a clear turning point for the worse, not only in Gaza and Lebanon, but above all in Iraq. With the bombing of the Samarra mosque, the rise of sectarian infighting, and daily attacks on US forces, it was now clear even to the most staunch optimists that Iraq was on the brink of civil war, not of democracy. Rather than sparking regional democratic change, the invasion of Iraq had resulted in a failing Iraqi state and immense regional instability. In response to ever new political crises within the Iraqi government, the Bush administration changed tactics and strategies at a frightening pace. Over the course of 2005-2007, the USA first pushed for quick elections and constitution-making, then turned to a strategy of benchmarking, while in the end pursuing a so-called bottom-up reconstruction process (Ottaway, Brown et al. 2007: 7). Despite pressure from Congress and a presidential race under way, the Bush administration still insisted that it was not planning for early withdrawal, and would not debark on a phased pull-out.¹³ Instead the USA initiated a so-called troop surge of 30.000 men and armed Sunni militias (or concerned citizen groups) to fight al-Qaeda. This helped to reduce violence and indeed improved the security situation, but concerns were raised over how these newly armed groups could be disarmed or incorporated into the Iraqi army in the longer run, and how this local security policy fitted with the overall US political strategy of supporting and building up the central government. Despite the improved security situation, the Iraqi state could therefore best be described as a failing state which threatened to collapse, when US forces eventually would withdraw. The al-Maliki government was weak and unable to perform basic state functions, competing Sunni, Shia and tribal groups

(13) Yet negotiations were already being made for a permanent security pact with the Iraqi government, which would allow the USA to keep its fortified super-bases after withdrawal.

struggled for power and loyalty, and they were unwilling to disarm preparing for the inevitable struggle they believe will come (Aaron, Chubin, et al. 2008: 19; Ottaway, Brown et al. 2008).

While the overthrow of Saddam Hussein certainly did not result in democracy and effective Iraqi governance, neither did it change the balances and alliances in the Gulf, the way the Bush administration had hoped for. Instead of paving the way for a strategic swap between Saudi Arabia and Iraq, Saudi Arabia emerged anew as one of the most crucial allies of the USA. With the rise of Iranian influence in the region, and not least in Iraq, Saudi Arabia and the USA seemed once again to share common security concerns and interest. As Cordesman put it, "bonds were now revitalized" (Cordesman 2007: 18). Saudi Arabia and the USA were both alarmed by Iran's uranium enrichment programme and were eager to put an end to Iran's spoiling strategies in Iraq, Lebanon and Palestine. But the two did not agree as to how this could be done. The Saudis increasingly favoured active engagement with Iran, whereas the Bush administration continued to be adamantly opposed to any form of talks, which according to the administration amounted to appeasement.

The Baker-Hamilton report had already famously suggested that Iran should be engaged over the security situation in Iraq (Baker and Hamilton 2006), and former policy-makers and analysts in Washington increasingly argued for the necessity of talking and negotiating with adversaries in the Middle East whether in the form of Hamas, Hezbollah or Iran. Former democratic President Jimmy Carter even went to talk to Hamas in the spring of 2008. However, the administration maintained that extremists and rogue states were not to be legitimised and rewarded, and compared engagement with the appeasement policies towards Nazi Germany in the 1930s.¹⁴ It was at the same time apparent that the Bush administration was running out of alternative policy options and credible alternatives. Bush had forsworn Clinton's policy of containment, and the Baker-Hamilton approach of strategic engagement¹⁵, and was now shifting uneasily between ineffective and soft UN sanctions and attempts of maintaining a credible deterrence strategy. The Group of Six¹⁶ including the US had pragmatically agreed on a so-called dual-track approach, which combined political and economic "carrots" to Iran with new tougher UN sanctions, but in order to get China and Russia on board, these sanctions were not nearly as tough as the USA would have preferred them. UNSC resolutions were passed with great diplomatic difficulty in 2006 (SC 1696, SC 1737), 2007 (SC 1747) and 2008 (SC 1803) but they en-

(14) In 2007 Syria was however invited to the Annapolis conference and the Iranian and US ambassador did meet in Baghdad in 2007.

(15) See the Iraq Study group report also called the Baker-Hamilton report. It was made by a ten person bi-partisan group headed by James Baker and Lee H. Hamilton and appointed by US Congress in March 2006 in order to assess the situation in Iraq and suggest policy-recommendations see (Baker and Hamilton 2006) http://www.usip.org/isg/iraq_study_group_report/report/1206/index.html.

(16) The so-called group of six consists of Russia, China, the US, Germany, France and UK.

tailed only toothless financial and trade sanctions, and no measures to enforce international compliance.¹⁷

While the Bush administration was struggling to keep the international diplomatic pressure intact, it also sought to deter Iran. The administration repeated that all options remained on the table, implicitly stressing to the Iranian leadership that military means indeed had not been ruled out (Ottaway, Brown et. al. 2007: 20). Several air and naval exercises were undertaken to signal that the USA was ready to protect its allies in the Gulf and giving credibility to the “military option”. Yet doubts were raised as to whether the USA actually was prepared to stop the Iranian nuclear programme by force. The USA was obviously already tied down in Iraq, and it seemed unlikely that the American public, let alone key European and Arab allies, would be willing to support a military response. To the extent that “surgical attacks” against Iranian nuclear enrichment complexes at all were possible¹⁸, such bombings would probably spur an Iranian counter-attack against oil-installations in the Gulf, blowing up the region and starting another round of soaring oil-prices (White 2007; Erslev Andersen 2007). Thus, although the Bush administration was eager to move against the clerical leadership in Iran, the USA – and much of the international community – found itself caught in a web of ineffective policy-option and unwanted consequences.

This deadlock over Iran seemed in many ways to epitomise the weakened role of the USA in the region. The Bush administration had turned around on key issues of the neo-conservative agenda in the Middle East, and by the end of President Bush’s second term the USA was largely discredited in the Arab world; leaving behind a more unstable and volatile region than before the Iraqi war, as we will see in the next section.

On the brink of regional disintegration: new alliances and emerging actors in the Middle East 2002-2006

Over the span of just four years, the regional security architecture of the Middle East was almost completely disrupted. Former regional alliances and allegiances were set in motion, others were fortified, and new players were displaying their rising power and popularity. By 2006, the previous regional order seemed in shatters with near civil wars in three crucial areas of the region. 2002-2006 was thus a period of profound insecurity and change. This section will discuss three

(17) The sanctions entail a travel ban and asset freeze on persons involved in the Iranian enrichment programme, they also restrict the so-called dual-use technologies, and authorize inspections to and from countries suspected of carrying prohibited equipment and materials.

(18) According to Cordesman there are 18-23 complexes associated with the nuclear programme in Iran (Cordesman 2007: 20)

central changes erupting from the breakdown of the previous Middle Eastern security order: 1) the rise of Iranian power; particularly its ability to act as a spoiler, 2) the enhanced Sunni-Shia divide and 3) the ever-growing challenge to existing authoritarian regimes from Islamist actors.

Rising Iranian power

In the aftermath of the war in Iraq, Iran's regional power was greatly enhanced. Traditionally, Iraq has been the only major regional counterweight to Iran, but with the removal of Saddam Hussein and the Baathist state apparatus, Iran was now left unchecked, and neighbouring states were anxiously calculating Iran's intentions and ambitions in the region. This sense of heightened insecurity was further exacerbated by Iran's continued ability to defy international demands for halting its nuclear programme, as well as from Iran's visible and strong influence in Iraq. Tehran had from the beginning enjoyed warm relations with both Shia militias and the Shia government in Iraq in so far as Iran was profiting from its strong bonds to Shi'ite clerics, who had escaped to Iran in the 1980s and 1990s to avoid persecution from Saddam Hussein's regime. Over the course of 2005-2006 not only Israel, but also several Arab governments were openly voicing their concerns over Iran, and some policy-analysts were even warning that a nuclear arms race could develop in the region involving Saudi Arabia, Egypt, Iran and Israel (Ross 2008; Susser 2006).¹⁹

However, it was not least Iran's ability to act as a spoiler in the region's three centres of crises, and the alliance with Hezbollah, Syria and Hamas that were viewed with concern by Israel and Arab governments. Iran has held close ties to Hezbollah since the founding of the party in 1982, and Tehran has financed the movement with estimates running as high as one billion USD a year²⁰, in addition to providing weapons, training, and religious guidance. Many Arab leaders therefore saw the short summer war in 2006 between Hezbollah and Israel as essentially an Iranian proxy war, and a clear token of Iran's expansionist tendencies in the region. Thus as Hezbollah kidnapped two Israeli soldiers and killed eight in July 2006, the so-called moderate Arab governments immediately warned Hezbollah and accused the party of dangerous "adventurism". Against the backdrop of rising Iranian influence, Hezbollah's "adventure" was seen by Arab governments as an orchestrated Iranian attempt to expand its power in Lebanon and in the region as such after Syrian withdrawal. Israel launched an all out war against Hezbollah, presumably in an attempt to crush the movement once and for all. But instead Hezbollah got all the more popular in the "Arab Street". Until the war,

(19) See e.g. the Saudi government advisor Nawaf Obaid in an op-ed in the Washington Post "Stepping into Iraq" 29.11.2006.

(20) Numbers are disputed. Ahmed Nizar Hamzeh (2004: 63) makes the highest estimate of one billion USD (2004), while others have suggested that it is closer to 60-100 million USD a year (Madani 2002).

Hezbollah's "constituency" had mainly been sectarian and locally based. It had catered for the disenfranchised Shi'ites in southern Lebanon and the suburbs of Beirut and provided basic welfare goods such as health care and schooling. Now Hezbollah's leader Hassan Nasrallah rose to stardom in the Arab world taking up the armed resistance against Israel, and even secular minded Egyptians were buying posters of Nasrallah comparing him to the former iconic leader of the Arab World, Gamal Nasser. The confrontation between Hezbollah and Israel was thus strengthening both Iran and Hezbollah, and those pro-western governments who initially had distanced themselves from Hezbollah's adventurism were soon forced to back-pedal and step up their ritual criticism of Israel. But at that point they had already lost the battle over the mood and sentiments of the "Arab street" to Hezbollah (see also Valbjørn 2007; Lynch 2006).

At the same time, a somewhat similar battle was unfolding in Gaza, where Iran and Israel were equally involved. Israel had withdrawn unilaterally from Gaza in 2005, but tensions were rising between Israel and armed militant groups in Gaza, culminating with the capture of the Israeli soldier Gilad Shalit. Israel began a search for Shalit and engaged in heavy shelling in late June, arresting several Hamas officials and cabinet members in the process. Shortly thereafter, in mid-July Hezbollah launched rocket attacks on Israeli border towns and abducted two soldiers. Israel was now fighting on two fronts simultaneously. Under Israeli siege, Iran, Hamas, and Hezbollah were in turn exchanging declarations of sympathies calling for a united front against the enemies of Islam. Iran had already stepped up its financial support for Hamas after the movement had won the parliamentary elections in January and subsequently been boycotted by the USA and the EU, because of its refusal to recognize Israel and abide to former peace agreements.²¹ In the face of a humanitarian crisis in Gaza, Israeli siege, and international sanctions, Ahmadinejad could now successfully showcase Iranian support for "the Palestinian cause" while also denying the Holocaust and promising to wipe Israel off the map. This contributed to a growing fear that Iran not only was taking advantage of the deep crises and failing political orders in Iraq, Lebanon, Gaza, but that Tehran also was striving for "pan-Arab leadership" by championing a new "Israeli refusal front" (see also Roy 2008: 116; Erslev Andersen 2007).

Sunni-Shia divisions

Concerns for growing Iranian power were closely coupled with fears of rising Sunni-Shia divisions. Already in 2004, the Jordanian King Abdallah openly argued that Iran was seeking to dominate the region by backing and orchestrating a Shia alliance in the largely Sunni-dominated Middle East. In his speech, Abdallah

(21) The extent of Iran's financing of Hamas is disputed, conservative estimates are about 20-30 million USD a year see e.g. (Council of Foreign Relation, 2007) others estimate up till 120 million (see Wurmser, 2007).

(in)famously referred to a so-called "Shia Crescent", which supposedly stretched from Iran, Iraq, and Syria all the way to Lebanon. This happened shortly after Mubarak accused Shi'ites in Iraq and the Gulf of being more loyal to Iran than their respective national governments (Ottaway, Brown et al. 2008: 25). These rather controversial statements by Sunni leaders contributed to a growing sense that sectarian politics once again were to divide the region. In Iraq, Shi'ites were inevitably dominating the new political system, in Lebanon Hezbollah and the March 14th movement were engaged in a prolonged sectarian conflict over government, and in Saudi Arabia and Bahrain there were open discontent among Shia groups over discriminatory practices. These events spurred fears and conspiracies about Shi'ites possibly constituting a type of fifth column in those Sunni Arab countries who have Shia populations. The return of the Shia-Sunni split also made for media headlines and fear-mongering book titles such as: "Shia Crescent: Emergence of World War 3" (Haquani 2007), "Are Shias on the brink of taking over the Middle East?", (The Observer 23.07.2006), "Arab leaders watch in fear as Shia emancipation draws near" (Guardian 27.01.2005). While there is no doubt that sectarian politics is on the rise in the region, there is equally no doubt that Sunni-Shia divisions and Iran's supposed ability - or even wish to - lead a Shia front are greatly exaggerated. As many analysts rightly have pointed out, Arab governments have vested interest in talking up sectarian tensions. By stressing the Shia identity of Iran and Hezbollah, Arab - as well as Western governments - can diffuse the overwhelming support, which these two actors recently have gained among Arab Sunnis and Shias alike, and not least their ability to successfully mobilise the Arab public. In short, playing on sectarian divisions help Arab governments to contain Hezbollah's and Iran's growing influence within the Arab world as a whole (see also Valbjørn 2007). Conversely, just as Arab governments are keen to exaggerate sectarian tensions and stressing the Shi'ite character of Iran and Hezbollah, Iran is eager to downplay these very same sectarian identities. Presumably, the clerical leadership in Tehran has learned from its previous attempts to export and lead an Islamic revolution in the 1980s, and knows that it cannot risk to be identified as a purely Shia and/or Persian actor championing its own sectarian and narrow cause. Instead, Iran therefore attempts to combine - what Oliver Roy calls - the Israeli refusal front or Arab nationalism with pan-Islamism (see also Roy 2008: 116).

Democracy and Islamists: Challenges to the authoritarian state

The war between Israel and Hezbollah precisely demonstrated the importance of combining a pan-Islamist and pan-Arab discourse if one is to win over the Arab street, and of course Hezbollah's ability - and the incumbent Sunni governments' inability - to do just that. In this way, the war also highlighted the ever-growing legitimacy crisis and widening gap between people and state in the Arab world. A crisis, which in turn now could be openly discussed on Al Jazeera and other Arab networks relatively free from government interference. Hezbollah's im-

mense popularity is thus also a token of the type of critical coverage of the war and the near iconisation of Nasrallah, which now was possible on Arab satellite television, but which government-controlled newspapers and TV channels could not have allowed. On Al Jazeera and Al Arabiya, Arabs could openly discuss their admiration for Hezbollah's fight against Israel, and contrast it with decades of hallow rhetoric from incumbent regimes, who either had lost wars or signed peace treaties with Israel, and who were hopelessly dependent on military and financial aid from the USA (see especially Lynch 2006).

The dissatisfaction with Arab governance was given air on Arab satellite TV and blogs, but it was also expressed at the ballot box in places such as Egypt and the Palestine. Ironically not least due to pressure from the Bush administration, Palestinians and Egyptians were having elections in 2005 and 2006. After an election which international inspectors deemed as fair and just, Hamas won a landslide victory over the ruling Fatah party in January 2006. In Egypt, the Muslim Brotherhood ended up gaining about 20 percent of the seats in parliament despite of widespread manipulations and being banned as a political party. The victory of Hamas was not least a result of the deep dissatisfaction with the inefficiency and corrupt practices of the Palestinian Authority, just as the parliamentary gains of the Muslim Brotherhood exposed the fragile power basis and discontent with the Mubarak regime. Across the region, frustration and opposition were absorbed by Islamist parties and movements who, in contrast to the much smaller secular opposition parties, have strong popular bases, are well-organised and in reality the only remaining contesters to the present authoritarian regimes. In this sense, domestic and regional crises ran together in 2006, and highlighted the ever-weakening legitimacy and support of authoritarian regimes in Egypt, Jordan and Saudi Arabia. Incumbent so-called moderate or pro-Western regimes were challenged both from within their societies and from without by regional powers such as Iran, who in turn could play to the internal opposition by taking up popular Arab causes such as refusal of Israel, the plight of the Palestinians, or anti-Americanism.

On this background it is perhaps tempting to see regional developments since 2002 as part of the same overall phenomenon. The rise of Iran, reviving Shi'ism and increasing popular support for Islamist parties have frequently been read as expression of an overall new struggle between e.g. moderates and extremist, Sunni and Shi'ites, secularists and Islamists, state and non-state actors. Yet Middle Eastern allegiances and conflicts do rarely fall into neatly dichotomised camps, but are in fact cross-cutting, shifting and contradictory. To illustrate, Hamas is a Sunni, and not a Shia-based party, inspired by the Muslim Brotherhood in Egypt and not by the clerical leadership in Iran. Syria in turn is strategically allied with Iran, and governed by a Shia Alewite regime, but it is also a secular regime that cracked down hard on its own local Muslim Brotherhood.

Equally, the Shia dominated and religious government in Iraq is backed by the two fiercest enemies in the region: the USA and Iran.²² Qatar, which is a main ally of the USA is also one of the greatest financial supporters of Hamas in Gaza, just as the regime in Saudi Arabia is pro-western, but hardly can be described as moderate. The current Middle East is in other words composed of many strange bedfellows and cross-cutting allegiances. Missing these nuances and possibilities of breaking up alliances, it may be difficult to appreciate just how the Middle East suddenly could go from chaos and war, to new diplomatic overtures and peace initiatives. As the next section will show, however, by 2007, the region witnessed a range of new positive developments, which few had predicted amidst the chaos and turmoil of the previous four years.

One step forward, two steps back: from reconciliation to rivalry 2007-2009

Arab negotiations and reconciliations

2006 was a year of war and disintegration, but already by 2007 the region seemed to take a surprising turn; promising more benign and peaceful relations. Thus, Turkey was mediating peace talks between Syria and Israel; a unity government was created in Lebanon ending the prolonged showdown between Hezbollah and the March 14 coalition. Furthermore, Lebanon and Syria agreed to open diplomatic relations for the first time in history.

Paradoxically, the background for these positive developments should especially be found in a steady weakening of the Bush administration's influence in the region. Some policy analysts even went as far as arguing that the American era in the Middle East was over. The region would now be run and dominated by local forces, whereas the USA only would enjoy a relative modest impact on regional events (Hass 2006; Cook 2008; Zakaria 2008). While the US administration appeared increasingly weak and unable to respond to Iran's rising power and several regional crises, this left more room of manoeuvre for regional actors, who were able and willing to pursue policies that went against the grain of the Bush administration's Middle East policy (see also Ottaway and Herzallah 2008). Faced with profound regional crises in Iraq, Lebanon and Palestine, growing popularity of Islamist actors and Iran's challenge to the status quo, regional players such as Saudi Arabia, Egypt and Qatar took over new roles as "conflict resolutioners" and mediators. In May 2008, Qatar and the Arab League succeeded in negotiating an

(22) Iran and the US are in fact the only two countries that presently have diplomatic relations with the government of Nouri al-Maliki in Iraq. None of the Arab states except for the United Arab Emirates have embassies in Iraq or hold normal diplomatic relations with the al-Maliki government (Ottaway and Herzallah 2008: 9).

agreement between the rival Lebanese factions over the formation of government and the election of Suleiman as president. The Lebanese government had until then been paralysed in a conflict over the role and potential powers of Hezbollah in government. In the aftermath of the war with Israel in 2006, Hezbollah had demanded veto power, but this had been adamantly refused by the Siniora government. In December 2006, the Hezbollah-led opposition had virtually “occupied” downtown Beirut in response, and sporadic violence and shootings were continuously threatening to bring the country to civil war once again. The Bush administration on its part had supported the Siniora government and advised it not to make any concessions to Hezbollah. With the agreement brokered by Qatar and the Arab League in 2008, however, Hezbollah’s demands were largely met and a compromise found. Lebanon had escaped the gloomy predictions of civil war.

Just as Qatar tried to solve the difficult political crisis in Lebanon, so did Saudi Arabia attempt to push forward on solving the other big regional crisis between the rival Palestinian factions in Gaza and the West Bank. In 2007, this resulted in the so-called Mecca Agreement between the two opposing parties of Fatah and Hamas. The agreement paved the way for another unity government and opened up new possibilities for dismantling Western sanctions against Hamas. The sanctions imposed by the USA and the EU were not lifted, however, and the unity government quickly dissolved. The USA stepped up its support for President Abbas by arming and training his security forces so as to enable them to fight an all out war against Hamas. Hamas was still not to be engaged, but essentially eradicated according to the Bush administration. Despite of the refusal of the USA to engage Hamas, states such as Saudi Arabia, Egypt, Qatar, Yemen and the whole Arab League engaged in mediation and diplomacy to bring Hamas and Fatah together. While these reconciliation attempts did not come to fruition, they however succeeded in carving out a unified “Arab alternative” to isolation and eradication of Hamas, and pressured both Palestinian parties to engage in talks. Thus even the so-called moderate governments in the region such as Egypt or Saudi Arabia seemed to agree that a peace agreement with Israel on a two-state solution could only be made, and especially implemented, if Hamas was brought on board (see also International Crisis Group 2008).

In this sense regional peace and reconciliation efforts reflected the fact that some of the US’ main allies in the region were able to pursue independent and even opposing policies to those of the US. Leading Arab states engaged not only Hamas and Hezbollah, but also Iran and Syria although to varying degrees. Qatar in particular pursued a relatively strong diplomatic relationship with Tehran, and Iran was invited to attend the Golf Cooperation Council meeting in Doha in 2007, presumably to discuss common security issues such as Lebanon and Palestine (Ottaway and Herzallah 2008: 11). Saudi Arabia, which traditionally has had

relatively cool relations with Iran, also held several meetings with Iran in 2007 and 2008 to discuss the situation in Lebanon and Iraq, and later in an attempt to mend the nuclear enrichment issue. While this did not imply that Saudi Arabia no longer was concerned over Iranian intentions and ambitions in the region, it did however highlight that Saudi Arabia suspected that more could be achieved by engagement and talks than by mere isolation (Ibid.). Leading Arab states in effect shunned the attempts of the Bush administration to build a strong anti-Iranian security alliance of so-called moderate states in order to deter and isolate Iran. Instead they were seeking to combine power balancing with engagement. This approach was even more visible in relation to Syria. While the Bush administration maintained its isolationist policy towards Syria, policy-makers and analysts inside and outside the region continually argued for bringing Syria back to the "Arab fold", as it were. Through diplomatic engagement and inclusionary policies ranging from civil society forums, to invitations to multilateral meetings and high-level state visits, Syria were in the long run to be persuaded to stop its one-sided support for Hamas and Hezbollah, and of course not least to end its strategic alliance with Iran. In 2008, Syria thus held its first Arab League meeting, the Syrian President Bashar al Assad was invited to the launch of French President Nicolas Sarkozy's Mediterranean Union in Paris, and Bashar al-Assad received several heads of states in Damascus. In May 2008, it was also officially revealed that Syria and Israel were engaged in secret peace talks mediated by Turkey and in October Syria and Lebanon agreed to establish normal diplomatic relations for the first time since independence from France. Syria it seemed was indeed on its way back into the Arab Fold.

In sum, over the course of 2007-2008 the region witnessed some significant diplomatic openings and rapprochements compared to previous years of turmoil and war. Yet by the end of 2008 as unity talks between Hamas and Fatah collapsed in Cairo and the ceasefire between Israel and Hamas was not renewed, previous divisions and conflicts threatened to re-emerge, as we will see in the next section.

Gaza, Regional rivalries and Obama

Just before midday on December 27 2008, Israel began a military offensive against Gaza codenamed Operation Cast Lead. After a week of heavy shelling, a real ground invasion was undertaken, lasting until the end of January, where first Israel and then Hamas declared so-called "unilateral ceasefires". On January 21, Israel withdrew from the Gaza Strip.

The Israeli military campaign was in many ways expected. In the months prior to the invasion, the political process had been slowly, but surely derailed. Hamas and Israel were not able to agree on the conditions for extending the original truce, which Egypt had brokered in June, negotiations over a unity government

between Fatah and Hamas had collapsed, and the Annapolis talks had come to nowhere. Both Hamas and Israel were arguing that the other side had not respected the essence of the June truce: Hamas was holding that Israel had not eased the economic siege to the agreed level of 2005 (prior to the election of Hamas), while Israel pointed to the numerous rocket attacks on Israeli cities. Both Israel and Hamas appeared to believe that an open conflict would in fact enhance their relative positions of bargaining power in future negotiations over a post-war truce deal, and possibly also change the inter-Palestinian balance of power between Fatah and Hamas. Israel's declared goal of the invasion was accordingly not to re-occupy Gaza or eliminating Hamas, but rather to weaken Hamas and hinder the movement's ability to attack Israel (see e.g. Tzipi Livni in the Independent, 28.12.08), just as Hamas' main goal appeared to be a lifting of the economic blockade (see e.g. Schenker 2009; Kramer 2009).

Although Israel in this sense seemed to have learned from its war against Hezbollah in 2006 – by aiming for more general and modest war objectives – it quickly became apparent that the offensive against Gaza in many ways enhanced the power and popularity of Hamas in much the same way as the war in 2006 had strengthened Hezbollah. Under Israeli attacks, hospitals, schools and children in Gaza were hit, and the death toll of Palestinian civilians steadily rose to 1300. Demonstrations and outrage ensued across the region, in so far as in the eyes of most Arabs, Israel was not "merely" conducting a war against Hamas, but a war against all Palestinians. The plight and suffering of the Palestinians in Gaza prompted stark critique of Israel and calls for solidarity with the Palestinians and their desperate conditions under siege. Hamas' fight against Israel became synonymous with the Palestinian cause in general, and this strengthened Hamas' position vis-à-vis Israel and the Fatah rule in the West Bank. President Abbas and the Fayyad government were now delegitimised even further. According to the Palestinian analyst Omran Risheq "The Gaza War damaged what little credibility President Abbas had left with his people" (Risheq 2009)". Whereas Hamas to many Palestinians appeared as a heroic force who resisted Israel, Abbas appeared as siding with Israel. At the outbreak of the war, Abbas publicly blamed Hamas for starting the hostilities and argued that the war could have been avoided if Hamas had not broken the ceasefire. This caused disarray in many parts of the Arab world, and was widely regarded as yet another proof that Abbas was too close to Israel and the West. In an Israeli polling conducted right after the war, Hamas leader Haniyeh was found to be the most trusted Palestinian politician with 21 percent support among Palestinians in the West Bank and Gaza, whereas Abbas received only 13 percent support (Ynet 05.02.2009). The political power of Israel's only negotiating partner was in this way severely undercut by the war, whereas Hamas seemed to gain greater regional legitimacy and some international sympathy falling just short of recognition: Hamas was invited as the Palestinian representative to the Arab emergency

summit in Qatar in January, France and the European Union participated in the early Egyptian ceasefire negotiations with Hamas in December and January, and leading international actors were pushing for a Palestinian unity government rather than isolation of Hamas. The extent to which Hamas was weakened as a result of the war is thus questionable. Israel most likely hoped that a military success would translate into a political process, in which Abbas and the Palestinian authorities would gain renewed ground in Gaza, but such a political outcome seems, at the time of writing²³ fairly remote.

The Gaza war did not only have implications for the balance of power between Israel, Hamas, and Fatah, it also had ramifications for inter-Arab relations and divisions. Whereas the Lebanon War first and foremost put spotlight on the deep divisions between the authoritarian regimes and the widely popular Islamist parties, the Gaza war pushed inter-Arab rivalries to the forefront. It was in particular the difficult balancing policies of the Mubarak government that brought inter-Arab state conflicts out in the open. As the Gaza war unfolded, Egypt was more or less openly shunned for not keeping the Rafah Gate between Gaza and the Sinai desert open, thereby effectively participating in the Israeli blockade against the Palestinians. This criticism was even stepped up a notch following the Sharm el-Sheikh summit in January, where Egypt pointed to Hamas' responsibility for the current situation and declared that smuggling into Gaza had to be put to an end. Up to the war, Egypt had more or less openly ignored the smuggling of goods and weapons into Gaza.

This had served the dual purpose of keeping Hamas relatively afloat and the Bedouins in Sinai wealthy, whereby the Egyptian regime could remain on friendly footing with both. However, with an open war on its borders, the Mubarak regime feared the destabilising effects of permanently opening the Rafah Gate. Keeping the border crossing open could spur an influx of Palestinian refugees, facilitate contacts between Palestinian and Egyptian radical groups, and possibly lead Israel to abandon its overall responsibility of Gaza (see also Cook 28.12.2008). Concerned with its own regime survival, if the crossing was kept open, but also worried about reactions from its own people and the Muslim Brotherhood, if it was not kept open, Mubarak struggled to balance internal and external security demands. Mubarak openly criticised Israel and Hamas, yet at the same time pursued a ceasefire deal between the two and pushed for a Palestinian unity government. For the Mubarak regime, stability in Gaza was key to both internal and external security, and Mubarak fought to maintain Egypt's role as a mediating actor.

As Egypt tries to mediate between Hamas, Fatah, Israel and international interlocutors in Cairo, Qatar meanwhile calls for an Arab League emergency summit.

(23) Late February 2009

The summit is supposedly to find a common Arab position on Israel and the Gaza war. Yet as it becomes clear that the meeting mainly is intended to pressure Egypt - and of course Israel - to open the border crossings and that the summit inevitably will expose the deep divisions between the Arab states over how to conduct relations with Israel, main regional players such as Egypt, Saudi Arabia, and Jordan refuse to participate. Qatar, Syria and others, on the other hand, work for an Arab League resolution that calls for a withdrawal of the Arab Peace Initiative, an opening of all border crossings, and an end to normalisation with Israel. On the evening of the Doha summit, it is clear that Qatar cannot muster the sufficient quorum of two thirds for an Arab League resolution and that three separate Arab summits now will take place in respectively Saudi Arabia, Qatar and Kuwait. The mainly pro-western governments in Morocco, Tunisia, Egypt, Saudi Arabia, Jordan, Iraq, Bahrain and Kuwait all decline to participate in the meeting in Qatar, while the remaining Arab states including Iran and Hamas gather in Doha, and call for a cessation of all bonds to Israel and a withdrawal of the Arab Peace Initiative. During the third and final summit in Kuwait, the Kuwaiti Emir Sheikh Sabah al-Ahmed al-Sabah tries to mend differences between Syria and Qatar on one side and Egypt and Saudi Arabia on the other, but the meeting does not result in Arab reconciliation or a common Arab position on Gaza. The Gaza War, in other words, exposes Arab divisions, with each Arab state trying to seize the Palestinian issue in order to compete for regional power and legitimacy. The Secretary General of the Arab League Amr Moussa even announces to the press that "intensive efforts are needed to repair the damage" (Amr Moussa in Turkish Weekly, 2009) and several analysts speak of profound Arab divisions similar to those that beset the Arab world during the height of the Cold War in the 1960s (Schleifer 2009; Pelham 04.02.09; Shehadi 02.02.2009).

However, one should be cautious in terms of Cold War analogies. Current Arab divisions and alliances remain volatile and cross-cutting, and do in this sense not resemble the more permanent rift between conservative and revolutionary states during the Arab Cold War. For instance, albeit the Bashar al-Assad regime in Syria once again stood alongside Iran, Qatar and Hezbollah during the Gaza conflict, calling for resistance against Israel and an end to normalisation, Syria is at the same time approaching the US and Europe, and is seemingly ready to resume peace talks with Israel. Support for Hamas should therefore also be seen as a bargaining tool for Syria in future negotiations with Israel (see also Bokhari and Bhalla 2009). Similarly, Qatar is (in)famous for its shifting patterns of alliances and its acute ability to play all sides. While the Emir Sheik Hamad bin Khalifa al Thani was hosting the Gaza crisis summit and invited Iran and Hamas to attend, last year Israeli Foreign Minister Tzipni Livni was equally invited to a conference in Doha on Middle East peace and Israel has had a trade office in Doha since the early 1990s. As the director of Qatar University explained to the New York Times " We don't have an agenda, and we don't keep all our eggs in one basket"

(Hassan al-Ansari 09.07.2008). Stable divisions and alliances as during the “Arab Cold War” are thus not in place.²⁴

As the Gaza war unfolded and the Arab world stood divided, the US was about to inaugurate a new president. Some analysts speculated that the Obama administration might focus less on the Middle East, and more on Asia and Africa, others feared that the new administration would be inclined to pursue a more isolationist foreign policy after the Bush administration’s years of heavy engagement and war-waging, and some even argued that the power of the US in the region is declining permanently (see e.g. Cook 2008; Haas 2006). Yet it quickly became clear that the US would not turn to neo-isolationism or disengage from the region. On the contrary, the Obama administration seemed intent on showing right from the start that the Middle East is a main priority: Obama chose George Mitchell as his special envoy to the Middle East and Mitchell travelled to the region just within days of Obama’s inauguration. The first formal phone call Obama made was to the Palestinian president Abbas, and the first interview Obama gave was to the Arab satellite channel Al Arabiya. In the interview, Obama promised a more inclusive and respectful approach to the region, a contiguous Palestinian state, and a willingness to talk with Iran (Al Arabiya, 27.01.2009). Shortly after, Dennis Ross was appointed Hillary Rodham Clinton’s special advisor to the Persian Gulf and South West Asia²⁵ with the task of engaging Iran, and there were also new tones in terms of Syria. Hillary Clinton talked briefly with the Syrian Foreign Minister at the Gaza donor’s conference in March, and signaled that she will send two diplomatic representatives to Damascus.

These overtures certainly indicate a clear break with the Bush administration’s Middle East policy, and a willingness to use diplomacy and engagement in terms of antagonist actors such as Syria, Iran and Hamas. Yet it is also evident that the Obama administration cannot circumvent a number of crucial dilemmas and challenges. Particularly the Israeli-Palestinian track and the question of Iran will test the Obama administration’s new Middle East policy.

Conclusion: A Region in Midst of Change

This report has shown how US policy and the Middle Eastern security order have shifted and turned since 2001. The Bush administration started off with a transformative and idealistic neo-conservative agenda of radically changing the

(24) Illustrative of this situation is also the fact that what the Arab states are divided over itself is an issue of division and changes rapidly; from the relationship with Israel, to relations with Islamist groups such as Hamas and Hezbollah, Sunni versus Shia, Iran, or bonds to the West and the US.

(25) Formally the title is Special Advisor for the Persian Gulf and South West Asia, an euphemism for Iran since US formally does not hold diplomatic relations with the country.

Middle East, but in the end retracted to a more classic realist policy of supporting pro-western and authoritarian regimes, building-up an anti-Iranian alliance, and trying to solve the Palestinian-Israeli conflict. The new Obama administration has already broken with some of the main tenets of the Bush administration's policy, notably in terms of engaging Syria and Iran and prioritising the Israeli-Palestinian conflict. Yet there is no doubt that the Obama administration has inherited a more fragile and insecure Middle East, and that the administration faces immense security challenges in the region. Not least after the war in Gaza.

What kind of security milieu have these events and changing policies created for the region? This report has been keen to emphasise that one should be wary of analysing the Middle East in terms of Cold War analogies and dichotomised battles between e.g. extremist and moderates, Sunni and Shia, pro- and anti-Western. Parallels to the Arab Cold War of the 1960s may not only be premature, but also turn into self-fulfilling prophecies. There is no doubt that both the Lebanon war and the Gaza war have exposed profound Arab divisions, but these dividing lines are often cross-cutting and fluid, and do rarely fall into the same neatly organised camps, as this report has shown. This makes for a more volatile and complicated region, but also implies that regional actors are more prone to change policy positions and reach out to former foes and adversaries. In the end, this may make Obama's strategy of engagement and inclusion easier.

Bibliography

Ajami, Fouad (1981), *The Arab Predicament: Arab Political Thought and Practices since 1967*, Cambridge: Cambridge University Press.

Al Arabiya (2009), 27.01.2009.

Albrecht, Holger (2007), "Authoritarian Opposition and the Politics of Challenge in Egypt," in Schlumberger, Oliver (ed.), *Debating Arab Authoritarianism*, Palo Alto: Stanford University Press, pp. 59-74.

Andersen, Lars Erslev (2007), *Innocence Lost: Islamism and the Battle over values and World Order*, University Press of Southern Denmark.

Ansari al-Hassan (2008), "Qatar, Playing All Sides, Is a Nonstop Mediator" *New York Times*, 09.07.2008.

Aaron, David, Shahram Chubin, Shai Feldman, Adulaziz Sager (2008), "Middle East Perspectives: Conference Proceedings from Gstaad, Switzerland", *GCSP Geneva Paper 4*, Geneve.

Baker, James and Lee H. Hamilton, (2006), *The Iraq Study Group Report*.
http://www.usip.org/isg/iraq_study_group_report/report/1206/index.html

Barnett, Michael (1998), *Dialogues in Arab Politics*, New York: Columbia University Press.

Bush, George W (2002), *State of the Union Address*, The United States Capitol, Washington, D.C., 29. Jan. 2002.

Bush, George W (2003), *National Endowment for Democracy*.
<http://www.whitehouse.gov/news/releases/2003/11/20031106-2.html>

Bush, George (2005), "President Bush discusses American and European Alliance in Belgium".
<http://www.whitehouse.gov/news/releases/2005/02/20050221.html>

Bush, George W (2008) *President Bush Attends the Annapolis Conference*, Memorial Hall, Annapolis, Maryland, 27 Nov. 2008.
<http://www.state.gov/p/nea/rls/rm/2007/95695.htm>

Cook, Steven A (2008), "Disentangling Alliances America" in *the Middle East American Interest* Vol IV, no. 1, Sept./Okt.

Clinton Parameters (2000), *Clinton Proposal on Israeli-Palestinian Peace Meeting with President Clinton*, White House, December 23, 2000.
http://www.peacelobby.org/clinton_parameters.htm

Cheney, Dick (2002), *Speech to the Veterans of Foreign Wars 103rd National Convention*, 26 August.
<http://www.whitehouse.gov/news/releases/2002/08/20020826.html>

Cohen, Roger (2007), Israel, Palestine, Annapolis, *International Herald Tribune*, 18.11. 2007.

Cook, Steven (2008), "War in Gaza: no upside for Egypt" at *Middle East Strategy at Harvard*.

Cordesman, Anthony (2007), *The Future of the Middle East: Strategic Implications for the United States*. Transcript of the forty-ninth series of Capitol Hill conferences convened by the Middle East Policy Council, Journal Compilation, Middle East Policy Council.

Cornwell, Ruper (2007), The Middle East summit: Mission impossible? *The Independent* 26.11. 2007.

Council of Foreign Relations (2007), *Backgrounder Hamas*.
<http://www.cfr.org/publication/8968/#8>

Gause, Gregory (2007), *The Future of the Middle East: Strategic Implications for the United States*. Transcript of the forty-ninth series of Capitol Hill conferences convened by the Middle East Policy Council, Journal Compilation, Middle East Policy Council.

Greenway, H.D.S (2007), "Little reason for optimism" *International Herald Tribune* December, 2007.

Gold, Dore (2007), *The Fight for Jerusalem: Radical Islam, the West, and the Future of the Holy City*, Washington: Regnery Publishing.

Guardian, "Arab leaders watch in fear as Shia emancipation draws near", *Guardian* 27.01.2005.

Halper, Stefan and Clarke, Jonathan (2004), *America Alone: The Neo-Conservatives and the Global Order*, New York: Cambridge University Press.

Haquani, Jamai (2007), *Shia Crescent: Emergence of World War 3*, Outskirts Press.

Hass, Richard (2006), "The New Middle East", *Foreign Affairs* Nov/Dec Vol. 85, issue 6.

Herzallah, Mohammed and Hamzawy, Amr (2008), *Egypt's Local Election Farce: Causes and Consequences*, Carnegie Policy Outlook, April 2008.

Hinnebusch, Raymond (2007), "The US Invasion of Iraq: Explanations and Implications Critique", *Critical Middle Eastern Studies* Vol. 16, no. 3, pp.209-228, Fall 2007.

Hove, Søren (2007) "Aktuelle politiske tendenser i Saudi-Arabien og Golfstaterne og deres regionale betydning" i *Nye Kolde Krige i Mellemøsten*, Erslev Andersen, Lars, Søren Hove & Morten Valbjørn (eds.), Odense: Syddansk Universitets Forlag.

Indyk, Martin (1993), *The "Dual Containment Speech"*, *The Clinton Administration's Approach to the Middle East*, by Martin Indyk, then National Security Council Senior Director for the Near East and South Asia, May 15 1993.

International Crisis Group (2008), Palestine Divided, *Middle East Briefing* no 25, 17 December, Ramallah, Gaza and Brussels.

Kennan, George (1947), The Sources of Soviet Conduct, *Foreign Affairs* 1947 XV575-576.

Landau, Emily B (2009), The New US Administration: Confusion and Indecision on Iran, *INSS Insight* No. 95, February, 18.

Livni, Tzipi (2008), "Israel pounds Gaza for second day" *The Independent*, 28.12.2008.

Lynch, Marc (2006), *Voices of the New Arab Public: Iraq, Al-Jazeera and the Middle East Politics today*, New York: Columbia University Press.

Lynch, Timothy (2008), Kristol Balls: Neoconservative Visions of Islam and the Middle East *International Politics* vol. 45, pp. 182-211.

Madani, Blanca (2002), "Hezbollah's Global Finance Network: The Triple Frontier", *The Middle East Intelligence Bulletin*. www.meib.org/articles/0201_12.htm

Malmvig, Helle (2003), "Det der ikke kan siges", *Weekendavisen* 07.02.2003.

Malmvig, Helle og Martin Fernando (2006), Stadig et Trekantsdrama: Europæisk og Amerikansk Sikkerhedspolitik i Mellemøsten? *DIIS brief* April, 2006.

Middle East Foreign Policy Council Meeting, June 2007, *Middle East Policy*, Vol XIV, no 3, Fall 2007.

Nizar, Ahmed Hamzeh (2004), *In the Path of Hizbullah*, Syracuse: Syracuse University Press.

Obaid, Nawaf, "Stepping into Iraq", *Washington Post* 29.11.2006.

Observer, The, "Are Shias on the brink of taking over the Middle East?", *The Observer* 23.07.2006.

Ottaway, Marina and Mohammed Herzallah (2008), "The New Arab Diplomacy: Not with the U.S and Not Against the U.S.", *Carnegie Papers*, no. 94. Carnegie Endowment for International Peace, Washington D.C.

Ottaway, Marina, Nathan Brown, Amr Hamzawy, Karim Sadjadpour, Paul Salem (2008), *The New Middle East*, Carnegie Endowment for International Peace, Washington D.C.

Pelham, Nicolas, "Palestinian rift deepened by regional rivalries" in *The Daily Tribune* 04.02.2009.

Risheq, Omran (2009), "Redrawing the Map of legitimacy" *ArabreformBulletin*, February, 2009.

Ross, Dennis (2008), *Choices and Strategies for Dealing with Iran*, The Washington Institute for Near East Policy, Washington D.C.

Roy, Oliver (2007), *The Politics of Chaos in the Middle East*, London: Hurst & Company.

Salem, Paul (2008a), "The Middle East: Evolution of a Broken Regional Order", *Carnegie Papers*, Carnegie Endowment for International Peace, Washington D.C.

Salem, Paul (2008b), "Syrian Israeli Peace: A possible key to regional change", *Policy Brief no. 70*, Carnegie Endowment for Peace, Washington D.C.

Shehadi, Nadim (2009), "Qatar's mood swings: pro-Iran or pro-West" *Jerusalem Post* 02.02.2009.

Spring Morning Herald, (2004), "War makes democracy a dirty Word". 30 October, 2004.

Susser, Asher (2006), "The War in Lebanon and the New Middle East", *RUSI Journal* no. 4 August 2006.

Turkish Weekly (2009), "Amr Moussa comments situation".

Valbjørn, Morten (2007), "Libanonkrigen i skyggen af den Nye Arabiske Kolde Krig" i *Nye Kolde Krige i Mellemøsten*, Erslev Andersen, Lars, Søren Hove & Morten Valbjørn (eds.), Odense: Syddansk Universitets Forlag.

Wall Street Journal October, 2001.

White, Wayne (2007), *The Future of the Middle East: Strategic Implications for the United States*. Transcript of the forty-ninth series of Capitol Hill conferences convened by the Middle East Policy Council, Journal Compilation, Middle East Policy Council.

Wurmser, Meyrav (2007), *The Iran-Hamas Alliance In Focus*, Fall 2007.
<http://www.jewishpolicycenter.org/article/57>

Ynet (2009), "Gaza war boosts Hamas support".
<http://www.ynet.co.il/english/ext/comp/Articlelayout/CdaArticlePrintPreview/1,250>

Zakaria, Fareed (2008), *The Post-American World*, New York: Norton and Company.

