Western strategies and the prospect of reforms in the Middle East

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Introduction\textsuperscript{1}

Reforms in the Middle East have been on the agenda of almost all relevant international organizations and political actors during the recent years.\textsuperscript{2} This has been due to the concentration after 9/11 on the domestic conditions in the Muslim world as a source of radicalization. Concentration of domestic problems is a positive step as it has broadened the discussion of sources of security threats and questioned the current policies towards Middle East states and societies. In the public debate the security threat posed by Muslim terrorism to the international community is still largely analyzed out of the domestic context. Western policies and the Israel-Palestinian conflict are seen as the primary reason for radicalization. Muslim relations to the West as well as the issue of Israel surely have their part to play in the domestic setting of the Middle Eastern states and societies, but most analysts and even Islamists themselves agree, that American and Israeli politics – or indeed any other external factors – explain very little of the support for Islamism or radicalization. Instead the radicalization originates in specific political and socio-economic problems in the Muslim countries and the phenomena must be therefore seen as part of intra-Muslim political grievances.\textsuperscript{3} External reasons can only add to these already existing internal problems.

\textsuperscript{1} The discussion paper was written while the author worked as a researcher at the Unit for Policy Planning and Research in the Ministry for Foreign Affairs, Helsinki (August 2002 to July 2003). The author wishes to thank the Ministry and her colleagues for valuable support and advice. The views expressed are those of the author and do not reflect positions of the Finnish Government.

\textsuperscript{2} The most vocal demands for Arab reforms have been heard from the US administration. The UNDP Arab Human Development Report 2002 (http://www.undp.org/rbas/ahdr/english.html) aroused much discussion in the world at large as it presented the facts and figures related to deficits in the political and socio-economic development. International organizations such as the World Bank and the OECD have issued surveys and initiatives. Necessity of reforms is also vividly discussed in the Middle East. For general discussion, see for example Reforms Critical for Progress: King Fahd. Arab News. 18.5.2003. http://www.arabnews.com/Article.asp?ID=26313 and Muhieddin Tuk: Good Governance And The Iraq War. Al-Hayat 31.3.2003. http://english.daralhayat.com/opinion/31-03-2003/Article-20030331-438add77-c0a8-01fc-0077-96d0eb919afc/story.html.

\textsuperscript{3} Michael Doran: Somebody Else’s Civil War. Foreign Affairs, January/February 2002.
The political and socio-economic problems in the Middle East Muslim countries are due to a failed modernization process that has created weak states, which have failed to satisfy the needs of the populations with regard to public services and political system. The weak states are able to retain monopoly over resources and violence, but they have not been able to ensure health, welfare and education services or modes of political participation, legitimacy of decision-making processes, stability of political institutions, rule of law and effective and accountable governance. By this definition Middle Eastern states such as Saudi-Arabia, Egypt and Syria are “weak”, even though they are seemingly “strong” by their power and resources. Islamist movements respond to these deficits of a state as a revolutionary ideology of a population that has suffered from economic decline, political repression and corruption. The movements mobilize civil society against the authoritarian state and give a channel for political expression; they work in the area of social services and fulfill the vacuum in health care, education and social security. In addition, Islamist political activity and radicalization works as a vehicle to address several types of conflicts that the weak state could not have been able to respond to. These are, for example, conflicts between central authority and local governance, conflicts between different social classes and ethnic groups and conflicts caused by sectarian governance.

The dilemma of the weak states and the security problems caused by their domestic structures for the international community are related to the fact that there is no external or internal threat for the sovereignty of these states. On the other hand international norms protect the sovereignty of states and regimes, even though they would have fully failed in their responsibilities for their citizens. On the other hand their power structures protects them from any serious domestic threat for regime security. This enables the states to pursue their own interests instead of the interests of the society, which causes domestic insecurity and often leads to ethnic and other political
violence. Domestic problems between weak states and their societies become international, when frustration channels to regional and international arenas. Therefore fragile statehood is an international concern not only from a humanitarian perspective, but also security-wise. It is not only the failed and failing states that pose international security threat by enabling radical groups to function on their soil. It is the weak states that create security threats by causing domestic unrest and radicalization.

Even the security threat caused by internal instability has become evident after the rise of radical Islamist groups that have challenged the legitimacy of several Muslim governments, the security environment in the Middle East is largely analysed through a prism of state-to-state politics. Concentration on national security emphasises the needs of the state instead of the needs of the society. It is beginning to be more widely accepted that with regard to the developing world, "focus on the individual – rather than on sustaining the power-base of the state – is the best guarantee for long-term stability, prosperity, and security." Instead of national security, concentration on human security is a necessity in order to prevent new security threats, such as terrorism or religion related violence in long-term.

The aim of this discussion paper is to view some of the reasons behind the political and socio-economic problems in the Middle East, view the Western strategies and policies towards Middle East security and stability especially after 9/11 and to give some policy conclusions on ways to promote reform processes, domestic dialogue and long-term stability in the region.

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1. Problems of modernization in the Middle East

Western debate after 9/11 has concentrated much on the religious and cultural instead of the political, economic and social context of the problems behind radicalization. "Islam" has been at the core of the analysis. The emphasis on religion instead of politics is apparent in questions such as "is there something in Islam that causes fundamentalism?" and "how does Islam contribute to the lack of modernization in the Middle East?" This perspective emphasizes the religious and cultural factors as the main source that shape political and socio-economic reality. Even if culture and political, economic and social life are fundamentally bound together, it is not very compelling to claim that the maintenance of tradition, the lack of separation between religion and politics and differences in values in governance and human rights are the sole reasons for the recent lack of modernization and problems in economic and political liberalization in the Middle East. Even though cultural factors effect the deep currents of development, a single-minded concentration on "Islamic values" will stop the Western policy-makers from understanding the current political and socio-economic reasons that mostly explain why post-colonial modernization has not followed the same course in the Middle East than in the West, or in the Muslim South-East Asia, to use a closer comparison. The main obstacles for development in the Middle East have been political, not cultural or economic.

The weakness of the states in the Middle East and the failure in political and economic modernization is related to the persistence of the domestic power structures, which are

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supported by oil wealth, a rentier economy and clientilism. The authoritarian Arab regimes, which came to power after independence were supported by military and security establishments that restricted political, economic and social activities of civil society. Especially in the Arab republican states of Egypt, Iraq, Syria and the Maghreb, the modernisation of economy and society were driven by a policy of “revolution from above”. This state-lead development was aimed at controlling the economy for political ends. By destroying the power base of previous elites and by denying space from the independent bourgeoisie states, they guaranteed a lack of political competitors. In addition, states enlarged the clientelist structures, in which resources of the state (jobs, education) were subordinated to political loyalty by personal and unofficial patron-client relations.

This “ruling bargain” was guaranteed by the states’ ability to maintain economic autonomy over the society by oil revenues. The Middle East states practice a rentier economy, in which the external revenues gives states the autonomy and ability to provide services and deliver goods with few other demands than political loyalty. Indicative of this is that the share of income taxes in state budgets has been comparatively low (taxation rate 10–15 %) whereas different types of economic rent make the major share of the state budget. Rentierism supported by oil wealth allows states to tax their populations less heavily, keep public participation low and allow greater spending on patronage. The patronage system also provides powerful

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8 These consists of oil incomes (more than half of the government revenues in Saudi Arabia, Bahrain, The UAE, Oman, Kuwait, Qatar, Libya), subsidies from other Arab states (for example 25–30 % of Syrian and Jordanian budget in 1980s.), Western foreign aid (Egypt and Jordan), high import taxes, payments of pipeline crossings and transit fees (Egypt, Jordan, Syria) and workers remittances (Egypt, Yemen, Syria, Lebanon, Tunisia, Algeria, Morocco).
mechanisms to manipulate popular feelings and creates the means for states to control
the power of different social groups. Oil reserves and the rentier economy are
therefore one of the major structural causes for the lack of economic development as
well as democracy in the Middle East.\textsuperscript{9}

The logic of political economy in the Middle East explains why economic liberalisation
has not had a significant effect on the political landscape. Arab states had to reform
their economies in the end of 1980s because of a fall in external revenues caused by
the fall in oil prices and end of subsidies from Soviet Union. Regimes were forced to
liberalize their economies in return for loans from IMF and World Bank. This
liberalization process was however powerfully controlled by the states. Instead of the
logic of economics, liberalisation was driven by logic of politics. The process was
only carried out to the extent that it did not threaten the ability of governments and
elites to retain control of the power structures.\textsuperscript{10} Limited liberalization didn't create a
new bourgeoisie independent of the state but extended the state-dependent elite and
the state patronage system. Cosmetic political liberalisation included only window
dressing ‘democratic reforms’.

The liberal economic assumption, according to which states act as utility maximisers
aiming for economic benefit didn't succeed in the Middle East, because of the primacy
of regime survival. Whereas in the Western industrial societies, the bourgeoisie
independent of the state forced states to maximise their economic attractiveness and
extend political participation, the dependence of bourgeoisie on the state in the Middle
East prohibit this development. Instead of the alliance of state and bourgeoisie, the

\textsuperscript{10} For example Daniel Brunberg: Democratization in the Arab world? The Trap of Liberal Autocracy.
process would need an alliance between bourgeoisie and population. Therefore any liberalization in the Middle East is actually likely to lead to less equal distribution of influence, which then again causes popular unrest.

Liberalization and global economic, political and social integration, as far as it means free flow of goods, people and information threaten domestic power balances and the regimes use every means to preserve the status quo. For example, the states have been very careful in decreasing trade barriers not only to protect their economy, but for political reasons. Rapid decrease in trade barriers would mean reducing taxation gained from imports. This would create pressure for increasing income tax, which might in the long run pressure for increased political participation. The examples of states’ attempts to control the influences of globalization are numerous, of which the control of the use of Internet is one of the most visible. Indeed, recent studies suggest, that the states in the Middle East have not been powerless actors at all in front of processes of globalization.

To conclude, the primary reasons for the failed modernisation process lie in the authoritarian rule and preservation of the domestic power balance, to which reforms brought by modernisation or globalisation would be a significant threat. The structural

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setting of the Middle East states safeguards the power balance between the state and the society and rejects any influences and reforms that would change the existing distribution of power and wealth. The locked societal development and internal and external pressure for reform has lead to a significant stagnation of political, economic and social life. Liberalization and globalization have not been able to break the authoritarian governance, and the Arab regimes are expected to hold on for decades despite of demographic explosion, mass unemployment and threatening decline in oil and water resources.\textsuperscript{15}

Rather than persistence of tradition, the consequence of the lack of reforms has contribute to the change in the cultural milieu in the Middle East in the latest decades have increased the influence of religion in political, economic and social life. The Middle East is witnessing a new religious awakening because of the crisis of modernization and globalization. The rise of religious argumentation has left the West confused over the course of development of the Islamic world. It is however important to see that even if the secularization thesis didn't apply in the Middle East, the current religious awakening is not fully contradictory to modernization. The religious argumentation will effect the cultural milieu for decades to come, but at the same time – considering that Islamism represents currently the only comprehensive ideological challenge to liberalism – the ideology has already made its concessions to liberalism in practice: as the appeal for Islamist politics, economics and social values increases significantly, the Islamist movements, banks, companies and financial houses increasingly work along the lines of liberal economics and politics.\textsuperscript{16} As the


West has combined liberalism with other ideologies, such as social democracy or ethnic nationalism, the Middle East road to modernization may well be the meshing of Islamist ideas with liberalism. The current triumph of Islamism is mainly cultural and discursive, and most of all, it’s strength lies in challenging the thesis according to which secularism would be the only way to modernity.

2. Western policies for stability and reform in 1990s

The Western modernization policies for the Middle East have mainly trusted trade integration. The push for economic liberalization by the US, the EU, the IMF and the World Bank have been among the most prominent Western policies for economic and political reforms in the Middle East. Especially the European policies for development have relied on trade. In the Barcelona process the economic and financial component has been the most important issue area while the political and social components remained marginal. Advancement in trade integration was supposed to create positive effects on prosperity and interdependence. Stable economic development and a decline in defence spending was hoped to diminish domestic political unrest. Indeed, economic liberalization was hoped to lead to full political liberalization. As the previous chapter concludes, so far this logic has failed in the Middle East and the failure has remained largely unnoticed.

The advancement of the long-term goal of domestic stability conflicted with the larger Western strategic considerations in the region that rather pushed for regime stability and security. The unwillingness to put the political sector, namely democratization, at the core of Middle East strategies was related to wider Western political interests in the region that favoured the status quo instead of change. The region remained fundamentally important, as it remained fundamentally unstable.

The US key interests in the Middle East were Israeli security, flow of affordable oil and gas as well as regional stability – for example the prevention of a rise of any regional hegemonic power that could threaten the two other above-mentioned interests of the superpower. The main threats for these interests were seen to come from the side of the remaining radical, anti-Western regimes and Islamist radicalism. The strategy was to create a new regional order based on deterrence of these two. The
general US policy in the Middle East after the Gulf War was based on cooperation with the moderate Arab regimes (especially Egypt, Jordan and Saudi-Arabia) to ensure vital Western interests and engaging them in military cooperation against "rogue states" (Iraq, Syria and Iran) as well as new threats posed by Islamist extremism. The security of the Gulf region was especially built on “dual containment” of both Iraq and Iran by embargo and sanctions.\textsuperscript{17}

The European interests in the Middle East were affordable energy (Europe has been and still is more dependent on Middle East oil than the US) and promotion of stability and prevention of the spread of conflicts especially in the Mediterranean region. These interests were addressed by Barcelona-process in the Mediterranean area. In the Gulf, European presence has been less significant. The Europeans principally agreed with the US policies towards Iraq between the Gulf war 1990–1991 and the war in Iraq in 2003, but in the Iranian case the transatlantic partners chose opposite policies as the Europeans engaged Iran in a comprehensive dialogue. Generally, although the US and Europeans had different approaches in the Middle East, the strategic interests were nowhere in conflict.\textsuperscript{18}

The need for regime security and constraining domestic instability was of such importance, that the US and the EU favored the \textit{status quo} and stability instead of change regardless of the post-Cold War doctrines, according to which promotion of democracy would best guarantee Western security and commercial interests. The US and the allied governments in the Middle East formed a pact based on a principle of oil-for-stability. In return for them ensuring the US’s foreign policy interests in the region, the US didn't demand domestic reforms. As a result, Western policies

\textsuperscript{17} Martin Indyk: Back to the Bazaar. Foreign Affairs, Vol. 81, No.1. January/February 2002.

contributed to the political stagnation and the maintenance of the power balance of the regimes and over the opposition groups in the Middle East. The Western economic/budgetary support for the regimes made them able to keep up their power base without implementing substantial economic and political reforms that would have otherwise been necessary.\(^\text{19}\)

This policy was apparent in the US and European attitude towards political opposition groups in the Middle East domestics. The US didn't generally condemn or pressure governments for their violent crackdown on Islamist parties. In the most extreme case of Algeria however, the US did use verbal conditionality towards the regime and urged for national reconciliation with the Islamists. This was possible because the US didn't have any vital interests at stake. Where such vital interest existed, as in Turkey where the Islamist government was first elected in 1995, the US used a policy of accommodation and co-existence when it was clear that a change of government didn't mean a change in Turkey’s foreign policy. Despite this, the rule by an Islamist party was perceived with great suspicion.\(^\text{20}\)

Minor initiatives for democratic development existed and the US pushed reforms forward to some extent in moderate states like Jordan, Morocco, Algeria, Kuwait, Qatar and Oman.\(^\text{21}\) The most important allies, Egypt and Saudi-Arabia, were left untouched by reform demands. The push for moderate reforms can actually also be seen as a means for supporting stability, as the democratic development mainly contributed for extending life-expectancy of regimes, bolstering popularity of ruling

\(^{19}\) Unconditional budgetary support for the Palestinian Authority is the clearest example of how foreign aid can cause lack of domestic development: the EU funding supported stability in Palestine no matter what the price. The miscalculation ended up in large-scale corruption and increased space for religious radicalism.

To conclude, Western policies for political and socio-economic development in the Middle East have mainly been based on economic liberalization. The internal processes were not seen as a legitimate concern of the West as far as they didn't threaten political or economic interests. In contrast to most other regions in the world after the Cold war, democratic reforms were not pushed ahead in the Middle East. In return for the regimes’ pro-Western foreign policy, internal issues such as major human rights abuses were left untouched. Generally the Western economic policies and much of the development assistance favored only state-dependent elites. The Western policies supported the power balance between the state and the society, which enforced stagnation.

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21 The US funded democracy assistance programs in 9 Middle Eastern countries and PA. During 1991–2001 the US spent 250 million $ on projects including strengthening parliaments, improving human rights monitoring, training judges.

3. Changes in perceptions and policies after 9/11

The main effect of the terrorist attacks of 9/11 was the acceleration of the willingness of the US to use its uncontested hegemonic power and force to actively shape the realities to fit the interests of the superpower. This strategic shift in foreign policy was articulated in the US national security strategy in September 2002. The aim of the US policy would be to shape international order according to the US interests and values by actively using the US military force against new security threats, that were increasingly seen to arose from unconventional sources. The threat of international terrorism and spread of weapons of mass destruction (WMD) were elevated to the leading principles directing strategic analysis and actions.

The change in military doctrine didn't lead to major changes in the content of the US policies with regard to the Middle East, as the connection between "rogue regimes", terrorists and WMD was the main focus behind strategic thinking in the Middle East since the end of the Cold War. But the changes in priorities and means for achieving policy objectives were significant. The heightened threat perception changed the toolbox for addressing the problem. Instead of military containment and deterrence the new national security strategy formulated by neoconservatives introduced policies of 1) prevention 2) repression and 3) pre-emptive military action that could be used in a unilateral manner if necessary. Attacks on terrorist bases and shelters, the war in Afghanistan and the use of force for regime change in Iraq have been the post 9/11 policies in line with the new doctrine.

Simultaneously with the change in national security doctrine there appeared a significant conceptual change in the US administration on fundamentals of the Middle

East policy. The main strategies behind the security structures were widely questioned. First, the strategy for Gulf security needed to be renewed. The viability of the policy of “dual containment” against threat of Iran and Iraq had been questioned for long – after all the policy was formed as an interim strategy after the Gulf War in the lack of better alternatives. The increased threat perception after 9/11 and especially the necessity to reorganize security arrangements with regard to Saudi-Arabia gave the Bush administration the extra push for changing the strategy for security in the Gulf region. The war in Iraq should be understood as a consequence of this larger strategy for reorganizing and stabilizing the Middle East, as a result of the combination of the new security doctrine and change in policies for the Gulf region’s security.

The Iraq War allowed a major shift in the regional power balance similar to the Gulf War in 1991. The wider consequences for aiming to establish a militarily weaker, pro-Western, democratic state in Iraq was thought to be strategically significant for ensuring against an Iraqi threat to Gulf security, deterring the remaining "rogues" (Iran and Syria), reorganizing the military presence in Saudi-Arabia (transfer of US troops), imposing solutions for regional conflicts (Israel/Palestine and Israel/Syria/Lebanon) and promoting far reaching political and socio-economic reforms in the allied states (Saudi-Arabia, Egypt). In addition, the main post-9/11 US actions, the fall of one failed state (Afghanistan) and of one "rogue state" (Iraq), both significant sources of instability in the regional setting, were means for acting against terrorism and increasing security per se.

As a direct result of the shock of 9/11 there also appeared to be a deeper realization of the complexity of the domestic problems in the Middle East and their security implications for the Western world. The security concerns now widened from regime security to international security threats rising from the internal instability of the Middle
East Muslim countries. Active effort for shaping the domestic political and socio-economic realities in the Middle East was increasingly understood to be a precondition for long-term action against terrorism and the prevention of new security threats. There was a realization that Western policies that had supported authoritarian regimes in the Middle East had failed to guarantee stability and the policy of the status quo – or "oil for stability" – was questioned.\textsuperscript{24} This aroused a shift in the policy priorities, as the domestic reforms became an important policy objective.

The heightened rhetoric of liberal values, democracy and human rights of the Bush administration since fall 2002 were widely seen as part of tools for legitimating the war in Iraq.\textsuperscript{25} Demands for democracy in the Middle East have also been often analysed solely as part of an ideological mission of the “Wolfowitzian” neoconservatives. The strategic reasons for the conceptual change and its extent remain somewhat underestimated outside the US. The agreement of the necessity of reforms is wide among the US analysts and policy-makers. For example Ronald Asmus and Kenneth Pollock criticise the means of neoconservatives in their recent article in Washington Post, but state: "The consensus is emerging in Washington that the greater Middle East constitutes the primary strategic challenge of our time and that the West must fundamentally rethink the way it approaches the region."\textsuperscript{26}


The end of the policy of *status quo* has also lead to some changes in the US policies. The withdrawal of troops from Saudi-Arabia is one signal of this change; the reduction of the US military presence is considered to be a necessary concession for the continuation of reforms. Willingness to use political conditionality to pressure Arab allies also signals a clear change in policy guidelines. In bilateral dialogue reforms have been given clearly a higher status with the allies in the Middle East since the fall of 2002.\(^27\) Human rights and democracy are also promoted more publicly. The US used rare political conditionality on the issue of human rights in the summer of 2002, when it refused an Egyptian request for $130 m. in supplementary aid, referring to the arrest of democracy and human rights activist Said Eddin Ibrahim. There has also been a wide debate in different parts of the US administration of the possibility of using political conditionality with the budgetary support for allies, especially to Egypt.\(^28\)

The concrete initiatives for political and economic liberalization introduced after 9/11 have mainly meant revitalizing the old tools of trade-for-development and civil society promotion with some re-focusing and higher priority. The most powerful act after the war in Iraq was an initiative for promoting trade liberalization by suggesting a US-Middle East free trade area within a decade. The aim would be "to bring the Middle East within an expanding circle of opportunity and to reward nations that pursued broad political and economic reforms."\(^29\) Prior to the war in December 2002 the US issued a Middle East Partnership Initiative (Powell initiative),"to expand economic, political and educational opportunities in the Arab world." The Initiative reviews the US assistance programs encompassing $1 billion in assistance that the U.S. government provides to Arab countries annually. It concentrates on economic

\(^{26}\) Asmus, Pollock.

\(^{27}\) Interview in State Department, USAID and NED and with Amy W. Hawthorne, Carnegie Endowment, Democracy and Rule of Law project, Washington 14.–17.10.2002.

\(^{28}\) Interviews in Washington, 14.–17.10.2002.


reforms, private sector development, strengthening civil society and reforms in education.\(^{30}\)

The changed rhetoric and at least principal agreement on ending the policy of *status quo* has led some analysts to conclude that instead of stability the US could now use its force for revolution. This conclusion should however be put in the perspective of the short and long term priorities of US policy for building regional order suitable for US security interest. A pro-Western foreign policy of the governments in the region remains the basis for the desired regional order, and it is likely to exceed the need for democratic development in the future. The strongest demands for democratic development will be seen primarily aimed at the remaining radical and anti-Western regimes of Iran and Syria, where revolution would indeed be more beneficial for the US strategic interests. Therefore pressure is likely to continue on the "radical" regimes, but the use of force for "regime change" is extremely unlikely. This is not only because of the disagreements in Washington or public opinion, or the costs of the adventure for wider policy interests, such as transatlantic relations, but simply because the deterrence and the threat of regime change clearly works as far as cooperation and moderation in the countries whose foreign policy is in question.

With regard to the allies, it is likely that reforms will be pushed ahead more moderately. A gradual and stable change for democratic development is in the US interest in order to avoid spillovers security-wise, and to create enough space for liberal ideas to which Islamism, in its current political expression, still sees as contradictory. The continuation of the pro-Western foreign policy orientation of

Saudi-Arabia and Egypt remains most important, and as realists remind us, more democratic governance would also mean more anti-American foreign policy.

So far, despite Iraqi internal stability, the current aggressive US strategy seems to create some results that look like progress. At least the short-term developments in the wider Middle East are in striking contrast to the pre-war estimations of the effects of the war in Iraq, which suggested an increase in radicalization and regional tensions that would both effect negatively the possibility of reforms. Despite the terrorist attacks in Saudi-Arabia and Morocco, Islamist radicalization at the domestic level does not seem to have increased as a result of US policies except in Iraq. Where Islamist radicalization has significantly increased, it has been a result of the abolition of the al-Qaida power base in Afganistan and activities of the recruited militants returning to their home countries. Instead of regional tensions the 'Pax Americana' has created cooperation and the regimes seem to play along the wishes of the hegemonic power. The effects can be seen especially in the strikingly more modest foreign policy of Iran and Syria. More or less cosmetic reforms have been driven in Egypt and Syria and Saudi-Arabia. Especially Saudis have been very vocal both internally and regionally about necessity of changes after the strained relations with the US. The Saudi reforms actually seem to be quite genuine as the liberalization process that the House of Saud had started already before 9/11, and now seems to have intensified. The process in Saudi-Arabia will be significantly eased by transfer of the US military bases from Saudi-Arabia to Iraq (as the US strategic considerations will be significantly eased by the withdrawal). Similarly to the post-Gulf War situation, the Arab states’ flirtation

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with democracy and the market economy is expected to intensify. The adaptation to new regional order is however in process, so the long-term effects of 'Pax Americana' remain to be seen.

The neoconservatives’ pressure on the Middle Eastern governments works at the moment, but will not for long. While the political pressure may be seen as necessary in order to begin processes of change in these countries (and it remains for history to judge eventually what negative effects it will have), real changes demand political will and cooperation by the regimes and comprehensive and multilateral policies from the international community. Current policies may result in shortsightedness, especially because the strategy clearly concentrates primarily in organising a political milieu that suits US national interests. Another setback for the aggressive strategy can be a failure to build a peaceful regional setting, which would reduce the threat perceptions and allow modest domestic development. When the foreign policy concerns remain high, whether because of the US pressure or the Israel-Palestinian conflict, no domestic change is expected.

Strategic concerns and need for domestic development will continue to clash. The best example of this is Iran; here an aggressive unilateral strategy against Iranian WMD production would have effected negatively on the domestic process of change. As a Jordanian analyst concluded: "Fore the time being the only ones that may not realize that the Islamic Revolution is coming to 'an end' may be certain Western circles that prefer confrontation over cooperation."^{34} Currently the aggressive security strategy and very ideological references to the need for changes has left US with very little legitimacy to push for reforms in the Middle East. Even though reforms are currently a

^{33} Interviews and diplomatic sources in Riyadh 5.–9.10.2002.
^{34} Antonia Dimou: Iran, the US and the war on Iraq, RIEAS Middle East forum.
http://www.rieas.gr/Article_1me.html. Also for example Self-fulfilling Prophecy. US Threats Make Matters
topic in wide circles in the Middle East, US credibility to talk about democracy and human rights is minimal. The great challenge for the West will be to create a constructive atmosphere for dialogue.

Worse in Iran. The Guardian. 20.5 2003.
http://www.guardian.co.uk/leaders/story/0,3604,959420,00.html.
Policy conclusions

The major long-term strategic challenges in the post-Saddam Middle East requires addressing both regional security issues by building a new security architecture for the Gulf region’s security, and domestic security issues by pressuring the Middle Eastern governments for political and economic reforms.

The EU should work alongside the US, UN and other international actors to establish a regional security forum based on the balance of power in the Gulf that would address Iranian security concerns. Iranian power to threaten the region militarily or politically has fundamentally eroded because of its internal political and economic weakness. Therefore a security strategy based on a serious Iranian threat should be re-evaluated, at least as long as the dialogue on Iranian nuclear capability and security concerns is productive. Analysts in the US and Europe have supported a model of CSCE for the post-Saddam regional security architecture, calling it a Gulf Conference for Security and Cooperation (GCSC), which would integrate Iran, Iraq, Gulf Cooperation Countries (GCC) and Yemen into wide cooperation.35

As the US is acknowledged to be the main designer and provider of the post-Saddam security architecture, the EU should use its “soft power” by concentrating on security threats arising from the internal instability. Europeans need their own plan for reforms in the Middle East.36 This plan should be presented with high profile and demands for

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change should be vocal. A European plan for reforms is important for the Middle East in order to promote human development and balance policies between civil society and the state. This will eventually also contribute to European security.\(^{37}\) An European initiative is also important for transatlantic relations and the European role in world affairs. A European contribution is necessary for defining security threats, their causes and the means to tackle them. Currently the EU has failed to understand the challenges and in the lack of a clear position, issues such as WMD or reforms in the Middle East have been left untouched. The vocal acknowledgement of the necessity of reforms in the Middle East is also important for contributing to a debate on how to deal with the problem of weak states in the international level; how far the international norms should protect the sovereignty of the states that do not fulfil their function for their citizens, and in what circumstances and by whom the sovereignty can be conditioned.

The concrete strategies for development and reform in the Middle East should concentrate on strengthening the institutions of the weak states and providing means for increased political participation and improved services. This means for example

- assistance in democratisation,
- anti-corruption measures,
- election observance,
- reform of the legal and the court systems,
- fostering human rights,
- fostering freedom of press,

• constitutional reforms,
• reform of states’ bureaucracy,
• financial and economic aid (e.g. lowering trade barriers),
• economic and agricultural reforms,
• prioritising public investment for education and health sector,
• effective use of resources (capacity-building)

It is good to realize that “technical modernization” of governance is not objected by any political actor in Middle Eastern civil society. On the contrary, the demands of the political forces from liberals to Islamists in the Muslim Middle East states are equal for democracy, human rights and the rule of law as they all demand free and fair elections, separation of powers and end to corruption. What is objected to across the political spectrum is the imposition of Western cultural values, especially secularization, that are perceived to be bound to the ideological part of the process of modernization. This feeling that is deeply rooted in the hegemonic discourse of these societies, is central to the cultural confusion and identity crisis of these societies. Therefore any Western policies with designs on the ideological and cultural setting of the society and the state in Muslim countries should be avoided. As in the case of Iran, Western involvement may even limit the room for a pluralist discourse and the political space for the liberals. Assistance in “technical modernization” can only provide means for domestic negotiation and bargaining and therefore help in addressing the cultural conflict. Otherwise Western involvement should refrain from polarizing the societies further and instead push for comprehensive societal dialogue with all the political actors, including Islamists.

38 Even problematic to the regime and widely criticised by the press, the unofficial dialogue with Western diplomats, moderates of the Muslim Brothers (al-Wasat) and liberal intellectuals in Cairo in June 2003 is one example of a constructive way to increase dialogue in the civil society.
It is not expectable that liberal ideas will be adopted in their purest form, but rather meshed with local traditions – and religion. This should not be considered a threat but a positive challenge for liberalism. The Western initiatives should therefore avoid images of imposition and ideological confrontation and to work for long-term development. The process of change that is slowly on the way should rather foster political pluralism than immediate elections that only fulfil a function of window-dressing for reforms.\textsuperscript{39} Fast economic liberalization also wouldn’t be an easy answer. Quickly imposed free markets would not change deficits related to governance and would not benefit the poor for some generations. Rapid economic and political liberalization would more likely backfire. As Yale professor Amy Chua argues, democratization and liberalization would not necessarily lead to moderation of political opposition in short term. "While free-market democracy may well be the optimal end point in the Middle East, the simultaneous pursuit today of laissez-faire markets and immediate majority rule would almost certainly produce even more government sponsored bloodshed and ethnic warfare."\textsuperscript{40}

Reforms should be pushed ahead as multilaterally and in as many frameworks as possible. The EU should support the leading role of the United Nations organizations in coordinating aid and initiatives. The EU should also review its own policies to support Arab domestic development. The EU should apply a wide common strategy for reforms in the Greater Middle East that would be supported by re-orienting all policy areas (political, economic, cultural, developmental) common goal. The existing policies and programmes, particularly Barcelona process and the New Neighbours Initiative should be carefully reviewed, as the Presidency Conclusions of the


Thessaloniki European Council already proposes. In addition, the EU should also have its own partnership initiative for Arab reforms with the willing governments. The already existing Arab initiatives such as the Saudi plan presented to the Arab League should be supported as well, as the carrying out of reforms should be as self-supported as possible. For a regional initiative, a model of NEPAD could be applied also to the Middle East development.

Although the planning of long-term reforms remain vital, in the short term the EU should use all its political and economic power to use the momentum and pressure regimes to reforms. These demands should also be more vocally expressed in public speeches and policy papers. As an Egyptian intellectual, Said Eddin Ibrahim put it: “there is no time for the EU to be soft on demands for reforms”.

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42 Interview with Said Eddin Ibrahim, Cairo 8.7.2003.
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