

# CARNEGIE PAPERS

## Building Cooperation in the Eastern Middle East

Paul Salem

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*As the United States gradually reduces its footprint in the eastern Middle East, the states of the region must come to terms with their shared future.*

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CARNEGIE ENDOWMENT

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## **About the Author**

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## Summary

As a long-standing order breaks down, Turkey, Iran, and the Arab states of the Levant and the Gulf face both new competition and fresh opportunities for cooperation. The implosion of Iraq in the wake of the 2003 invasion removed an important buffer state, drawing Turkey, Iran, and the Arab states closer, creating friction between them, but also new common interests. The planned U.S. withdrawal from Iraq will force Iraq's neighbors to find new ways of managing those interests.

For most of the twentieth century, Turkey and Iran showed little interest in the Arab world, but since the Islamic Revolution in Iran and the rise of Islamist parties in Turkey, that has changed. The Arab world was also insulated from regional influence for much of the twentieth century. It was organized according to the idea of Arab nationalism and under Egyptian leadership; but the withdrawal of Egypt from its leadership role in the Arab world in 1979 and the Iraqi invasion of Kuwait in 1990 broke Arab solidarity.

In recent years, bilateral economic, political, and even security cooperation among many countries of the eastern Middle East has increased, but leading states—Saudi Arabia, Iran, and Turkey—still have competing visions for its future. Though they have worked to find common ground, they have not yet built effective frameworks for communication and cooperation.

Although progress will be difficult amid the standoff over the Iranian nuclear program, the states of the eastern Middle East share long-term interests in stability and prosperity, and the ultimate interest of establishing a sub-regional cooperation framework. Such a framework, based on mutually agreed security principles, and political and economic cooperation, would address threats, reduce tensions, build common economic interests, and encourage more moderate policies throughout the region. It would not supplant the Arab League or other frameworks that Turkey and Iran are engaged in, but would supplement them. The United States and other members of the international community share this interest as well, as Washington discovers the limits to trying to secure the region through indefinite military deployments. Like other areas in the world, the countries of the eastern Middle East need to develop frameworks of mutual communication and cooperation—reducing risks, moderating policies, and building on common interests. If they fail to do so, tensions in the region will continue to be a threat to regional and global security and prosperity.

## Introduction

The 2003 toppling of the Iraqi regime and the implosion of state power that ensued changed the geostrategic outlines of the eastern Middle East. For most of the twentieth century, Iraq defined the northeastern frontier of the Arab world and served as a buffer against Iranian and Turkish power. When the Iraqi state collapsed, the country was transformed from a buffer to an arena of regional and international conflict, fueled by sectarian and ethnic divisions and the lure of oil resources. For most of the twentieth century, both Iran and Turkey were oriented toward the West. In recent decades, however, each has regained a strong interest in the Arab and Muslim neighborhood to the South.

These developments have created a new web of interests, risks, and interactions among states of this “eastern Middle East” sub-region: Turkey, Iran, Syria, Iraq, Saudi Arabia, and the rest of the GCC countries.<sup>1</sup> Turkey and Iran have developed strong relations with each other, and each has developed strong relations with several Arab neighbors. Several Arab states have reached out to Turkey, Iran, or both; others have sought to keep them at bay. Trade and energy cooperation have flourished along some axes, but tensions and proxy conflicts have escalated along others, especially between Iran and Saudi Arabia. Elements of positive interdependence—trade, political contacts, and security cooperation—have increased, but aspects of negative interdependence—risk perception and proxy conflict—have increased as well.

Despite this growing interdependence, and the high energy and security stakes, this sub-region remains disordered and unstable. There are rivalries and tensions but not even the faintest outlines of an overarching economic, political, or security framework. The states in the region and outside players, primarily the United States, have an interest in increasing stability in this sub-region. Establishing a full-fledged sub-regional cooperation framework is currently premature—particularly in light of the ongoing standoff over the Iranian nuclear issue—but it is an important long-term goal that should inform thinking and policy in, and toward, this sub-region.

## Postwar Disorder

The 2003 invasion of Iraq and its aftermath have greatly affected the states of the eastern Middle East. The war in Iraq meant the removal of Iran’s arch-enemy and gave Tehran the opportunity to project influence into Iraq; but it also brought the U.S. military to Iran’s southern border as well as its eastern border, where U.S. troops were fighting in Afghanistan. Saudi Arabia and the GCC no longer had to deal with a dangerous regime in Baghdad, but the weakening of Iraq represented the empowerment of Iran and the rise of Shi’i challenges to Sunni domination in Iraq and elsewhere. Syria was relieved of

an arch-rival but also faced the reality of a hostile U.S. military on its own border and the threat of rising sectarian divisions that could affect its security. Turkey opposed the U.S. invasion and feared that the collapse of power in Baghdad would lead to Kurdish independence in northern Iraq and a revival of secessionist Kurdish agitation in eastern Turkey.

In the first few years after the 2003 invasion, the states of the region focused mainly on U.S. military and political intentions—particularly the Bush administration’s threats to Syria and Iran—and on Iraq’s descent into sectarian civil war, which threatened to pull in outside powers. By 2008, however, Iraq had pulled back from the brink, and the United States had abandoned its rhetoric of regime change in Syria and Iran, signed an agreement to withdraw from Iraq, and elected a new president committed to that withdrawal and a less belligerent approach to the region.

As the United States gradually reduces its footprint in the eastern Middle East, the states of the region must come to terms with their shared future; however, they lack a common understanding of the region’s future and their roles in it.

Iran envisions a region banded together to resist “imperial” domination, with itself as the preeminent power; it argues that its size, centrality, resources, Islamic renewal, defiance of outside powers, and technological advancement justify this position. Saudi Arabia envisions a much looser region in which U.S. power guarantees Gulf security, and Saudi Arabia counterpoises Iranian power, given its own energy resources and its central position within Islam as the custodian of the holy cities of Mecca and Medina. Turkey would like to see a less ideological region in which security and economic interests are pursued pragmatically and within a framework of regional cooperation.

The Bush administration sought to stabilize a U.S.-influenced Iraq and contain and isolate Iran. This first goal was pursued by surging troop levels in Iraq, and the latter through direct threats and sanctions, trying to line up Arab states against Iran, and discouraging Turkish–Iranian cooperation. The Bush administration participated in the “Neighbors of Iraq” framework but used it only for minimal conflict management. The United States continued to consider Iran and Syria to be enemies throughout most of this period and did not envision or condone the emergence of an autonomous sub-regional framework.

The Obama administration seeks to withdraw from Iraq while maintaining stability there, and to moderate Iranian policy; the former goal is being pursued directly, and the latter has been sought via engagement in 2009 and sanctions in 2010. The Obama administration continues to be lukewarm on the issue of Turkish–Iranian cooperation and to encourage friendly Arab states to line up against Iran. Otherwise, it plans to keep a long-term military presence in the Gulf and has offered anti-missile batteries to its Arab allies there to protect against Iranian attack.

The United States continues to see division in the eastern Middle East, especially between Iran and its neighbors, as central to its strategic interests there. Division has been the policy since 1979 and currently is part of the logic of pressuring Iran over the nuclear issue. However, this approach fails to factor in the other effects of such a policy in a vital, sensitive sub-region that contains the majority of the world's energy resources. These effects include escalating perceptions of the threat posed by Iran, which fuels other countries' nuclear ambitions; escalating tensions in an unstable sub-region that has been the scene of major wars and occupations for most of the past 30 years; and the prevention of the emergence of sub-regional cooperation and confidence-building measures or institutions that could reduce tensions and find solutions to current crises. The United States has, for 30 years, pursued a policy that increases tension and risk; however, as James Lindsay and Ray Takeyh concluded in a recent *Foreign Affairs* article, to promote stability “Washington should signal that it seeks to create an order in the Middle East that is peaceful and self-sustaining.”<sup>2</sup>

Attention today understandably is focused on the Iranian nuclear issue, which could be resolved diplomatically, remain in the gray zone of heightened tension, or lead to war. Regardless of how the issue is resolved, this sub-region remains a threat to itself and to global energy and security interests without an eventual long-term framework that helps organize and manage relations.

## The Global Trend Toward Increased Regional Cooperation

Regional and sub-regional cooperation in economics, politics, and security has increased steadily since the Cold War ended. Some of this cooperation has been formalized in legal and institutional frameworks; in other cases, the cooperation has been informal and ad hoc. During the Cold War, small states could gain security and economic sustenance by forming alliances with a superpower. When the Cold War ended, these states ebbed in global relevance, and security increasingly had to be sought through regional cooperation, trade, and security agreements; 118 third-world countries formed the Non-Aligned Movement in an attempt to resist this polarizing Cold War dynamic. With the end of the Cold War and the gradual decline in U.S. dominance, power—especially economic—has grown more decentralized. Europe, Russia, and China are emerging powers, and regions such as Southeast Asia, southern Africa, and South America have their own economic weight and regional relations networks.<sup>3</sup>

During the Cold War, Israel, Turkey, Iran, and the Arab states were part of a highly charged confrontation. Although the end of the Cold War caused a glimmer of progress on the Arab–Israeli front—a form of regional cooperation—the Cold War logic of zero-sum confrontation endures as the dominant pattern of regional relations in the Middle East. The Cold War–era alignments



have changed, but most states of the Middle East continue to play by the patterns of that time: investing in confrontation, and downplaying regional and sub-regional cooperation.

Economics has played a role in increasing regional and sub-regional cooperation. “The rising share of trade in GDP and the acceleration in the broader process of global integration through investment, movement of people and increased communication of all kinds implies both greater export opportunities and increased international competition.”<sup>4</sup> Policy makers are eager to promote and protect comparative advantages through regional and sub-regional trade agreements. This trend toward regional economic cooperation accelerated with the 1995 establishment of the WTO and continued with the 2008 impasse in the Doha Round.

Regional frameworks have proliferated into a rich, overlapping global patchwork with a variety of political, security, and economic arrangements. Some are soft and do not go beyond occasional conferences; others have reached full institutionalization, with permanent secretariats, political bodies, and sectoral institutions. Most countries are members of several such frameworks, reflecting the complex webs of state interests in today’s world. Regional frameworks have become a necessary element of the decentralizing global order.

In Europe, the regionalization process started out in the economic realm—the European Coal and Steel Community (ECSC) in 1951—but eventually became political. By 2000, Europe had created a common economic market and was introducing a common currency. In addition, Europe established a common parliament, and the European Union now has a president and foreign minister. In South America, the Mercosur encourages economic cooperation among Argentina, Brazil, Paraguay, and Uruguay; the Andean Community organizes economic cooperation among Bolivia, Colombia, Ecuador, and Peru. The Association of South East Asian Nations (ASEAN) has played an important role in promoting security, development, and economic cooperation among Indonesia, Thailand, Singapore, the Philippines, and six other regional neighbors. Important sub-regional organizations in Africa include the Southern African Development Community (SADC), the Economic Community of West African States, the Inter-Governmental Authority on Development (IGAD), and the Organization of African Unity (OAU). The Organization of the Black Sea Economic Cooperation was launched in 1992 by Turkey, Greece, Russia, Romania, Ukraine, and others to bolster regional cooperation and integration; it now has twelve members. Dozens of other such security frameworks, economic zones, and regional arrangements exist around the world.

In the eastern Middle East, however, no sub-regional cooperation framework has emerged. Political and economic interchange has flourished between Turkey and the Arab countries; Turkey and Iran; and Iran and several Arab countries. Yet at the same time, tensions have persisted and sometimes escalated. A sub-regional cooperation framework could manage these relations,

enhancing the positive and mitigating the negative, and global patterns suggest that the development of a sub-regional framework is overdue. Such a framework would not supplant existing frameworks such as the Arab League, the GCC, the D-8, and other groupings, but would add a necessary layer for managing a particular set of interests and interrelations.

## Historical Background

Arab–Turkish–Iranian relations have a mixed history. The Arab east chafed under Turkish rule for half a millennium, an experience that ended in the Arab revolt of 1916–1918. Yet Arab and Turkish populations were part of the same Ottoman world in terms of economics, movement of goods and people, and political interconnection. After the collapse of the empire, Arab–Turkish relations were tense through much of the twentieth century over key differences: Turkey’s annexation of Alexandretta province in 1939, which Syria considered part of its territory; Turkey’s relations with Israel; its membership in NATO and alliance with the West; its control of the headwaters of the Tigris and Euphrates; and its radical, almost anti-Islamic, secularism. These tensions were especially marked between Turkey and Syria, and almost escalated into armed conflict more than once. The Saudi state was never a part of the Ottoman Empire and fought several battles against it; it virulently opposed Turkey’s radical secularism during much of the twentieth century.

Arab–Turkish relations began to improve only at the end of the twentieth century. This was partly because of Turkey’s reconciliation with its Islamic identity and its growing interest in building relations with its Arab neighbors, but there was change from the Arab side as well. In the late 1990s, Syria dropped its policy of confrontation with Turkey and recognized that strong relations with Ankara were in its security, political, and economic interests. The post-Saddam government in Baghdad, as well as the autonomous regional government of Iraqi Kurdistan, have also recognized the value of good relations with Turkey. After the fall of Saddam and the rise of Iranian power, Saudi Arabia has welcomed a Turkish role in the Arab region to help counterbalance Tehran’s influence.

Arabs and Iranians were subjects of the same empire during Abbasid times from the eighth century but went their separate ways after the Mongol invasion in the thirteenth century. The Ottoman Turks eventually took over Iraq and other parts of the Arab east, but the Safavid dynasty in Iran rebuilt a separate Iranian state and encouraged the spread of Shiism in contradistinction to the Sunni identities of the Arab and Turkish regions.

Throughout the twentieth century, Arab–Iranian relations were fraught. The Shah chose close relations with the United States and Israel and tried to impose himself as “policeman of the Gulf.” He had serious differences with Iraq over the Shatt al-Arab waterway in southern Iraq and with the United Arab

Emirates over the Tunb and Abu Musa islands. With Iran's Islamic Revolution, Ayatollah Khomeini threatened Islamic revolution against the monarchical and republican regimes of the Arab world and ended up in a large-scale war against Iraq, which invaded Iran in September 1980. In that war, Syria backed Iran, but the majority of Arab states backed Iraq. Iranian relations with the Arab world improved markedly under presidents Akbar Hashemi Rafsanjani and Mohammad Khatami. However, since the 2003 Iraq war, relations have worsened again, partly because of fears that a newly empowered Iran would try to dominate its Arab neighbors, and partly because the Iraq conflict ignited sectarian Sunni–Shi'i tensions that could affect Saudi Arabia, Bahrain, and other states. The Iranian nuclear program is itself a major cause of concern for the GCC states, which fear that a nuclear Iran could not be deterred and would be emboldened in trying to dominate its southern neighbors. Arabs and Iranians are divided even in nomenclature: Iranians call the body of water separating their country from the Arabian Peninsula the Persian Gulf; Arabs call it the Arab Gulf or, more neutrally, "the Gulf."

Turkish–Iranian relations historically have been more neutral. Although they led rival sects within Islam, the two countries have had a more or less clear and peaceful border since the sixteenth century. Turkey and Iran signed several pacts and agreements between the 1930s and 1960s. There was a period of tension after the Islamic Revolution in Iran in 1979, but this was overcome in favor of cooperation on security and trade.

The common history of Turkey, Iran, and the Arab east includes conflict, but nothing that would preclude developing strong working relations moving forward.

## **Attempts at Regional and Sub-Regional Cooperation**

Past attempts at regional and sub-regional cooperation have had mixed results. In 1937, Turkey joined Iran, Iraq, and Afghanistan in Tehran to sign the Treaty of Saadabad, a non-aggression pact designed to boost the signatories' security and stability. Turkey and Iran had already signed a Treaty of Friendship in 1932. The Saadabad Treaty did not develop into an important set of relationships and was overtaken by the events of the Second World War.

The Arab states, including Iraq, established the League of Arab States as the war ended in 1945, indicating their preference for an Arab regional framework. Arab nationalism, and even attempts at Arab unity, would become a hegemonic discourse in the Arab world after the establishment of Israel in 1948 and the rise of Nasser in Egypt. The wave of Arab nationalism led to actual unity between Egypt and Syria from 1958 until 1961 and the rise of the Baath party, which controlled Syria and Iraq. The Arab nationalist discourse painted Turkey and Iran in hostile terms.

Cold War efforts by the United Kingdom and United States to establish a Middle East Treaty Organization (METO or, more popularly, the Baghdad Pact) met resistance in the Arab world. METO was established in 1955 as a defensive organization and brought together Turkey, Iraq, Iran, Pakistan, and Great Britain (which was still the main maritime power in the Gulf and governed the Trucial States, which would become the United Arab Emirates, along the Arab side of the Gulf). It was modeled after the North Atlantic Treaty Organization (NATO) and was intended to contain Soviet influence. It was discredited by Nasser and Arab nationalists—and leftists in the Arab world—as a Western imperialist design. Its only Arab member, Iraq, withdrew in 1959, and the name changed to the Central Treaty Organization (CENTO).

The Arab League, founded in 1945 and currently including 22 members, itself has remained a weak institution, enfeebled by rivalries among Arab leaders, the waning power of Egypt—which continues to insist on monopolizing CENTO's leadership—and the absence of convergence among Arab states relating to political, economic, and foreign policy choices.

The Arab countries avoided regional frameworks other than the Arab League, although they did pursue intra-Arab sub-regional frameworks. Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman formed the Gulf Cooperation Council (GCC) in 1981; it has made some progress in enhancing political, security, and economic cooperation. The limited success of the GCC drew partly on the success of the United Arab Emirates, a federal state established in 1971 by the seven emirates of the southern Gulf: Abu Dhabi, Dubai, Sharjah, Ajman, Umm al-Quwain, Ras al-Khaimah, and Fujairah. These had been under British control as the Trucial States.

In other parts of the Arab world, Morocco, Algeria, Tunisia, Libya, and Mauritania established the Arab Maghreb Union in 1989 to build sub-regional coordination and cooperation. The institution survives, but it has remained weak because of tensions between Algeria and Morocco over the Western Sahara and tensions between Libyan leader Muammar Qaddafi and his Maghrebi counterparts. Iraq, Egypt, Jordan, and Yemen established an Arab Cooperation Council in 1989, but that body collapsed when Iraq invaded Kuwait in August 1990. Egypt strongly opposed the invasion; Jordan and Yemen supported it.

Many Arab states avoided regional frameworks other than the Arab framework but established strong alliances with the United States or Soviet Union during the Cold War. As that era ended, the United States' Arab allies maintained and strengthened their security relations with it, especially on the Arab side of the Gulf, where the United States is the main guarantor of security for the GCC countries.

The first Gulf War, triggered by the Iraqi invasion of Kuwait in August 1990, was a leading indicator of the breakdown of order in the eastern Middle East. The invasion of Kuwait was preceded by the long Iraq–Iran war and was

followed by the introduction of hundreds of thousands of U.S. troops to the region. The United States felt compelled to intervene directly to restore order and felt so compelled again in 2003.

Immediately after the first Gulf War, the states of the GCC announced the Damascus Declaration, a regional security cooperation initiative that provided for stationing Syrian and Egyptian troops in the GCC to preserve security there. Both nations' militaries had helped the U.S.-led coalition forces to liberate Kuwait. However, GCC states quietly, but quickly, moved away from implementing the declaration; Egyptian and Syrian troops returned home, and the GCC built new security and military basing and assistance agreements with the United States and some European countries.

In October 1991, only eight months after U.S. troops had prevailed in the first Gulf War, U.S. diplomats were deployed to ease tensions between the Arabs and Israelis through the Madrid Peace Process. The United States promoted a new form of regional cooperation that would be built on the foundations of peace between Israel and the Arab countries. This new approach would be embodied in cooperative arrangements over security, economics, water, the environment, and refugees.

The process included working groups around these five issues but ground to a halt after the 1995 assassination of Israeli Prime Minister Yitzhak Rabin and the breakdown of the peace process itself. This working group framework made significant progress in several areas, and contains many useful lessons. However, some critics in the Arab world linked the process to Israeli ambitions to become the economic, transportation, communications, education, investment, and technological hub of the Middle East. (These ambitions were expressed to a degree in *The New Middle East*, a 1993 book by Shimon Peres, Israel's then-foreign minister.) As with the Baghdad Pact, the Madrid experiment in regional cooperation was linked to a suspected external motive—in this case, Israeli regional dominance—that many in the Arab world viewed as hostile. In their eyes, the arrangement could not be beneficial.

The next attempt at regional cooperation came in the wake of the 2003 invasion of Iraq. The United States recognized that it would need regional cooperation to manage an increasingly deteriorating situation in occupied Iraq, so it encouraged a Neighbors of Iraq conference. This included strong U.S. allies such as Saudi Arabia and Kuwait, opponents such as Iran and Syria, and more neutral countries such as Turkey. The leaders and ministers of these countries have met repeatedly, often with the participation of Egypt, the United States and other G8 members, and the United Nations. They have also set up working groups on security, energy, and refugees. Iraq has welcomed this mechanism, but regional states see the process as necessary for helping the United States manage and clean up the mess it created in Iraq. The neighbors conference is not an autonomous mechanism for building sustainable, broad-ranging sub-regional cooperation.

This history of attempts at regional and sub-regional cooperation illustrates that the relevant states recognize the need for such cooperation but resist impositions from outside, requiring any framework to originate from within the region. A framework will work only if states in the region view it as integral to preserving their security and promoting their economic and political interests.

## Attitudes Toward a Sub-Regional Framework

Official statements and policies suggest that Turkey and Iran favor the organization of sub-regional cooperation, as would Iraq, Syria, Qatar, Bahrain, and Oman. Saudi Arabia and Egypt have been more reluctant. Even among those states that favor more cooperation, interpretations are varied.

With the rise of the Justice and Development Party (AKP), Turkey's interest in cooperative relations with Iran, Iraq, and the Arab east has become policy. Turkey learned about the benefits of regional frameworks partially through its proximity to the European Union, and it has seen benefits simply by working to accede to the EU. Turkey is a long-standing member of NATO and sees no contradiction between being part of that organization and promoting its regional interests. Since 1990, Turkey has realized that sustaining its export-led growth policy requires stability and access to all of its proximate markets.

Turkey has been active in promoting political and security frameworks in the Balkans, the Caucasus, and the Black Sea area. In 1985, Turkey became a founding member of the Economic Cooperation Organization, which includes Iran and Pakistan, as well as Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. In 1997, it became a founding member of the D-8, an economic cooperation grouping of eight large Muslim countries: Turkey, Iran, Egypt, Pakistan, Bangladesh, Indonesia, Malaysia, and Nigeria. Turkey has developed excellent political and economic relations with Iran and its Arab neighbors, signing dozens of trade and cooperation agreements with them. Although it has not put forward a specific proposal, Ankara would welcome the establishment of a sub-regional cooperation framework to help manage and enhance relations with Iran and its Arab neighbors.

Iran has indicated the need for a sub-regional cooperation framework, although the Iranian approach differs in tone and content from the Turkish. Iran proposes a cooperation framework among countries that border the Gulf, which would exclude Turkey and any American presence. In December 2007, Iranian President Mahmoud Ahmadinejad proposed a regional trade and security pact in his address to the GCC meeting in Doha, Qatar. The speech was not well received: It failed to mention three Gulf islands whose ownership the UAE and Iran both claim, and it was seen as proposing a framework that it could dominate. Iranian proposals also call for a region "free of foreign influence."

However, Arab Gulf states fear that if U.S. forces were to leave the Gulf, the balance of military power would shift overwhelmingly in favor of Iran.

Successive governments in post-Saddam Baghdad have urged more sub-regional cooperation. They are aware that Iraq has been penetrated by regional and external powers, and they recognize that Iraq's stability in the immediate future will depend on more cooperation and less conflict among its immediate neighbors. The Iraqi leadership includes Shi'a, Sunna, Kurds, and even Turkmen—each a living link to regional capitals in Iran, Saudi Arabia, and Turkey.

Syria has a strong interest in seeing Turkey, Iran, and the Arab world cooperate. Iran is Syria's main strategic ally in its confrontation with Israel to regain the occupied Golan Heights. Damascus has developed strong relations with Turkey, and growing relations with Saudi Arabia and the GCC, to meet its broader economic and political interests.

Qatar and Oman are both comfortable with improved relations with Iran and have called for increased cooperation across the Gulf.

Saudi Arabia has shied away from suggesting regional frameworks that would include the eastern Arab states, Iran, and Turkey. Riyadh fears that a permanent sub-regional framework would only legitimize Iranian claims for influence in Iraq and the Gulf. Saudi Arabia prefers to prop up the Arab League, through which it can emphasize that Iraq and the Arab side of the Gulf are zones of exclusively Arab concern, and work through the Islamic Conference Organization. That body represents a Sunni-majority Muslim world in which Saudi Arabia has a leadership position. It has helped form the Arab Quartet with the UAE, Jordan, and Egypt to coordinate policy in the face of Iranian and Syrian influence.

Saudi Arabia has been much more sanguine toward Turkey, encouraging its engagement in the Arab Levant in order to help counterbalance Iranian influence there. It has also participated in impromptu "Sunni Summits" in which leaders of Saudi Arabia, Turkey, Egypt, and Pakistan, among others, have met to discuss political and security developments, presumably to remind Iran of its minority sectarian status in Muslim world affairs.

In fact, Turkey is a key component in improving Arab–Iranian relations. The GCC fears that Tehran would dominate any Arab–Iranian cooperation, but including Turkey creates a three-way sub-regional framework that helps to assuage the council's fears. Such a move would inject a strong dose of pragmatism into the highly charged and often ideological GCC–Iran relationship.

## **Webs of Positive and Negative Interdependence**

Iran, Turkey, and the states of the Arab east are entwined in a complex web of economic, political, and security relations. Some are positive and accrue benefit to the parties; others are negative and are perceived as threats that cause

tension and proxy conflict. Numerous bilateral relationships have sprung up in recent years, but no overall cooperation framework has emerged. Numerous bilateral tensions have escalated as well—primarily between Iran and Saudi Arabia—and the two sides have sought to avoid war.

Iran, Turkey, and the states of the Arab east (taken as a group) are of comparable size. They each have populations of around 70 million to 80 million, and GDPs based on purchasing power parity (PPP) of between \$800 billion and \$1 trillion.<sup>5</sup> Iran and the Arab states have large oil and gas resources. The Turkish economy has achieved large-scale and sustainable growth by boosting productivity and developing regional and European export markets. This comparability in size and economic weight indicates that a regional framework among them would not be unduly tipped in any one direction.

### **Growing Economic Interaction**

Trade among Turkey, Iran, and the Arab east has grown significantly in recent years. Trade between Turkey and the Arab east is most significant, at about \$33 billion. Trade between Iran and the Arab world is around \$20 billion, and trade between Iran and Turkey stands at about \$10 billion.<sup>6</sup> Turkey has economic agreements with Iran, Iraq, Syria, Saudi Arabia, and the GCC. Iran has agreements with Iraq, Kuwait, Syria, Bahrain, Qatar, Oman, and Turkey, and has large investments in Dubai, which were hit hard by the latest collapse there.

Generally, rentier oil economies, like those of Iran, Iraq, and the GCC, are less prone than less rentier economies, like Turkey or Syria, to regional interdependence because of their low reliance on regional labor, investment, and trade. But in this case, energy transport imperatives help counteract this tendency. Oil and gas fields and transport routes underpin many of the interrelations in the region. The GCC, Iran, and Iraq have numerous common interests as oil exporters. Turkey and Syria have conjoined interests as energy transporters—which, in the long run, should provide impetus for more sub-regional cooperation.

Iran and Turkey are interdependent: Iran needs Turkish pipelines to transport its oil and gas to Europe, and Turkey needs Iranian energy to satisfy its own needs, earn premiums, and boost its strategic importance to Europe by providing an alternative to Russian oil and gas. Iran has begun work on a “Persian Pipeline” to transfer gas from its South Pars gas field in the Gulf to the Turkish border so that Turkey can transport it to European markets. In addition, Turkey has explored with Iran the possibility of participation in the planned Nabucco gas pipeline, which also would feed European demand.<sup>7</sup>

Iran and the Arab Gulf states are interdependent: Both need a stable Gulf and open Straits of Hormuz to deliver their oil and gas to global markets and the rapidly growing economies in India and China. Iraq and Syria are interdependent: Iraq would benefit from a boosting of overland pipeline capacity



through Syria to the eastern Mediterranean, and Syria would benefit from being dealt in to the energy transport grid that delivers energy to Europe and global markets. Any conflict that would disrupt energy exports hurts the interests of all players in the region.

Security of energy installations and transport facilities is a primary concern for the GCC, Iraq, and Iran. However, Iran is concerned that more distant enemies, such as Israel and the United States, might at some point target its energy installations, and the GCC countries are concerned that an attack on Iran might trigger retaliation on their own installations. The threat of sabotage and attack from al-Qaeda and other radical organizations remains real. The oil exporters all have an interest in avoiding regional escalation and clamping down on radical groups that threaten their resources.

Both Iran and Iraq have an urgent need for outside financing and know-how in developing their energy resources. Iran has been hit hard by three decades of international isolation and sanctions. Iraq's isolation during Saddam's rule, and its instability since his removal, devastated its oil excavation, production, refining, and transport capacities.

In terms of transport, both Turkey and Syria are eager to develop their roles as key overland conduits for Gulf oil and gas to the eastern Mediterranean and Europe. The development and consolidation of a participatory energy transport grid would help bind the region's interests in a way that perhaps the ECSC did in post-World War II Europe. Additionally, Turkey and its Arab neighbors are expanding their road and rail links to enhance trade, tourism, and pilgrimage. A high-speed railway project has been launched to link Istanbul with Mecca through Syria and Jordan to be completed by 2012, thus reversing the century-old destruction of the famous Hejaz Railway during the British-backed Arab Revolt in World War I, and indicating a return to Turkish-Arab integration.<sup>8</sup> Turkey and Iran also are upgrading their rail links from Istanbul to Tehran, and from there on to Islamabad.

Oil prices are likely to remain high for the foreseeable future. This might be a boon for the oil exporters in some senses, but it also means that the states around the Gulf will remain rentier economies with little pressure to democratize and institutionalize; cash-rich regimes can resist internal and external pressures for change. Iran and Saudi Arabia could afford to maintain hard-line ideological and religious positions. In Iraq, oil riches would enable the government to buy support and postpone real problem solving instead of moving toward more institutionalization and participation.

Saudi Arabia, Iran, and Iraq are all OPEC members and have cooperated on production and pricing; recently, Saudi Arabia and Iran have differed over these issues, with Iran arguing for higher pricing. Iran and Qatar share common gas market interests despite occasional differences over the exploitation of their common gas field.

Oil and gas are precious resources in the Middle East, as is water. Syria and Iraq lack significant sources of surface water other than the Tigris and Euphrates rivers; they depend on Turkey for the rivers' flows, which are essential to Syrian and Iraqi agriculture. Kuwait recently signed a strategic water agreement with Iran to reduce Kuwait's dependence on desalination, and Iran hopes to expand that cooperation to other GCC states.

Turkey's diversified economy differs from many in the region. It has followed an export-led growth strategy, so Ankara recognizes the need for an open regional marketplace. The Iranian and Arab economies are largely oil-based rentier economies, but Turkey has lacked such resources. As of 1980, and after years of an import-substitution approach to growth, it adopted an export-led growth model that has borne strong results and depends on maintaining and increasing markets for these exports. This motivates Turkish foreign policy to seek stability and good relations—what Turkish foreign minister Ahmet Davutoglu calls “zero problems”—in all of its neighboring regions: Europe, the Balkans, the Caucasus, the Black Sea area, Iran, the Arab Levant, and the GCC. In recent years Turkey has signed numerous energy, trade, investment, and economic cooperation agreements with Iran, Iraq, the GCC, Syria, and Jordan. Turkey would see a sub-regional framework as integral to its economic interests.

The oil exporters are able to rely heavily on oil revenues, but those with large populations (for example, Iran, Saudi Arabia, and Iraq) realize that oil-based growth might increase revenues but does not create significant numbers of jobs. These large oil-exporting countries have high unemployment rates and large youth populations—strong motivation to diversify their economies. The GCC countries and Iran have been aware of this for some time. For the most part, however, the oil-exporting countries around the Gulf have not diversified enough, although all have recognized the need and are trying to move policy in that direction. Regional stability and increased intra-regional trade and investment will help these nations grow economies diversified enough to satisfy the demand for employment in the years to come.

Syria's oil resources are dwindling, and the country has been attracted to the Turkish economic model. Syria and Turkey recently removed all restrictions for movement across their border, and Syria has also been eager for GCC and Iranian investment. As an almost landlocked country, Iraq also has a vested interest in a more ordered sub-regional environment so that it can secure multiple export routes for its energy resources and benefit from investment by its Arab, Turkish, and Iranian neighbors. Turkish investment in northern Iraq is significant; investment in central and southern Iraq awaits a stabilization of the situation there.

Across the waters of the Gulf, trade has flourished. Iran and Qatar share a gas field; Dubai has emerged as a major hub of Iranian banking, business, and investment; and Bahrain and Oman have significant economic relations with

Iran. Improving relations across the Gulf would only boost economic benefits on both sides.

### **Security Interdependence**

The positive economic interdependence is shaken by a political and security interdependence that most sides consider negative. Iran perceives its security to be threatened by its Arab neighbors to the South, who backed Iraq in its devastating war against Iran. It suspects that some of these neighbors have encouraged the United States to threaten or even attack Iran.

The Arab Gulf states, for their part, perceive their own security as threatened by Iran, which they fear would overpower them in the Gulf if the United States were to leave the region. They worry that Iran has gained undue influence in Iraq and that the empowerment of Shi'i groups in Iraq, Lebanon, and Yemen, braced by Iranian encouragement, could encourage rebellion by Shi'i groups in eastern Saudi Arabia and Bahrain. The Arab world has been a comfortably Sunni-dominated world since the defeat of the Fatimid Empire in the twelfth century. The projection of Iranian power and the rise of Shi'i power in the Arab world shakes the dominant Arab–Sunni elite's fundamental conception of security. Iran's ongoing nuclear program only exacerbates Arab insecurities.

Turkey's regional security issues center on the Kurdish question. Syrian support for Kurdish separatists almost led to war between the two countries in the late 1990s, but that conflict has been fundamentally resolved. Turkey still has concerns about potential Kurdish independence in northern Iraq, but so far Ankara has developed cooperative relations with the Kurdish government there, encouraging investment in the region. There also has been cooperation between Turkey and the Kurdistan Regional Government of Iraq against armed groups of the PKK. Indeed, the Kurdish issue unites, rather than divides, Ankara, Tehran, Baghdad, and Damascus. Beyond that issue, Turkey shares the regional and global concern about Iran's nuclear program—not because it would feel particularly targeted or threatened, but because Turkish officials feel that it would push the region into an unnecessary arms race in which Turkey and key Arab states would feel pressured to develop their own nuclear capacities.

Despite pervasive patterns of tension in this sub-region, various patterns of security cooperation have emerged. Turkey has security agreements with Iran, Iraq, and Syria that address border security, counterterrorism, and intelligence cooperation; it is seeking security cooperation with the GCC states. Iran has security agreements with Oman, Qatar, and Kuwait that focus on maritime security, smuggling, and other crime and security matters; it is seeking security agreements with Saudi Arabia. Iran and Syria have a mutual defense pact. Nevertheless, GCC–Iranian tensions remain high.

Security tensions often pose an obstacle to cooperation, but in the long run they should be understood as a primary reason for it. Europe's regional cooperation frameworks were created to counteract centuries of internecine

warfare in Europe and particularly to respond to two world wars that had killed millions in Europe and devastated the continent. The ECSC established in 1951 had peace as one of its strategic goals. The Commission on Security and Cooperation in Europe (CSCE, now the Organization for Security and Co-operation in Europe, or OSCE) was established in 1973 to counteract the security threats of the Cold War. The current high threat perception across the Arab–Iranian divide is a primary reason for the eventual establishment of a cooperative and joint consultation platform in the eastern Middle East.

## Trends in the Sub-Region

### Risks to Stability

Two crises loom large over the immediate future of this sub-region: the Iranian nuclear issue and the fate of Iraq.

If the Iranian nuclear program proceeds rapidly without a modicum of international confidence and transparency, it will lead at least to a tightening of U.S. and international sanctions and possibly to a military attack by Israel or the United States. Further isolating Iran would raise tensions in the region. Iran would likely apply counterpressure by using its influence in Iraq, Afghanistan, Lebanon, Syria, and Palestine to exact a price from Israel and the United States and might also ratchet up support for dissatisfied groups in Yemen, Bahrain, and eastern Saudi Arabia. Iran's response to a military attack might be less predictable: Its officials have threatened that if attacked they could close the Straits of Hormuz and activate sleeper cells in the Gulf. They also have warned that an attack on Iran would affect the whole Gulf. Iranian officials occasionally have raised the issue of an old claim to the Kingdom of Bahrain, and they have hinted that the monarchs of the Gulf might fall to popular rebellions.<sup>9</sup>

But these negative outcomes could be avoided if Iran can come to some form of agreement with the international community. Iran probably will insist on maintaining its uranium-enrichment program, but it might agree to mechanisms that provide reassurance that this program is not being diverted to military purposes. Iran will not consider a narrow deal on its nuclear program, but it might be interested in a broad-ranging understanding with the international community. That agreement would include: lifting U.S. and international sanctions; freeing Iranian assets in U.S. banks; halting U.S. support for insurgency and covert activity in Iran; admitting Iran into the regional and international community and acknowledging a place for it as a regional power; encouraging investment, especially in the oil and gas sectors; cooperating on drug and human trafficking; cooperating on combating terrorist groups; and cooperating in Afghanistan, Iraq, and Gulf security.

Iran would have to meet certain expectations: providing credible transparency in its nuclear program; adopting a more responsible tone in its foreign

policy; reducing its support for nonstate actors in Iraq, Lebanon, Palestine, and Yemen; supporting the governments of Iraq and Afghanistan; abandoning its denial of the Holocaust and toning down its anti-Israeli rhetoric; and moving closer to the Arab (including Syrian) position of a land-for-peace approach to Israel. Progress by Iran and the international community on these matters would reduce tensions in the region, making it easier to increase intra-regional contacts and work toward building a sub-regional framework. As of this writing, progress appears unlikely.

The second major security consideration in this region is the fate of Iraq itself. The country regained some stability in 2008 and 2009 after the mayhem from 2004 to 2007. This improvement was largely due to the U.S. troop surge and a change in U.S. military strategy that co-opted Sunni groups and tribes through the Sahwa and Sons of Iraq movements. The surge and accompanying strategies were designed to buy time for Iraqi leaders to move ahead on national cross-communal reconciliation, tackle difficult issues such as the fate of Kirkuk and the distribution of oil revenues, and build up the Iraqi national army and police forces. Some progress has been made on the oil issue and on building up the security forces, but communal relations remain precarious; Kirkuk remains an unresolved time bomb.

It is unclear whether Iraq will hold together as U.S. troops gradually withdraw. Communal tensions could overpower the state, leading Iraq toward civil war and dismemberment. Any dissolution of the current Iraqi state would draw in regional powers. Iran would move to support the Shi'i community, and Saudi Arabia and other Arab and GCC countries would support Sunni groups. Turkey might feel compelled to act in order to avoid the declaration of an independent Kurdish state in northern Iraq.

Such developments likely would escalate, perhaps igniting Sunni–Shi'i tensions in Lebanon, Yemen, Bahrain, or eastern Saudi Arabia. Kurdish separatists in Turkey, Syria, and Iran could become emboldened. If Iraq were to remain intact, increasing stability and growing its economy, it could amplify stability in the region and drive sub-regional cooperation.

## **Domestic Politics**

The internal politics of the states of this sub-region will play an important role in pushing alternative scenarios. Turkey is the only stable democracy in this sub-region; Iran, Syria, Saudi Arabia, and Iraq are subject to sharp and unpredictable internal shifts and struggles for control. Turkey has made regional stability and cooperation a pillar of its overall foreign policy for the past two decades, and it is unlikely to swerve from that orientation.

Iran's senior leaders remain bitterly divided after the 2009 presidential elections, and a large section of the Iranian population is alienated from the regime. These tensions will not be resolved easily, and they have spurred Mahmoud Ahmadinejad and Supreme Leader Ayatollah Ali Khamenei to maintain a

defiant pose in foreign policy. Their tone is unlikely to change if tensions remain high, but it could soften if Khamenei can build a coalition among hard-liners and reformists. Moderating the way Iran engages with the world could allow more room for progress on international and regional issues. The sectarian and communal nature of politics in Iraq aggravates regional tensions; if the Iraqi political situation were to dissolve into communal fighting—Kurd against Arab, or Sunni against Shi'i—there would be serious consequences for the region.

In Saudi Arabia power is concentrated in the hands of King Abdullah, but there are questions about who might succeed him. Riyadh's domestic concerns include restive Zaydi and Shi'i groups in the country's south and east; the government suspects Iran is involved with these movements. The King refused to establish working relations with Iraqi Prime Minister Nouri al-Maliki, and Saudi Arabia has not yet established an embassy in Baghdad. Abdullah has met with Ahmadinejad and other Iranian officials several times, but the relationship remains cool. Riyadh apparently has not absorbed the new reality of a Shi'i-majority Iraq or come to terms with a regionally present and empowered Iran. Faced with this shift, the Saudi state will highlight its claim to leadership of the Muslim world: its role as custodian of the holy cities of Mecca and Medina and its strong Sunni Wahhabi credentials. Both claims will aggravate Iran, which seeks to lead the Muslim world and is riled by Wahhabism.

Syria's regime nearly collapsed in 2005–2006 but appears secure for the immediate future. Syrian President Bashar al-Assad's administration recognizes its precarious position as a minority regime over a majority Sunni population and seeks regime security through a measure of regional and international engagement. Syria has withdrawn from Lebanon and sought diplomatic relations with that state, improved relations with France and Europe, pursued indirect peace talks with Israel, built a strong relationship with Turkey, and repaired relations with Saudi Arabia and the GCC. Like Turkey, Syria cannot rely on oil resources for its economic resources. The two countries share a strategic economic interest in regional openness and integration and seek a role in the regional oil and gas transport grid to increase their value to regional and global players. Securing a role in the energy grid might be the Assad regime's ticket for long-term survival.

### **Multiple Scenarios**

Looking ahead, there are three likely scenarios for the eastern Middle East. The first, and most likely, extends the status quo: Tensions among the states of the region remain unresolved and are managed on a crisis-by-crisis basis. There would be no sub-regional discussion of common interests nor a framework for sub-regional consultation and cooperation. This likely would mean long-term instability in the Gulf and eastern Middle East. Iran complicates matters significantly, and not only because of its nuclear issues. This is the most likely scenario, given the nuclear standoff with Iran, and the fact that a number of

major players still do not see the value of such a sub-regional framework. Saudi Arabia is reluctant to acknowledge Iran's role in any framework that includes the Arab east; Iran is reluctant to join a regional framework that includes a continued U.S. military presence; and the United States cannot envision including Iran in any sub-regional framework even if the nuclear issue is resolved.

The second scenario, dramatic security deterioration, is less likely but remains a distinct possibility. It would be triggered by an impasse in the Iranian nuclear issue leading to an Israeli or U.S. military attack on Iran. The Iranian response to such an attack would be unpredictable—which is probably just how Iranian officials want things. It is reasonably certain that such an attack would not cripple Iran but would strengthen hardliners in the regime. It could lead to military and covert responses that could destabilize much of the Gulf and the Arab east, disrupt oil flows, implode Iraq and/or spread Sunni–Shi'i strife in the Levant and Arab Peninsula. This worst-case scenario would also cause Iran to rush toward building or securing nuclear weapons, escalating tensions with Israel and the United States, and spurring Turkey and key Arab states to secure or station nuclear weapons of their own.

The third scenario, progress toward sub-regional accommodation and cooperation, is the least likely but the best way forward. It would occur only if some progress is made in defusing the Iranian nuclear crisis. This scenario would be characterized by states in the region committing to invest in their common security and economic interests. Iran would have to move from paranoid defiance to responsible cooperation; Saudi Arabia would have to move from denial to constructive engagement with Iraq and Iran; and Iraq would have to build the basics of political and economic stability. Turkey and Syria would be ready to move toward a sub-regional cooperation framework. The United States would have to be convinced that the status quo—regional disorder, multiple confrontations, and multiple military deployments—does not serve its interests in ensuring the secure and free flow of oil from the Gulf.

## Moving Forward

Establishing an eastern Middle East sub-regional framework—among Turkey, Iran, Iraq, Syria, and the GCC—would be an important goal in itself, as well as a stepping stone toward the eventual establishment of a full Middle East regional cooperation framework including the Maghreb countries, Egypt, and Israel. At the Arab Summit meeting in Libya in March 2010, the Secretary General of the Arab League, Amr Moussa, proposed the establishment of a forum within the Arab League to include neighbors of the Arab countries, especially Turkey and Iran. In September 2008 Sheikh Khalid bin Ahmed al-Khalifa, foreign minister of Bahrain, called for the establishment of a regional organization that would include the Arab states, Iran, Turkey, and Israel.<sup>10</sup> Former German foreign minister Joschka Fischer also has called

for a new Middle East order bringing together the Arab countries and their neighbors, which could learn from Europe's evolution from the ECSC to the EU.<sup>11</sup> The Madrid Security Working Group also discussed the establishment of a new regional security platform, a CSCME (Conference on Security and Cooperation in the Middle East).

The current standoff over Iran's nuclear program makes progress toward building a sub-regional framework very difficult. However, even in the context of unresolved threats, working toward such a framework is possible and necessary. The Helsinki Process and the OSCE were launched during the Cold War to build trust and cooperation in the context of mistrust and mutually perceived threats. Yes, there are escalating tensions in the eastern Middle East today, but this is precisely why the region's leaders should increase their communication and interaction. Such contacts could help find middle ground for a negotiated solution, limit conflict if the confrontation escalates further, or help pick up the pieces and rebuild regional trust and cooperation if a military confrontation were to occur.

Obviously, a negotiated settlement to the nuclear issue would provide impetus for regional confidence building and cooperation. However, regardless of whether Iran moves into military confrontation with Israel and the West or ends up with a nuclear weapon, the states of this sub-region are going to remain neighbors and must work out the future of their relations together.

The first step in establishing a sub-regional framework would be to establish a regular contact and consultation platform such as a purpose-built, recurring sub-regional conference. This strategy has worked in Europe and with other emerging regional frameworks. The conference would provide the venue for communication and the exploration of common interests as well as offer a chance to share perspectives on areas of disagreement. If preliminary progress were made, participants could move toward attempting to draft a declaration of principles. Learning from the experience of others, such a declaration of principles could include commitment to something resembling the following points:

- Respect for the sovereignty and security of signatory states
- Refraining from the threat or use of force
- Non-intervention in internal affairs
- Respect for the territorial integrity of states and inviolability of frontiers
- Peaceful settlement of disputes
- Commitment to a sub-region free of nuclear weapons
- Work toward de-escalation and de-militarization of relations
- Commitment to regular consultation and discussion
- Shift from conflict management to conflict prevention and peace-building



- Commitment to sub-regional stability and security
- Confidence-building measures and pilot initiatives for security cooperation
- Acceptance of cultural, religious, and ethnic diversity
- Building social and cultural interchange and ties
- Encouraging economic relations, trade, investment, and joint projects
- Prioritizing sustainable human development needs and goals
- Exploring the establishment of a more permanent and structured cooperation framework

Such an initiative also could move to establish working groups. These could be on a set of issues including security, investment and trade, transportation and labor, energy, human development, and cultural exchange.

Turkey has proposed such initiatives for the Caucasus and the Black Sea area, and a similar initiative by Israel and the Arab countries led to the Madrid conference and its aftermath.

A first such conference should involve the GCC members, Iraq, Iran, Turkey, and Syria. It would differ from the Neighbors of Iraq meeting in terms of its objectives and agenda, although it would include a number of the same actors.

The meetings could be institutionalized on an annual basis and, if progress were made, participants could consider setting up a more permanent and structured cooperation organization—a necessary layer of sub-regional cooperation among important players. Membership in such an organization would not preclude membership in other organizations such as the Arab League or NATO; nor would it preclude the subsequent establishment of a full Middle Eastern framework including the Maghreb, Egypt, and Israel. One form of sub-regional cooperation does not preclude another.

## Outside Powers

The United States and the international community should recognize that global stability and cooperation rely on regional stability and cooperation. As Fareed Zakaria argues in his book, *The Post-American World*, in order to promote security and stability, the United States should “show that it is willing to allow other countries to become stakeholders in the new order.”<sup>12</sup> Playing one regional power against another might provide temporary gains but creates patterns of disorder, distrust, and tension that serve no one’s long-term interests.

The United States has encouraged opposition between the Arab countries and Iran since that country’s 1979 Islamic revolution. This policy has led to escalation of tensions, arms races, and the rise of right-wing leaders in Iran and Israel. The United States cannot ignore key security issues in the region, such as the Iranian nuclear issue. However, Washington should consider encouraging more engagement between its Arab allies and Iran. As the United States

encourages a peace process between the Arabs and Israel and aims to establish a post-peace regional framework—while recognizing the security concerns of all involved—the United States should also contemplate encouraging more engagement between its Arab allies and Iran as part of an approach to addressing key issues. Such engagement should have the eventual aim of establishing a post-agreement regional framework. Regardless of U.S. policy on the Iranian nuclear issue—whether it pursues negotiation, escalation, or confrontation—countenancing more sub-regional communication and cooperation would encourage moderation in Iranian policy and discourage aggressive behavior by Tehran.

U.S. President Barack Obama planned to engage with Iran when his administration took office, but these plans have changed since the controversial Iranian elections of June 2009 and after Iran appeared not to respond to U.S. overtures. Nevertheless, the Obama administration remains ready to engage with Tehran even while pursuing sanctions against it. Obama has pushed the Arabs to engage with Israel, but there has been no similar push for Turkey or America's Arab friends to engage in serious dialogue with Iran. Washington should recognize that dialogue among Turkey, the Arab east, and Iran promotes sub-regional stability (and, indirectly, U.S. interests). Turkey and the Arabs are equally adamant about Iran not acquiring nuclear weapons. Regional dialogue is likely to help ease regional tensions, encourage the exploration of common interests, and encourage more moderate, less paranoid policy from Tehran. Further engagement could help moderate Iranian behavior and deter the state from risky behavior through positive and negative incentives, while effectively isolating or containing Iran has become very difficult after the invasion and collapse of Iraq.

More engagement does not mean weakness or appeasement, nor does it preclude the use of sanctions or the exercise of other options. Other points of conflict in the world, such as the Arab–Israeli situation, have explored the use of dialogue and cooperation frameworks as tensions flare repeatedly.

Other outside powers—most notably Europe, Russia, China, and India—should have an even stronger interest in progress toward sub-regional cooperation and stability. They oppose Iran acquiring nuclear weapons, would suffer greatly from any armed conflict that would interrupt energy flows, and would be happy to see a smaller U.S. military footprint in the area. Most understand that a U.S. military presence is inevitable in the foreseeable future, but regional cooperation, within internationally acceptable parameters (for example, relating to the Iranian nuclear issue), can reduce that footprint. Europe, Russia, China, and India should encourage regional players to explore this dialogue and cooperation, and also should encourage Washington to move beyond the inherited policy of a divided Gulf managed by an outsized U.S. military presence.

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## Notes

- 1 In this paper I use “region” to refer to the Middle East, which I consider to include the Arab countries, Israel, Turkey, and Iran. I use “sub-region” to refer to the eastern Middle East, in which I am including the key states of Turkey, Iran, Syria, Iraq, and the GCC countries.
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- 3 For an excellent exposition of the global trends toward regionalism as well as a discussion of the recent past of regionalism in the Middle East, see Louise Fawcett and Andrew Hurrell, eds. *Regionalism in World Politics: Regional Organization and International Order* (New York: Oxford University Press, 1995).
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- 7 Nimrod Raphaeli, “The Growing Economic Relations Between Iran and Turkey,” *Inquiry & Analysis* no. 414, (Washington, D.C.: Middle East Media Research Institute), 2008.
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- 10 Ian Black, “Bahrain Calls for New Regional Organisation With Israel,” *Guardian*, October 1, 2008.
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