

US Policy in the Middle East: Coping in a Year of Instability

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US policies in the Middle East region faced acute challenges in 2006. The ongoing war and struggle to legitimize the new government in Iraq were the preoccupying concerns, and progress in that arena was modest. The year was also shaped by the war between Israel and Lebanon's Hezbollah, which caught the United States off guard and had repercussions, both good and bad, for US relations with other key actors in the region. There was neither stability nor security for the United States and the states of the Middle East.

US Policy in Lebanon: Between Success and Disenchantment

In early 2006, Lebanon counted as a rare success of US policy in the Middle East. The departure of Syrian troops from Lebanon ushered in what the United States hoped to be a new era of state-building, an end to the state of war between Lebanon and Israel, and a major strategic success in isolating Syria and validating the democracy vision articulated by the Bush administration. These expectations depended on a smooth transition away from traditional sectarian politics, a domestic consensus to affirm the primacy of the state over other allegiances, a formalization of relations between Lebanon and Syria, and the removal of the remnants of Syrian influence. To support this process, Washington dramatically stepped up its engagement, pledging considerable political, economic and military assistance to Lebanon.

Regional and domestic Lebanese developments conspired, however, against such a process, culminating in a destructive summer war between Israel and Lebanon's Hezbollah. On July 12, 2006, Hezbollah, the Lebanese Shia guerilla group, kidnapped two Israeli soldiers, prompting Israel to launch a massive military operation aimed at substantively degrading Hezbollah's military capabilities and reestablishing its deterrent. In the early weeks of the war, Israel's decision to act with devastating force was met with cautious support rather than outright opposition by important Arab states, weary of the rising power of the Iranian-supported Hezbollah. Even key European states refrained from harsh criticism of Israel. But as days went by, Hezbollah stood its ground, inflicted serious blows to the Israeli military and gained domestic and Arab standing. Indeed, the 33-day war all but failed to achieve Israel's stated objectives. Rather, it had devastating consequences for the Lebanese population: more than 1,200 dead, hundreds of thousands of displaced refugees, billions of dollars in destroyed infrastructure, a disastrous blow for the Lebanese economy, and a huge setback for efforts at state-building.

The outcome of the war was less than satisfactory for all parties. Although the strategic environment in Southern Lebanon had changed with the deployment of a beefed-up UN peacekeeping force, the apparent victory, albeit Pyrrhic, of Hezbollah over Israel meant that the United States' Lebanon allies were in a precarious political position. The war also ended the timid efforts at state building in Lebanon. Rather, Lebanon entered a new phase of political bickering over power-sharing, as Hezbollah and its allies demanded a bigger share in the government and articulated an agenda at odds with that of the US-allied parliamentary majority. As of late 2006, the political paralysis in Beirut and the crisis of gov-

ernmental legitimacy that ensued had worsened, leaving the pro-US government and US policy in deep trouble. Both had lost momentum, and the measure of success became survival instead of progress.

Could the United States Have Done More?

The Lebanon war exposed conflicts between US interests with two friendly states, Israel and Lebanon. By acquiescing to the goals of the stronger state, its ally Israel, the United States undermined some of its own achievements and strategic interests in Lebanon and the Arab world. Lebanon had not yet fully adapted to post-Syrian hegemony and lacked the capacity and political cohesion to carry out the disarmament of Hezbollah, lest the country slide into a new civil war; the war threatened to deal a fatal blow to the pre-war optimism that the United States itself encouraged; the war further eroded its image in the Arab world, a loss balanced by the hope that an Israeli strategic success would advance Washington's own interests.

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The management of the crisis illustrated these tensions. Instead of pushing for a quick end to the violence, the United States wagered that Israel could achieve its goals and therefore maneuvered to give Israel the required time and political space. In the early days of the war and in face of the devastation in Lebanon, US Secretary of State Condoleezza Rice talked about the "birth pangs of the new Middle East," suggesting that the war itself was an element of the grand transformational vision Washington had for the region. The United States also brushed off the repeated calls of the Lebanese government for a quick ceasefire. At the Rome conference on July 26, 2006, after the Lebanese Prime Minister pleaded for an immediate end to violence, Rice cautioned against what she dubbed a meaningless, premature ceasefire.

As Israel's military efforts floundered in the face of efficient Hezbollah tactics and mounting international and Arab criticism of the costs of the war, the United States scrambled to negotiate a ceasefire. Initial US obstruction of a ceasefire in July, however, had eroded its capacity to impose a strong UN resolution in mid-August. Moreover, by subordinating a quick resolution of the crisis to Israeli military and strategic objectives, it harmed its own allies in Lebanon.

The United States was on the losing side of the Lebanon war. By putting too much faith in a military solution to Lebanon's complex and interconnected challenges and not engaging in intense shuttle diplomacy, it lost credibility and the power to shape outcomes. It also came across as hopelessly ideological, framing the war as part of the war on terror and the advance of freedom in the region.

The United States tried to salvage its image and good will in post-war reconstruction. It offered humanitarian, financial and technical assistance in an attempt to shore up the central government as it competed with Hezbollah to win over the victims of the war. This assistance included the cleaning of beaches soiled by oil spills, the rebuilding of key infrastructure and the distribution of humanitarian help to refugees and other communities in need. This welcome but late effort did little to change perceptions in Lebanon. It is telling that, in an attempt to delegitimize the Lebanese government by association, anti-US protestors in Beirut carried images of the Lebanese Prime Minister hugging Rice during a visit in the midst of the fighting.

Palestinian Political Developments: A Tumultuous Year

For Palestine, 2006 was a dramatic year. From the surprise success of the Hamas polls in legislative elections in January to a Saudi-mediated agreement to form a national unity government of the Palestine Liberation Organization's Fatah party and its existential foe, Hamas, in December, it was a year that exposed all of the raw nerves and unresolved issues inside Palestinian politics. Midyear there were serious concerns about a civil war, and intermittent violence broke out. The United States engaged mainly in anti-Hamas strategies and security sector reform. It did little to break the political impasse between Israel and the Palestine Authority and at year's end, the

US was ambivalent at best over Arab efforts to help the two Palestinian factions share power.

Elections

The United States reacted harshly to the Hamas victory, and cutting aid and contact to any components of the Palestinian Authority that were under Hamas control. There were legal disputes about presidential authority and how to channel funds to non-government entities and to Fatah-controlled elements. The cutoff of US, EU and bilateral European aid contributed to the sharp deterioration of the Palestinian economy and to serious humanitarian concerns about Gaza in particular. The Quartet (a contact group composed of the US, the EU, Russia and the UN) set three conditions for normalizing relations with Hamas: renouncing violence and terrorism, recognizing Israel and honoring prior agreements between Israel and the Palestinian Authority (PA).

Summer Tensions

A series of events in June led to regional tensions and a Hamas decision to break its 16-month truce with Israel. Civilian deaths from Israeli missile attacks and Palestinian hits on an Israeli school in Ashkelon triggered an escalation of violence. In late June, Hamas militants crossed the border from Gaza into Israel, killing two Israeli soldiers and kidnapping another. Israel then launched Operation Summer Rains, which was soon overshadowed in media attention by the even larger operation in Lebanon.

The United States was largely supportive of Israel's responses to Hamas violence. The US did, however, try to maintain some level of contact with Palestinian security forces that were not Hamas-controlled, and its designated security coordinator, General Keith Dayton, worked to keep his mission moving forward, despite the heavy obstacle of the aid cutoff. His goal was to promote security sector reform through training and streamlining of the multiple Palestinian forces. The US also encouraged Israel and the Palestinians to maintain some level of intelligence and operational contact, despite the high level of tension. Efforts to allow US aid to flow to Fatah forces did not materialize.

At the same time, internecine violence between forces loyal to the PLO and Hamas forces broke out, raising the prospect of full-scale civil war. Both sides seemed to have easy access to guns and bullets.

Fall Diplomacy

The US engaged in new diplomatic efforts in the fall, trying to channel the regional worries about the Lebanon war into new energy for helping the Lebanese state and the Israel-Palestine problem. The US hoped to promote some common understanding among conservative Gulf states, Israel and the West about the need to further restrain both Hamas and Hezbollah, and Iranian influence on either group. In September the Secretary of State traveled to the region to reaffirm the "Quartet Principles" and to demonstrate US willingness to work with, and even strengthen, the hand of the Palestinian President, Mahmoud Abbas. She brought the issue to the UN Security Council and returned to the region in October and November, hoping to create conditions for talks between Abbas and Israeli Prime Minister Olmert.

But a second set of regional dynamics were also in play. Saudi Arabia and Iran began working together on the Lebanon file, hoping to create a new consensus and forge a new domestic peace between Hezbollah and other political forces. The Saudis called for an international conference on Palestine and were also active with the Palestinian groups, eventually setting on an approach that encouraged formation of a national unity government of Fatah and Hamas elements. This was contrary to the US policy of isolating Hamas. The US found itself in a holding pattern, waiting to see if the national unity concept would permit moderate policies to be pursued or would unravel, convincing the Saudis and other regional players to take a different tack.

Iraq: the Quest for Security and Political Legitimacy

Iraq continued to dominate the US Middle East agenda, both internationally and domestically. Security was elusive, and the new political class of Iraq spent the whole year trying to establish itself and build the legitimacy of the new political institutions. Social and economic conditions were precarious, sectarian tensions grew, and the region faced a new side-effect of the Iraq war, the migration of nearly two million Iraqis in search of safety and security.

In December 2005 Iraqis elected their first permanent post-Saddam parliament. The turnout was strong, and a Shia-led United Iraqi Alliance emerged with a plurality, but not majority of votes. Secular and non-

sectarian parties fared poorly. It took the new political class four months to form a government, and compromise candidate Jawad al-Maliki from the Dawa party became Prime Minister. Without a strong base, Maliki faced the challenge of balancing different interests from the Shia majority, including pressure from radical cleric Muqtada al-Sadr, who vacillated between supporting the government and opposing it. Sunni politicians in the national government were not able to rally broad support in the Sunni community that would undermine the insurgent groups, although anecdotal reporting suggested that many Sunni majority towns were in fact resisting the insurgents and working courageously to restore order.

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Even before the government was formed, prospects for Iraq's stability worsened dramatically in February, when an important Shia shrine in Samarra was destroyed by insurgents, presumably with ties to al-Qaeda in Iraq. This single act shifted the mood among Shia, and was widely seen as a critical turning point in the sectarian tensions and violence in the country. Until Samarra, the Shia community largely avoided escalations of violence, even when attacked by former Baathist and radical Sunni insurgent forces. That restraint eroded after the February incident. Sectarian violence was most acute in Baghdad, with reports of ethnic cleansing in formerly mixed neighborhoods. In the United States, popular support for the war eroded steadily. Politicians of both parties debated the stakes of an American withdrawal. Would an early departure of US forces generate more chaos and violence, or would it change the focus and enable the Iraqis to work more effectively on national reconciliation and reconstruction? The November congressional election returned the Democrats to the majority in both the House and Senate, and was widely viewed as a referendum on Iraq and the unpopularity of the President's policy. Later in the fall, the bipartisan Iraq Study Group, co-chaired by former Congressman Lee Hamilton and former Secretary of State

James Baker, recommended a dramatic rethinking of US policy, with an aim to a planned drawdown of American forces, a stronger push at capacity building and reconciliation by the Iraqis, and more American effort at garnering regional support for Iraqi stability, including through contacts with Iran and Syria. The report was initially rejected by the White House, but individual components of it were subsequently embraced as US policy adapted to changing and deteriorating conditions on site.

The year ended with the execution of former dictator Saddam Hussein by hanging. What could have been a somber event that would contribute to national healing and dedication to a more peaceful future turned into a new chapter in a mean-spirited mood of sectarian strife. The timing and manner of the execution appeared to be manipulated by Shia radicals, and was not coordinated within the government.

Iran and America

In late 2005, the confluence of the coming to power of Mahmoud Ahmadinejad on a platform of economic populism combined with renewed Islamic fervor, Iran's assertiveness on the nuclear front through its rejection of an EU package and mounting allegations of Iranian influence in Iraq made Iran appear a strong and determined foe of the United States.

The Nuclear Issue

The nuclear issue remained at the forefront throughout 2006. Iran asserted its right to acquire a full nuclear fuel cycle, while the International Atomic Energy Agency (IAEA) and Western countries sought to limit Iran's nuclear knowledge in light of Iranian violations of its obligations according to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

As Iran ignored IAEA and Western demands by crossing technological redlines (namely the installation of centrifuges and subsequent beginning of uranium enrichment activities), Washington attempted to build a united front at the UN Security Council to handle the Iran file and impose sanctions on Iran. However, Chinese and Russian distrust of US intentions and divergent interests seemed to make such a consensus difficult to achieve. To demonstrate its good intentions, in May the United States offered to join talks between European nations and Iran if it agreed to suspend uranium enrichment activities.

Continued Iranian defiance and deft European and American diplomacy led in July to the passing of UN Security Council Resolution 1696, then in December, Resolution 1737, both under Chapter VII, both imposing economic sanctions on specific entities and individuals. This threw Iran's leadership, long confident that the Security Council was divided enough, off balance.

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The United States pursued other tracks in its effort to contain Iran. It mobilized key Arab allies worried about the rise of Iran through the GCC+2 (Gulf Cooperation Council+Egypt and Jordan) forum. Washington also stepped up its security and defense cooperation with the GCC states by way of a new initiative called the "Gulf Security Dialogue," focusing on new arms packages as part of a political-military effort to deter and defend against the emerging threat from Iran. Finally, in an innovative and under-the-radar fashion, the US Treasury began efforts to deter financial institutions and other companies from dealing with Iran.

Rise of Iran as a Regional Power

Iran's newfound regional standing proved deeply problematic for US policy. It made American policy and options in Iraq dependent on Iranian goodwill. Iran was seen as having a hand in each of the acute regional crises: Lebanon, West Bank and Gaza, and Iraq. But polls suggested that, while Arab leaders feared Iran's growing power, Arab publics generally supported the fiery Iranian president's defiance towards the United States. Iran remained confident for much of 2006 that the United States, bogged down in Iraq, was too weak and constrained to pursue regime change. To counter this perception, Washington forcefully repeated that while it

avored a peaceful diplomatic solution to the crisis, all options remained on the table. This game of gaining or restoring leverage carried the risks of accidental escalation or misinterpretation. This situation was rendered even more unstable by President Ahmadinejad's hardline statements on Israel and Iran's role in the region.

In the aftermath of the Lebanon war, the United States attempted to rally regional support for an anti-Iran strategy that would entail a tacit alliance among the US, Israel and moderate Arab regimes. This idea resonated to some degree, but was weakened when one key player, Saudi Arabia, demonstrated its willingness to cooperate with Iran to facilitate a peaceful solution in Lebanon and took a leadership role in reconciling the Palestinian factions.

The United States framed its policy as opposing the government of Iran, but sought contact with elements of Iranian society presumed to be favorable to the West and to democratic values. The Administration and Congress allocated 75 million dollars to pro-democracy initiatives and broadcast programming into Iran. This new effort, however, was met with ambivalence by reformers in Iran, who were concerned that accepting US funding would be detrimental to their cause and image, and with outright hostility by the Iranian authorities, convinced that this funding was part of a larger policy of regime change. An opportunity for détente and mutual understanding was the September trip of former Iranian President Khatami to the United States. But nothing substantive materialized from this visit, leading many to wonder what it would take to encourage rapprochement between the two countries.

As 2006 ended, the position of the hardliners in Tehran had apparently weakened. Disaffection with Ahmadinejad's policies, the deterioration of Iran's economy and the adoption by the UN Security Council of resolutions imposing sanctions against Iran led to the defeat of the Ahmadinejad-supported candidates to the Assembly of Experts and municipal councils during the December elections. But the United States maintained the pressure by dispatching a second aircraft carrier and accusing Iran of meddling in Iraq, prompting some to predict a looming showdown in the Persian Gulf.