The year 2007 ended as it began – despite a vaunted change of strategy – with the USA mired in Iraq. With much of the combat power of the US army committed in Iraq, and facing growing political discontent with the war at home, the legacy of the lackluster Bush administration now depends largely on its ability to claim a plausible Middle East triumph. In addition to the war in Iraq, US policy in 2007 focused on four other major areas of concern during the year. These included promoting President George W. Bush’s “Freedom Agenda,” kick-starting Israeli-Palestinian negotiations, thwarting Iran’s quest for regional hegemony, and maintaining the secure flow of oil from the Gulf. Before turning to the US dilemma in Iraq, which continued to preoccupy US policymakers throughout the year, this essay addresses the other realms that have been declared priorities for US policy in the Middle East.

Against the background of the horrendous al-Qaeda attacks of 11th September, 2001, the Bush administration has been attracted to the argument that a deficit of freedom in Muslim societies gives rise to the conditions in which terrorist recruitment flourishes. American political elites have resisted, often furiously rejecting the idea that US policy may actually have something to do with the anti-American sentiments found in the Middle East and elsewhere. The Bush administration often treated the failure of its public diplomacy as an advertising problem, as a symptom of America failing to get the message across. When it began to address the low standing of the USA in public opinion its first instinct was to hire a renowned Madison Avenue advertising executive, Charlotte Beers, to formulate a public relations solution. She failed miserably, as have her successors. Thus, a poll of six Arab countries released in early 2008 revealed that over 80% of respondents held unfavorable views of the USA, a figure that has actually increased since invasion of Iraq in 2003 (www.brookings.edu/arab_public_opinion.pdf).

The “Freedom Agenda”

Policies that may have mitigated such negative views have become disappointing failures, as well as testament to the Bush administration’s hypocrisy. For instance, the “Freedom Agenda” was announced with great fanfare in 2002 and 2003, and it continued in 2007 to be a declared priority in the Middle East. The policy now earns little more than official lip-service. Even local opposition figures of a pro-western bent, who embraced the idea of political reform in their own societies, now look to the catastrophic situation in Iraq and conclude that stability and authoritarian order are tolerable compared to violent chaos and civil war.

In Egypt, where the venal regime of octogenarian Hosni Mubarak was earlier ruffled by all the talk about democracy, it was business as usual by 2006 and 2007. Ayman Nour, the opposition figure who had had the temerity to challenge President Mubarak when he went through the motions of running for his fifth term of office in 2005, found himself serving a five year term for trumped-up charges that he forged signatures on his candidacy petitions. On her periodic visits to Egypt, Secretary of State Condoleezza Rice issues perfunctory calls for the release of the unfortunate Mr Nour, but her demands are politely ignored. As senior regime officials repeated to this writer in Cairo on several occasions in 2006 and 2007, the Egyptians now understood how to handle the US regime officials, pointing out the threat that Islamists might come to power, as Hamas did in Gaza, and emphasizing Egypt’s role as an alleged pillar of stability. Widespread
labor riots in early 2008, the most serious domestic demonstrations in Egypt in more than 30 years, do put a question mark on the claim of stability. Egypt’s calcified but aggressively repressive dictatorship remains poised for a royal transition from father to son, a transition tacitly approved by Washington. Banker Gamal Mubarak, who has many detractors in the higher ranks of the politically powerful army, has been at pains to emphasize that he has no more appetite for deep political reforms than his father. It should come as no surprise that Egypt is often cited in the Arab world as a prime example of double standards when it comes to US claims that it promotes freedom.

Hamas Seizes Power

The electoral victory of Hamas in the January 2006 Palestinian parliamentary elections dramatically dampened US enthusiasm for promoting democracy. Hamas benefitted from public disapproval of the deeply corrupt Fatah, and won 74 of 132 seats in the Palestinian Legislative Council. Hamas is considered by the USA and many of its European allies to be a terrorist organization. Against the advice of Egypt, Israel and the Palestinian Authority led by Mahmoud Abbas (“Abu Mazen”), the White House insisted that the Palestinian elections be held on schedule. To be fair, even leading Palestinian pollsters, notably the respected Khalil Shikaki, failed to predict the Hamas victory. When it occurred, the Secretary of State admitted that she was “(…) caught off guard by Hamas’s strong showing.”

Initially, there were hints that the USA might accept the result tacitly and allow European and Arab allies to incrementally engage Hamas diplomatically so as to pull it in a pragmatic direction and away from violence. Rice herself noted just after the election that “the Palestinian people took full advantage of their democratic opportunity. They voted in incredible numbers; maybe 80% in one of the estimates. And they also clearly voted for change. They wanted a new kind of government and we respect that.”

Knowledgeable non-US officials urged that while it was understandable that the USA would not wish to legitimate a group that is denoted a terrorist organization, it might be wise for the USA to allow others to elicit a pragmatic accommodation from Hamas. Within days of the election, the President was advised by some of the government’s most respected Middle East hands that this might succeed, and he momentarily embraced the approach, but within days the USA was leading a campaign to isolate Hamas in Gaza and starve it of funds and access to other outside support. Notwithstanding the US-led siege, Hamas did maintain a de facto ceasefire with Israel for about a year.

By 2007, about 80% of the impoverished Gaza population and 65% of the West Bank population was living below the poverty line and evidence of malnutrition and slow starvation was becoming common-place. Not only did the isolation of Gaza succeed in pushing many Palestinians below the poverty line, which is demarcated as families of four earning less than $2 (US) a day, but it lent support to the view that the “Freedom Agenda” was specious.

Following the kidnapping of an Israeli soldier from an outpost overlooking Gaza in June, Israel has arrested most of the elected Hamas legislators and has held them ever since, effectively as hostages. The US plan was to strengthen the West Bank-based Abu Mazen, the Palestinian President, and the Palestinian Authority that he headed. The ostracized and isolated Gaza-based government led by Hamas worked to consolidate its control in the densely populated Gaza Strip.

Muhammad Dahlan, a longtime ally of the USA and Fatah strongman in Gaza received significant American and Egyptian support, as did the Preventive Security Force (PSF) that he commanded. The PSF was being armed and trained to confront Hamas, apparently as part of a covert US plan to topple Hamas (D. Rose, 2008). Amidst growing violence between Dahlan’s group and other Fatah militiamen, on
the one hand, and Hamas and its allies, on the other, Hamas responded in June 2007 by crushing the PSF (Dahlan was not in Gaza at the time), and carrying out what Abu Mazen decried as a coup. By the end of the year, while clashes in Gaza between Hamas militants and supporters of Fatah continued and Israeli periodically raided or shelled Gaza often in response to the firing of crude rockets toward Israeli towns, Hamas remained in firm control there (www.mfa.gov.il/MFA/Terrorism.htm).4

In response, on 15th June, 2007, President Abbas appointed a new government under the Prime Minister Salam Fayyad, a respected economist. Abbas claimed authority under an emergency decree, for which he requires approval from the Palestinian Legislative Council, but since a majority of members are from Hamas and are in Israeli jails there is no practical way for a quorum to be assembled. In any case, Abu Mazen’s action was firmly supported by the United States and several key Arab states, notably Saudi Arabia, Egypt and Jordan.

**Revived US Peacemaking**

When Bush was elected in November 2000 he and his advisors were intent on avoiding entanglement in the Arab-Israeli conflict. His leading advisors ridiculed President Bill Clinton for squandering precious presidential time in pursuit of an Israeli-Palestinian peace. Unlike his predecessor, the new President would bide his time until the belligerents were ready to make peace, until the situation was ripe, and meanwhile the USA would tilt its support toward Israel, particularly after 11th September 2001. Furthermore, it was presumed that after an American triumph in Iraq, the Palestinians would become more pliant to compromise. Former Secretary of State Henry Kissinger, like many active supporters of the 2003 invasion of Iraq, speculated that “the road to Jerusalem will lead through Baghdad” (Kissinger, 2002). That did not quite work out.

President Bush emphasizes that he is the first President to explicitly declare his support for an independent and contiguous Palestinian state living side-by-side and in peace with Israel. Polls taken during 2007 continue to demonstrate that a majority of Israelis and Palestinians support a two-state solution. For instance, a poll taken in late 2007 revealed 53% support in Israel, and a two-state solution attracts comparable support from Palestinians. As the Israeli writer Gershom Gorenberg notes, the idea of a two-state solution has become “boringly respectable.” The Arab League Initiative, first announced in 2002 and reiterated at the Riyadh Summit of the League in March 2007, promises Israeli-Arab recognition in response to a settlement that bears a reasonably close resemblance to the parameters announced by Bill Clinton in December 2000, namely a sharing of Jerusalem with Arab quarters comprising the capital of Palestine, a return of most occupied territory to the Palestinians with limited territorial exchanges to allow Israel to maintain some large settlements contiguous to Israel, and the return of Palestinian refugees to the new Palestinian state rather than to their historical homes within Israel, or the provision of compensation for those who choose not to return. The problem is getting there. With the absence of a solution the human toll continues with 380 Palestinian civilians killed by Israelis in 2007, and five Israelis falling to Palestinian violence.

While Bush and Rice have periodically underlined that concessions from both Israel and the Palestinians will be necessary for a solution to be reached, Bush has stated that he will do no more than nudge Israel. Indeed, Bush has periodically tried to recast the terms of reference for an Israeli-Palestinian agreement. In April 2005 the President declared in a letter to Prime Minister Ariel Sharon that any peace agreement between Israel and a new Palestinian state would have to recognize “new realities,” a euphemism for legitimizing much of Israel’s colonization of the West Bank rather than the more modest territorial swaps envisaged by the Clinton parameters (www.fmep.org/documents/clinton_parameters12-23-00.html), and the seminal UN Security Council Resolution 242 of November 1967.

If the Bush administration slowly came to understand that its failure to move assertively to resolve the Arab-Israeli conflict might have undermined other policy goals in the region, US involvement in seeking a solution has been tepid at best. In November 2007 and amidst great skepticism in the Middle East, the USA convened an Israeli-Palestinian peace conference in Annapolis, Maryland, the site of the US Naval Academy. Forty-two other countries attended, including many who later

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4 In 2007, 783 rockets were fired from Gaza at Israel, although some fell short and landed in Gaza.
5 For a variety of Israeli polling data sources see: http://btvshalom.org/resources/isr_polls.shtml. For Palestinian data, see the polls of the Jerusalem Media & Communication Centre, including one conducted in late 2007: www.jmcc.org/publicpoll/results/2007/no63.pdf.
Israel and the Palestinian Authority agreed to reach a settlement by the end of 2008, as the Bush presidency was coming to a close.

pledged up to $6 billion to facilitate peace and aid the Palestinians at a December 2007 conference in Paris. The US Ambassador to the UN, Zalmay Khalilzad, fashioned a Security Council resolution that would have revealed wide support for the goals of the Annapolis meeting, but Israel was unwilling to allow any role, even an implied one, by the UN in moving toward a peaceful solution. Thus, in a moment of considerable diplomatic embarrassment, Khalilzad was forced to withdraw the resolution before it could be voted on. Israel and the Palestinian Authority, which was much weakened after losing control of Gaza to Hamas, agreed to good faith negotiations to implement the Road Map and to reach a settlement by the end of 2008, as the Bush presidency was coming to a close. The Road Map, supervised by the USA, the UN Secretary General, the European Union and Russia, was originally supposed to be implemented by 2005 calls on both parties to take concrete steps, which for Israel include declaring unequivocal support for a two-state solution, freezing settlement constructions, loosening security restrictions, and improving the humanitarian conditions for the Palestinians; and for the Palestinian Authority the requirements include ending anti-Israel violence, revising the Palestinian constitution, and underlining its acceptance of Israel's right to exist.

The explicit obligations under the Road Map are explicitly to be simultaneously met by Israel and the Palestinian Authority, but in practice the Israelis have refused to implement their responsibilities until the Palestinians establish security. Much of the Palestinian security apparatus has been systematically targeted and disabled by Israel since 2002, so Abu Mazen’s ability to meet the security strictures of the Road Map is constrained even in the West Bank. Following the Annapolis conference Israeli officials, including the Prime Minister and the Foreign Minister, stated that Israel "cannot negotiate according to a time limit." In contrast, Israel has continued its construction of illegal settlements in the occupied West Bank, often timing announcements of new construction to coincide with visits by Secretary of State Rice.

While Bush foresees the establishment of a "viable, contiguous, sovereign and independent" Palestinian state, the settlements, the network limited access roads and bypasses and the security barriers constructed by Israel make the creation of a viable Palestinian state doubtful. Bush likes to present himself as a decider, a leader who does the right thing regardless of public opinion, yet in the Arab-Israeli context he has not shown political courage. No solution will be reached without a serious US commitment to the diplomatic heavy lifting needed to make it possible. The Bush administration has also been unwilling to entertain peacemaking gestures to Syria, which it sees as playing a negative role in Iraq and in Lebanon, as well as being a key ally of Iran. As a result, although Israel has flirted throughout the year with the possibility of an approach to Syria, and although unofficial, back-channel talks were underway in 2007, the USA made it plain that it was unhappy about the prospect and discouraged Israel’s initiatives.6

The Largesse of US policy

One of the enduring ironies of the Bush foreign policy is the extent to which Iran has been a major beneficiary of US policy. In the Arab-Israeli context, the desultory pace of peacemaking and the desperate conditions under which Palestinians are forced to live have been opportunite for Iran. By the estimate of one Hamas official, Iran provided that organization with at least $120 million in assistance in 2007, and some estimates are considerably higher. Iranian arms transfers to Gaza have been limited but hardly trivial and Iran has also provided training for Hamas and Islamic Jihad members.

Meanwhile in Lebanon, where, to the annoyance of the White House, Israel failed to subdue Iran-supported Hezbollah in the 2006 war, a stalemate between the pro-US government and the opposition led by Hezbollah but also including large numbers of Christians persisted throughout 2007. The USA is unwilling to countenance a bargain that will benefit Hezbollah, whereas it is impossible to break the stalemate without an accommodation of opposition demands. Not only did 2007 end without any progress toward disarming Hezbollah, as required by several Security Council resolutions, but Iran refurbished the party’s arsenal so that it is at least as well equipped today as

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6 See Haaretz, 17th January 2008. The unofficial talks were carried out by the former Director General of the Israeli Foreign Minister, Alon Liel.
it was when the 2006 war began. Although periodically inter-communal clashes have brought Lebanon close to the brink of a wider internal conflict, further disaster has thankfully been averted but no clear solution is on the horizon so long as the USA and Iran are contesting the ground through their proxies. Proponents of the Iraqi invasion often argued that by toppling Iran not only would the USA rid itself of a dangerous tyrant but the invasion would seal America’s hegemony in the Middle East. In fact, the invasion was a geopolitical gift for Iran. The “Islamic Republic” not only witnessed the demise of its hated enemy, but watched the large Shiite Muslim majority in Iraq rise to power. While there are a variety of perspectives vis-à-vis Iran among Iraqi Shiites, in general the Islamic Republic finds itself with a surfeit of friends and allies, not least among the Supreme Islamic Shiite Council and its Badr Corp militia which was based in Iran until 2003, and today is the most powerful component in the ruling Shiitedominated coalition under Prime Minister Nouri al-Maliki. For its part, Iran has devoted much of its diplomatic and military energy to building a broad swath of ties, which are not limited to the Shiite co-religionists but include Kurdish parties in the north and Sunni groups in central Iraq.\(^7\)

At a time when Iran has faced coordinated efforts of the USA and its European allies to deter it from continuing its march to protect a nuclear weapons capability, the Iraqi quagmire has provided Tehran with a valuable lever for reducing western options, and particularly US military options. A sensational National Intelligence Estimate, released in part in December 2007, found that Iran had actually stopped weapons development in 2003, further undermining the military option for the USA. Iran has an obvious interest in insuring that the USA remains sufficiently entangled in Iraq so as to think twice about opening up a new war front with Iran. This is the goal that guided Iran’s actions in Iraq throughout 2007.

The Iraq Quagmire

President George W. Bush and his administration greeted the report of the blue-ribbon Iraq Study Group in December 2006 with studied coolness and even disdain and the report changed the terms of reference for discussing Iraq in the USA (www.usip.org/isg). While the report, which urged a significant reduction of US forces and a reinvigorated diplomatic effort to find common interests in stabilizing Iraq among friends and adversaries, did not use the word “failure,” the carefully written report made it plain that talk about success in Iraq was fatuous. Thus, in the terms of reference for discussing Iraq the key issue would now implicitly be how to mitigate the extent of American failure there. Instead, Bush seized the idea of a surge of additional forces into Iraq for the stated purpose of stabilizing Iraq and thereby creating an opportunity for reconciliation to take place.\(^8\) Because of manpower limitations in the US Army, the surge, which would increase troop strength in Iraq by 21,000 soldiers to more than 160,000 men and women, would be unsustainable after the summer of 2008. The country was in the throes of a civil war by 2006 and there is no question that the surge was a technical success in terms of reducing the tempo of violence by the end of 2007, but little progress was made toward inter-sectarian reconciliation, or for that matter inter-sectarian reconciliation.

In addition to more US troops, three factors contributed significantly to the 60% reduction in violence that was registered in late 2007: as many as two million Iraqis were displaced within the country, and more than two million had fled outside the country, primarily to Syria and Jordan. While small numbers of these external refugees trickled back into Iraq in late 2007 and early 2008, the vast majority remained outside the country. In Baghdad large swathes of the city that were inhabited by Sunni Muslims had been brutally cleansed by Shiite Muslim militias. Second, the largest Shiite militia, the Mahdi army led by al-Sayyid Muqtada al-Sadr, the popular young cleric who is revered especially among the urban Shiite poor, began a ceasefire in August 2007. Third, even before the surge began, a number of Sunni insurgents, especially in the massive al-Anbar province, broke with the al-Qaeda franchise that had flourished in the chaos of post-invasion Iraq and had done much to accelerate the civil war. This awakening, or sahwa, prompted marriages of convenience, or more accurately, cohabitation agreements between the US

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\(^7\) Given the shared interests between USA ally Turkey and Iran in dampening the Iraqi Kurds’ pursuit of independence (both countries are home to large Kurdish populations), a new strategic dialogue has opened between Tehran and Ankara.

\(^8\) One of the architects of the surge was neo-conservative Frederick Kagan of the American Enterprise Institute. He was a vocal advocate of the 2003 invasion, which he envisaged would foster “a peaceful and liberalizing [Iraqi] regime that could have a transformative effect on the entire region.” See Commentary, December 2002, pp. 69-72.
forces and local tribal militias, most of which were wholly Sunni Muslim. By late 2007, nearly 90,000 Iraqis were cohabiting with US forces. Each member was being paid more than $300 a month, which was also a boon for tribal sheikhs who pocketed about one-fifth of all the monthly allowances.

Thus, while the surge began with the stated purpose of creating a space in which reconciliation might occur, the surge has undermined rather than bolstered the central political authority. Moreover, within the Shiite community there are huge cleavages between the underclass led by Muqtada al-Sadr, and the more middle class oriented groups that dominate the government. Intrasectarian clashes pose, in some areas, a more dangerous threat than intersestarian ones. US officials tend to exalt the reduction of American deaths in Iraq, but Iraqi security forces and especially civilians have continued to pay a high toll. Over the course of 2007, incidents involving civilians declined significantly at times but an average 14 people were being killed by explosions every day during the year. While the US authorities have claimed they do not have an accounting of civilian deaths in Iraq, it is clear that the toll of civilian lives in Iraq has been massive. The most conservative figure comes from the British group, Iraq Body Count, that estimates that there have been about 90,000 excess deaths in Iraq since 2003. In January 2008, the respected New England Journal of Medicine published a study for the period 2002-2006 that estimated 151,000 civilian deaths. Other estimates, using valid statistical techniques, reveal as many as a million civilian deaths.

As 2007 ended, Iraq was still looking towards an uncertain future. In the USA the public has long since concluded that the war was a mistake, and with presidential elections looming in November 2008 and a new occupant in the White House in January 2009 a significant reduction in the US commitment in Iraq is possible. The war has been phenomenally costly in human and financial terms (it is estimated that the direct cost is $5,000 dollars a second, which even in cheap dollars quickly reaches astounding sums). Ironically, not only has Iran been a geopolitical beneficiary of the Iraq war, but it has benefited substantially in economic terms. Iranian businessmen are investing heavily in important Shiite shrine cities, particularly in Karbala and al-Najaf, and the Iranian economy benefits directly from escalating oil prices. While the crucial flow of oil from the Gulf has been sustained, since the war in 2003 until 2007 it doubled in price, and it doubled yet again from 2007 to mid-2008 providing a massive windfall for Iran, as well as Iraq for that matter. At best, the USA may succeed in stabilizing Iraq, but the task of reconciliation clearly lies well in the future. Moreover, it is hard to envisage a solution that does not include a significant accommodation of Iran’s interests in Iraq, a conclusion that is positively anathema for the Bush administration.9 With the USA effectively trapped in Iraq and fearing that a withdrawal will induce chaos and increase Iran’s influence, the Bush administration’s pursuit of a triumph continues to be fleeting.

References


9 Beginning in May 2007, the US Ambassador Ryan Crocker, did begin meetings with his counterpart in Baghdad, Iranian Ambassador Hassan Kazemi Qomi, and several additional meetings were held. While Iran did seem to temper its support for Shiite militia groups and limit the flow of particularly lethal charges, Iran remains deeply involved in Iraq. With Iran challenging the USA in the Arab-Israeli zone and in Lebanon, not to mention in the oil rich Gulf, the Bush administration has no interest in reconciling its differences with a regime that it detests; and the feelings are mutual. When Ambassador Zalmay Khalilzad, the USA delegate to the UN, participated in a panel at the Davos World Economic Forum with the Iranian foreign minister and an aide to the Iranian President, in January 2008, he was upbraided by Condoleezza Rice and much criticized by furious White House officials.