Back to Balancing

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When President Bush explained his "surge strategy" in Iraq to the American people last January, he defined the drama playing out across the broader Middle East as "the decisive ideological struggle of our time. On one side are those who believe in freedom and moderation. On the other side are extremists who kill the innocent and have declared their intention to destroy our way of life."

The problem with this good-versus-evil approach to Middle Eastern conflicts is that it does not describe the struggle as the regional players themselves understand it. A U.S. strategy for promoting American interests cannot hope to be effective unless it starts with an accurate assessment of how major regional actors see their own circumstances; and seeing the struggle in the Middle East for what it really is means taking account of two broad trends in the region.

The first of these trends is the emerging power struggle between Shi'as and Sunnis. For centuries, this sectarian rivalry has (usually) lurked just beneath the surface. Now it has emerged in full force, as sectarian killing in Iraq feeds and is fed by a regional contest between an Iranian-led, mostly Shi'a bloc and a loose alliance of Sunni Arab states led by Saudi Arabia and Egypt. Each bloc encompasses both moderates and extremists, rendering an American strategy of bolstering moderates at the expense of extremists very complex, if not baldly incoherent.

The second trend is America's declining influence in the region. America's influence was at its height after two successful applications of force: first in 1991, when it kicked the Iraqi army out of Kuwait, and then in March–April 2003 when it toppled Saddam Hussein's regime. This influence was magnified by the 1991 collapse of the Soviet Union, which left America as the world's sole superpower. America's dominance in the Middle East, however, is now on the wane, sapped by failure in Iraq, war-weariness at home, the Bush Administration's determined neglect (until recently) of the Arab-Israeli peace process, and the expanding influence in the region of Russian and China. This loss of dominance requires a return to realism: The United States will have to create a concert of powers to counter threats to common interests, and work cooperatively with actors both inside and outside the region to achieve America's purposes. In other words, the next president will need to return to a balance-of-power approach to the Middle East, with all the imperfections and moral dilemmas it implies, and with a new aptitude for the flexibility and compromise that it will require.

Nor will Middle Eastern problems wait patiently until the next administration re-thinks U.S. approaches to them. America could soon confront a very dire situation. Civil strife in Iraq, Lebanon or Gaza could spill over, destabilizing

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neighboring states or triggering wider conflict. Iran's determined pursuit of nuclear weapons could provoke a nuclear arms race. Even if things do not get worse, they are already bad enough. Because the global economy still relies on oil and gas, the United States retains a vital interest in the free flow of energy supplies from the Persian Gulf. It will also retain an abiding commitment to the security and well-being of Israel and America's Arab allies. In these circumstances, which will still be with us in January 2009, even if U.S. military forces are pulled back from Iraq, wholesale disengagement from the region would be both unwise and infeasible.

We cannot leave, but we cannot stay on the terms we most prefer. That is why our circumstances put a premium on realism, for it is realism that counsels us to be modest and cautious in defining priorities. In our view, U.S. policy in the next administration should aim for the following four basic objectives:

- Containing civil conflict in Iraq to prevent an implosion there from igniting a wider regional conflict;

- Preventing Iran's development of nuclear weapons and, should that fail, developing a security framework to deter their use and avoid a regionwide arms race;

- Strengthening the forces of moderation in the Arab world to counter Iran's influence and blunt the impact of regional radicals, using a re-energized Arab-Israeli peace process as the cement for a tacit alliance between Israel and Arab states;

- Pursuing an agenda of patient and sustainable political and economic liberalization to reduce the appeal of radicalism and help ensure the long-term stability of regimes that share America's strategic interests.

The Sunni-Shi'a Fault Line

It took the summer 2006 war between Israel and Hizballah to expose the Sunni-Shi'a sectarian fault line running through the Middle East. For some time, Sunni Arab leaders in Egypt, Saudi Arabia and Jordan had been warning that a new "Shi'a arc" loomed over the region. Iraq's descent into civil war and Iran's defiant pursuit of nuclear weapons fed these Arab concerns. But it was only in 2006, when Hizballah provoked a confrontation with Israel in Lebanon, and Damascus blocked Egypt from organizing a prisoner exchange to calm tensions in Gaza, that these leaders began ringing alarm bells. They decried the Shi'a axis that appeared to stretch from its base in Iran to the Shi'a-led government in Iraq to the Shi'a-aligned, Alawi regime in Syria and on to Hizballah in Lebanon. For them, it was simply unacceptable that a Shi'a-dominated, historically Persian Iran should become an arbiter of Arab interests in Iraq, Lebanon and Palestine.

Washington, however, perceived this new fault line as a division between moderates and extremists. The 2006 Lebanon War looked like a proxy struggle between two sets of forces, each presenting competing visions of the future. Hizballah's dynamic leader, Hassan Nasrallah, and Iran's populist President, Mahmoud Ahmadinejad, envision a region defined by unending "resistance" (read: violence, terrorism and perpetual confrontation) against Israel, the United States and status-quo Arab governments. Nasrallah and Ahmadinejad argue for the redemptive value of violence and offer the promise of justice and dignity for Arabs humiliated by decades of defeat at the hands of the West and Israel. Their case is simple: violence forced Israel to withdraw unilaterally from Lebanon in May 2000 and from Gaza in August 2005; defiance has enabled Iran to proceed with its nuclear program in the face of American-led international opposition; violence and defiance together enabled Hizballah to stand against the Israeli army and U.S.-inspired Security Council resolutions.

To moderate Sunni Arab leaders such as Egypt's President Hosni Mubarak, Jordan's King Abdullah II and Saudi Arabia's King Abdullah (all associates of the United States), the Iranian-led challenge is deeply threatening on several levels. Even on the streets of their own cities these leaders are less popular than Nasrallah and Ahmadinejad. The radicals' message of resistance is always combined with denunciations of Sunni Arab leaders for cowering under

an American security umbrella and making humiliating deals with Israel. The Iran-Syria-Hizballah axis openly attempts to topple the moderate Sunni-led government in Lebanon. In the Palestinian territories, the Shi'a axis provides critical backing for Hamas and Palestine Islamic Jihad, who reject on principle the notion of Israeli-Palestinian peace to which the key Sunni Arab leaders are in principle committed. In June, this axis helped Hamas destroy the authority of President Mahmoud Abbas in Gaza, securing there a foothold on Israel's southern border to match the one on its northern border maintained by Hizballah. In Iraq, Iran is aiding and encouraging the Shi'a militias in the ethnic cleansing of Baghdad and southern Iraq, and threatening to establish a virtual Shi'a state on the borders of Saudi Arabia and Kuwait. Most alarmingly, Iran actively seeks regional military dominance and a transregional strategic reach through a nuclear program that could put it in possession of nuclear weapons within five years.

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Given these Arab concerns, the Shi'a rise presents the United States with a measure of opportunity. Sunni Arab leaders desiring to counter Iran's bid for regional hegemony seek U.S. support to strengthen the Lebanese government and the Palestinian presidency of Mahmoud Abbas, promote an effective Israeli-Palestinian peace process, prevent an Iranian takeover in Iraq, head off Iran's nuclear program, and enhance their own security capabilities.

However, these Arab leaders do not share Washington's antipathy for *Sunni* extremists, preferring to co-opt them rather than see them fall into the waiting arms of Iran and Hizballah. Hamas, for example, became steadily more dependent on Iran for funding and training when Arab leaders reduced financial support under pressure from the Bush Administration. But with the emergence of this new Sunni-Shi'a fault line, leaders in Egypt and Saudi Arabia want to woo Hamas away from Iran and bring it back to the Sunni side. Hence the Saudis in effect argued Hamas' case at the February Mecca meeting between the PLO and Hamas. Administration principals had hoped Saudi diplomacy would pressure Hamas toward moderation by promising its strapped government financial salvation. Instead, the Saudis' defensive diplomacy set the stage for the June putsch. After that putsch, too, Egypt's denunciation of Hamas was quickly overwhelmed by offers to mediate between the militant group and its Fatah rivals.

President Bush's July speech on the peace process simplistically characterized Hamas as part of the broader global jihadist enemy (even though al-Qaeda actually denounces Hamas on a regular basis). He demanded that Arab states choose sides. Saudi and Egyptian leaders, though, fear that American isolation of Hamas will make Bush's words a self-fulfilling prophecy, with the Shi'a side the ultimate victor. Similarly, the Arab states are reluctant to support American efforts to suppress the Sunni insurgency in Iraq for fear of unfettered Shi'a supremacy there. Arab governments remain deeply troubled by the prospect of a Shi'a-dominated Iraqi state—not just because they fear it will strengthen Iran, but because it may mobilize demands from their own restive and disadvantaged Shi'a populations. If American domestic politics force a quick withdrawal and Sunni-Shi'a violence in Iraq escalates, Arab states will feel strong pressure to aid their Sunni brethren.

The challenge for U.S. policy in the coming period is therefore to cement a still-inchoate coalition of governments in the Middle East to combat newly emergent radical forces and their harsh vision of the region's future. But U.S. strategy must take into account that America's main Arab allies have divergent objectives from ours. They may cooperate for a time in isolating Hamas in Gaza, but should Hamas and Abu Mazen show an interest in a new power-sharing arrangement, Sunni leaders will quickly reach out to wean Hamas away from dependence on Iran and its allies. Rather than flatly oppose this, U.S. policy would be wiser to seek a consensus with Egypt and Saudi Arabia, at least, on what Hamas must do to become an acceptable interlocutor in the mainstream of Arab politics and Palestinian policymaking.

In the meantime, U.S. policymakers will

need to work closely with the West Bank government of President Abbas and Prime Minister Salam Fayyad to prove that moderation brings greater benefits to Palestinians than Hamas' violence and defiance, and America should insist on Arab state support for that effort. As a consequence of the violent ambitions of the Iranian-led coalition, the Palestinians are in the ironic position of having, for the first time in their history, not one but two governments competing for their support. The outcome of this competition will have profound consequences for the success of American coalition-building in the region.

A similar divergence between U.S. and Sunni Arab objectives exists when it comes to Syria. President Bush continues to ratchet up financial and diplomatic pressure on Damascus to warn it away from meddling in Lebanon. While Sunni Arab leaders have little sympathy for the Asad regime, they recognize the benefits of offering it an alternative to its strategic alliance with Iran. If Syria could be split from Iran, it would crack that axis and physically separate Hizballah from its Iranian lifeline.

This is not out of the question. The Alawi regime is already conscious of its uneasy position atop a majority-Sunni populace that could become restive if the regime plants itself firmly on the Shi'a side of the fault line. This may explain why Bashir al-Asad has carefully reduced tensions with Israel, pulling forces back from their shared border, even as the Iranian President continues his calls for Israel's destruction. As with Hamas, pressure and isolation has its uses in influencing the calculus of the Syrian leadership, but the door should also be left open to the Syrians in case they want to change sides—and especially if they wish to join a new round of U.S.-sponsored peace negotiations. This approach could bring Sunni Arab and American strategies into closer alignment.

Similarly, the United States should seek neither Shi'a nor Sunni supremacy in Iraq, but rather a pluralist regime capable of protecting the interests of all of Iraq's communities. Although the descent into civil war may have already rendered this goal impossible to achieve, America cannot become involved in an effort to rescue Sunni insurgents anymore than it can condone Shi'a suppression of the Sunni community. The United States should continue to co-opt Sunni political forces in Iraq to counterbalance Shi'a dominance, while redeploying troops around Iraq's periphery to deter would-be sectarian provocateurs and meddlesome neighbors, and to take care of the humanitarian needs of more than two million displaced Iraqis. Above all, we must realign our core goals with our limited means to influence events.

Near Eastern Nadir

A major complication in developing an effective Middle East strategy is Washington's declining regional influence. During the era of American dominance, from 1991 to around 2006, the United States was strong enough to preserve its regional interests without depending on the balance of power in the Gulf between Iran and Iraq. Earlier, Washington had sought to maintain a favorable balance, supporting first Iran under the Shah and then Iraq during the 1980–88 Iran-Iraq War. Victory in the Gulf War and the collapse of the Soviet Union enabled the Clinton Administration to avoid balance-of-power tactics in favor of a policy of containing both Iran and Iraq. Dual containment might have been sustainable had Clinton achieved the comprehensive Arab-Israeli peace he sought, for that would have isolated both rogue states. But after Clinton's peace efforts collapsed in 2000, President Bush chose another path, one that had become evident even before September 11, 2001.

The post-9/11 failure of the Bush Administration to transform the region through regime change in Iraq and assertive democracy promotion has harmed America's position in the region in three ways. First, Iraq's disintegration has clearly tipped the regional balance in favor of Iran, dealing a blow to America's image of invincibility and tarnishing both its values and reputation for sound judgment. Second, President Bush's tendency to equate democratization with elections—even where political institutions, parties and a democratic culture are weak—has benefited militant Islamist parties like Muqtada al-Sadr's supporters in Iraq, Hizballah in Lebanon and Hamas in the Palestinian territories. With superior

Hamas candidates campaign in Gaza during legislative elections, January 2006.

organization, an anti-American and anti-regime message, and only feeble central governments to counter them, these groups have exploited elections and entered government with their militias and terrorist cadres intact. From there, they have succeeded in further eroding state institutions, advancing radical agendas and pushing those states to or even beyond the brink of civil war.

Third, the Bush Administration's determined disengagement from the Israeli-Palestinian peace process contributed to Hamas' rise to power in the Palestinian Authority. Israel's pursuit of unilateral withdrawal reinforced radical claims that violence was the only way to make gains against Israel. This further undermined President Abbas, who was committed to negotiating a two-state solution with Israel. The Bush Administration's isolation of Hamas after the January 2006 elections did not weaken the movement as hoped. With its June 2007 takeover of Gaza, giving Hamas authority over 1.3 million Palestinians, the movement can no longer simply be ignored. Meanwhile, President Bush's failure to engage in any serious effort promote a solution to the Palestinian problem convinced Arabs and Muslims regionwide that the United States cared little about their concerns.

As American influence wanes, Russia and China are emerging as independent players in the Middle East in ways that have complicated U.S. diplomacy. President Vladimir Putin's Russia has made lucrative deals to supply nuclear and missile technology to Iran. China's interest in secure supply lines of energy from Iran, its nearest Middle Eastern neighbor, make it as cool to sanctions as Russia has been. Both states seek arms sales to the region and offer economic and political ties unencumbered by concerns about democracy or human rights. Neither Russia nor China appears to be mounting a challenge to American primacy in the Gulf, but both are happy to see America bogged down by security commitments while they secure preferential energy and trading relationships with states in the region. Unconstrained by a weakened America, Russia and China blocked a serious Iran sanctions regime and, in so doing, effectively undermined the one concerted effort by the Bush Administration to use diplomacy to achieve a key goal in the Middle East: heading off Tehran's nuclear program.

The consequence of declining American power is that the United States now finds itself in the position of *demandeur*. The insurgency in Iraq and Israel's latest experience in Lebanon have forced a recognition of the limits of mili-

tary power and have turned the United States to diplomacy. But the shift to diplomacy comes when America's adversaries in the Middle East are less fearful of its power and see less need for its favor, and when U.S. allies are no longer sure that America is a reliable partner. That is why Iran could spurn Condoleezza Rice's offer of negotiations over its nuclear program and scoff at the weak UN sanctions that resulted. Contrast this behavior with Iran's quiescent posture after the toppling of Saddam Hussein's regime in the spring of 2003, when they halted their mischief-making momentarily and instead sought a "grand bargain" with the United States. Bush's spurning of that initiative mirrors Iran's response to Rice's initiative three years later.

In returning to a balance-of-power approach to the region, and eschewing ideology in favor of an interests-based strategy, the next U.S. administration will need to correct the tilt in Iran's favor that was the unintended consequence of the misadventure in Iraq by building a counter-alliance among those regional actors who feel threatened by Iran's bid for regional hegemony. Three major arenas for diplomatic activity will be vital: the effort to head off Iran's nuclear weapons program, the attempt to resurrect a meaningful Arab-Israeli peace process, and the establishment of a viable deterrence structure in the Persian Gulf.

Three Challenges

Although Secretary Rice's two-year effort to pressure Iran to suspend its uranium enrichment has resulted in little more than a weak UN sanctions resolution, diplomacy has by no means run its course. Iran is still some years from perfecting the enrichment cycle, let alone fabricating a nuclear device. The unanimous vote of the UN Security Council in March, combined with the threat of stronger sanctions, triggered unprecedented public criticism within Tehran of Ahmadinejad's confrontational approach. The stigma of international isolation that accompanies UN sanctions, however weak they may be, does not sit well with Persian pride. Nor is confrontation with the international community welcomed by Iran's more prudent leaders.

Moreover, Iran's diplomatic isolation has aided American efforts outside the Security Council to block financial transactions with Iran and urge foreign divestment from its economy. Consequently, those Iranians who argue for a more sophisticated, "stealth" approach to nuclear weapons acquisition (that is, using negotiations to divide America from its European, Russian and Chinese partners), may come to the fore again. If they succeed in outflanking Ahmadinejad or reining him in, Iran's enrichment efforts may be at least temporarily suspended, and negotiations could resume.

The direct U.S.-Iranian negotiations over Iraq in recent months present an important test of Tehran's intentions. If the Iranian regime is willing to forgo its hegemonic ambitions in Iraq in favor of a common goal of stabilizing its neighbor, this could provide a foundation for higher-level talks about the many other troubling aspects of Iranian behavior: its sponsorship of terrorism, interference in Lebanon, and opposition to Israel and the peace process, to name a few. If Iran prefers chaos in Iraq to dialogue with Washington, that will certainly complicate any U.S. drawdown in Iraq; but by exposing Iran's ambitions, it will also aid America's regional efforts at containment.

In the Arab-Israeli arena, the Iranian threat provides a new impetus for progress. Palestinian moderates are as concerned about Iranian interference in their internal affairs (through the backing of Hamas and Palestine Islamic Jihad) as Israel is concerned about Ahmadinejad's nuclear threats. Israeli and Sunni Arab leaders now share an interest in showing that negotiations can work better than "resistance." The involvement of Arab states via the Arab League Peace Initiative can bolster President Abbas and provide an incentive to Israelis looking for a reliable Arab negotiating partner. The willingness of Israeli and Palestinian leaders to discuss a "political horizon" delineating the elements of a final agreement is also a positive development, since it will give both sides greater reassurance about the endgame as they take interim steps to build confidence in a partnership for peace.

If Secretary of State Rice can succeed in relaunching final status negotiations before the end of the Bush Administration, she will have

laid the foundations for the return to a viable peace process. That would help to cement the emerging commonality of interests among its Arab and Israeli partners. In this context, the Hamas coup in Gaza has served as a clarifying act. It presents to local actors a clear choice between America's and Iran's competing visions for the Middle East, and it has simplified the diplomatic process. Since Israel withdrew unilaterally and completely from Gaza, that territory is no longer in contention. That leaves the disposition of the West Bank and East Jerusalem as the only territorial issues still in dispute between Israel and the PLO (which has accepted Israel's right to exist within its 1967 borders). President Abbas is authorized by the Palestinian people, as the chairman of the PLO, to negotiate with Israel. And those negotiations are no longer complicated by the rejectionist presence of Hamas in the Palestinian Authority government.

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In the six years since the collapse of the Oslo peace process in January 2001, and despite ongoing violence, majorities of both Israelis and Palestinians have become more realistic about the likely terms of a final status agreement—even though they each have lost confidence in the other side's willingness or ability to live up to those requirements. This development makes it essential to promote a two-track process that leads *both* to final status negotiations and to balanced and reciprocal confidence-building measures, such as: dismantling Palestinian terrorist infrastructure *and* curtailing Israeli settlement activity; the assumption of responsibility by reconstituted Palestinian security services *and* the removal of IDF roadblocks; the ending of Palestinian incitement *and* the release of Palestinian prisoners. Since there is now a Palestinian government in the West Bank willing to undertake such efforts, and an Israeli government willing to reciprocate, such an approach now has a better chance of success than at any time since the collapse of final status negotiations at Taba in January 2001. This is especially the case because the threat from Iran and the Hamas takeover in Gaza have infused in both sides a common sense of urgency.

Hamas, of course, will not stand by idly as Israel and Mahmoud Abbas undertake a new peace initiative. In addition to continuing to fire missiles from Gaza, it will probably work to perpetrate terrorist attacks within Israel and challenge any reconstituted Palestinian security services in the West Bank. To be effective, a new U.S.-led peace process must also include concerted efforts to contain Hamas locally, regionally, diplomatically, militarily and financially. The U.S. government should use intermediaries to articulate clear criteria for any attempt to reintegrate Hamas into mainstream Palestinian politics. To be sure, forswearing violence and terror is an essential requirement. But rather than insist on empty rhetorical declarations, U.S. policymakers should test Hamas' intentions through concrete actions. If Hamas stops Qassem rocket attacks on Israel and curbs PIJ terrorism emanating from Gaza, Israel should reciprocate so that a real ceasefire can be established. Further steps by Hamas toward rejection of violence and acceptance in principle of a two-state solution could enable a reconciliation between Hamas and the Palestinian Authority.

An American-led effort aimed at putting the peace train back on track can succeed if it does three things: sets a timeline for Palestinians and Israelis to get to a defined endpoint; focuses on rebuilding Palestinian governance and security capabilities; and engages the Arab states. Such a process will boost America's regional prestige, make it easier for Arab leaders to cooperate with the United States on a range of issues, and further isolate Iran. If combined with an effort to resume Israeli-Syrian negotiations, it could generate enough tension between Iran and Syria to threaten Iran's gateway to influence in the Middle East heartland.

The U.S. government will need to be realistic about the obstacles to progress, however. After six years of neglecting the peace process, Palestinians are left with a divided populace under two different authorities, crumbling social and political institutions, a desperately weakened moderate leadership, ineffective security organi-

zations and an incipient failed statelet in Gaza. On the other side, Israeli Prime Minister Ehud Olmert is struggling to rebuild his authority among Israelis after the debacle of his war in Lebanon. Olmert's best hope for survival lies in renewed peace talks with the Palestinians, yet his political weakness—and Mahmoud Abbas' questionable ability to deliver—will make him hesitate before negotiating a deal that would require dismantling more than a hundred settlements in the West Bank and tampering with the long-championed status quo in Jerusalem.

The structural flaw at the heart of such a reconstituted peace process is the absence of an effective Palestinian security capability. Without that, any easing of Israel's military presence will simply provide Hamas and its allies an opening to exploit. Just one successful suicide bombing could shut down the whole fragile process. It is therefore essential to replace the corrupt security establishment that Yasir Arafat built with professional commanders willing to accept the complicated task of controlling the territory. This should be easier in the context of a reconstituted political process that bolsters Palestinians' faith in their government, and thus provides support for the suppression of violent gangs and terrorist cadres. But it is an urgent and essential task.

To be effective, American diplomacy on Iran and the Arab-Israeli conflict needs to be backed by a security strategy that buttresses America's regional allies against the combined threats of growing instability and a potential nuclear arms race. The United States already has strong security relationships with Israel, Egypt, Saudi Arabia and the rest of the Gulf Cooperation Council (GCC), our partners in the virtual alliance against Iranian ambitions. To maintain these partners' security, we must successfully manage the near-term challenges posed by Iraq's descent into civil war and Iran's pursuit of nuclear weapons. But we also need to prepare for the longer term.

First and foremost, the United States needs to develop a containment strategy to deter external meddling in Iraq and prevent an implosion there from exploding into a regional conflagration. Iraq's civil war could easily draw in its neighbors: Turkey, Iran and Saudi Arabia might decide to intervene in the civil war, and massive refugee flows could overwhelm Jordan and Kuwait, among others. Containment of the civil war will require maintaining an American troop presence on the Iraqi periphery, probably at reduced numbers, for some time to come. It will also require stepped-up international efforts to aid displaced Iraqis, both inside Iraq and in neighboring countries.

Iran's determination to continue its nuclear program is already sparking preparations for a response: If all else fails, Israel might launch a preemptive strike and Iran's Arab neighbors are considering their own nuclear programs. Pressure will grow on America to resort to a preemptive strike of some type as well if diplomacy and sanctions yield no progress. At best, however, such a strike would only delay Iran's acquisition of nuclear weapons. Alone, it would not be sufficient to prevent a regional nuclear arms race.

U.S. arms sales to Arab states are only a small first step down the necessary path of avoiding worst-case scenarios. The next president should also enter into high-level discussions with America's regional allies to develop security agreements that would strengthen their own deterrent capabilities and at the same time extend an American nuclear umbrella to them. This would represent a major commitment on America's part. In return, Arab states would need to commit to actions that bolster the region's nascent moderate alliance: nonproliferation, visible and consistent support for Arab-Israeli peacemaking, meaningful internal reform, border-security cooperation and regional counterterrorism efforts.

Such arrangements would reinforce to the Arab states the mutually beneficial character of U.S. involvement in the region, as well as encouraging reciprocal commitments. It could also help to integrate post-Ba'athi Iraq into a stable regional security order. The fundamental objective would be to prevent a nuclear arms race and effectively deter aggression by any regional power in perpetuity. Although such a NATO-like security framework for the Middle East will be controversial at home, and perhaps expensive, it will be all but unavoidable if nuclear diplomacy fails, not just with Iran in the near term, but with other potentially aggressive

countries later on. Conversely, if diplomacy succeeds in heading off Iran's nuclear weapons aspirations, Iran too could be included in a regional security architecture, and that would, all else equal, tend to lower prospects for regional WMD proliferation.

Arab Reform

It would be easy to simply jettison the Bush Administration's efforts to advance Arab democracy in forging a new, more realistic American strategy for the Middle East. After all, the Sunni leaders whose regimes America now seeks to liberalize are the very ones whose support is most necessary to deflect Iran's bid for hegemony. Why insist that they undertake inherently destabilizing political and economic reforms?

But it would be a mistake to abandon the U.S. reform agenda altogether. For one thing, bitter experience teaches that repressing the region's radicals does not remove the threat they pose; instead, repression in one country often pushes radicals to safer havens in weak or failing states, from which they can wreak more terrible damage. Egypt's harsh repression of domestic radicals in the early 1990s sent Ayman al-Zawahiri abroad and into the arms of Osama bin Laden. The appeal of Islamist radicalism lies in its ideology of revolutionary resistance to the stagnation and suffering in many Arab societies today. Countering that ideology requires a positive alternative vision of the future, one in which moderation, tolerance and peace provide more benefits and opportunities than "resistance" and violence.

To marginalize the radicals, this vision must encompass prospects for realizing Palestinian national aspirations, but it must also present the vast majority of Arabs who live outside Palestine with the opportunity to shape their own future. This promise can only be fulfilled through far-reaching political, economic and social reforms that create a new relationship between Arab governments and their citizens.

Arab leaders feel keenly the threats from radical Islam within their own societies. They know that Islamists have capitalized on state failures and weaknesses, and that the critique put forward by local Islamists is magnified by the rising popularity of Iran and its clients. In this insecure environment, U.S. efforts to persuade at least some Arab leaders of the need to reform should resonate. For now, most Arab regimes believe that the best way to manage the threat from domestic Islamist opposition is to focus on resolving regional conflicts like Iraq, Lebanon and Palestine, relieving them of the burden of addressing domestic grievances. While the United States should work with them to resolve regional conflicts, the next president needs to help them understand that the best insulation against the destabilizing effects of domestic Islamist movements is to repair the frayed social contract between citizens and the state.

Arab rulers face a dilemma: They know regional stability requires them to cooperate with America at a moment when America's regional role is very unpopular with their publics. Enhancing Arab cooperation with American regional diplomacy may thus translate into a temptation to greater repression at home. To extract Arab rulers from this dilemma, and to effectively counter the region's radical axis, U.S.-Arab cooperation must rest on a new foundation of partnership among the United States, moderate Arab governments and their mostly moderate citizens—a partnership designed to produce a better future for the people of the Middle East.

Reform will come about only through the willingness of Arab regimes to undertake necessary changes. We have no alternative but to work *with* them, not against them. The American role should be to press the case for reform and to reduce their risks and costs of undertaking essential, long-delayed changes through material incentives, disincentives and dialogue.

First, for example, with Egypt's economic aid declining to a minimum level in 2008, the United States should invite Egypt to begin a strategic dialogue that would encompass economic, security and diplomatic cooperation, and link new aid levels to agreed-upon goals, including a vision for Egypt's political future. Second, new aid through a "Democracy Challenge Account"—modeled on the Millennium Challenge Account, but with less-restrictive income criteria—could provide additional incentives to Arab states that already express a willingness to

take risks for reform. Third, as we did in South Korea and the Philippines, the U.S. government should visibly support the expansion of basic political freedoms while maintaining good relations with autocratic governments.

Under current conditions, Islamist movements will be the first beneficiaries of any new political openings. But broader freedom of speech and association will allow non-Islamist alternative voices to emerge and force Islamist movements to clarify their political agendas. If they advocate radical actions and views, or if they pursue violence or other anti-democratic means, they will become legitimate targets for state action. While countenancing targeted crackdowns, the U.S. government must not accede to any regime using the excuse of radical Islamist activity to repress *all* dissent. The United States can support harsh measures against domestic opposition movements only when moderate alternatives exist, and when radicals have demonstrated clear political irresponsibility.

In the Middle East, cultivating moderation is essential to building democracy, and cultivating democracy is essential to building moderation. If limited political openings come to be perceived over time as window dressing on autocracy, moderates will be discredited and radicals will benefit. That is why democratic activists and politicians in the Arab world do not fear an American "kiss of death" as much as they fear American abandonment. They already feel the effects of partial abandonment in the form of crackdowns on demonstrators in Egypt, bloggers in Syria and human rights activists regionwide.

Building democracy and moderation together requires focusing democracy-promotion efforts on societies with strong, capable governments and relatively tame domestic Islamist movements, like our allies Egypt, Morocco and Jordan. In such societies, immediate security concerns are lower for both government and citizens, radical arguments have the weakest hold, and Islamists have the greatest incentive to remain peaceful and moderate in exchange for the ability to play a public role in politics and society. These regimes are strong enough to tolerate freedom of expression and association, while citizens are more receptive to moderate alternatives to Islamic radicalism.

In weaker states like Lebanon, Palestine and Iraq, the priority should be on state-building rather than democracy promotion. In these settings, militant local radicals will lose their claim on public loyalty only when communal security is assured by neutral and reliable state institutions. Saudi Arabia is a special case where the line between the officially sanctioned brand of Islam and the brand that justifies violent terrorism is blurred. Saudi domestic security forces face a real, if so far contained, challenge from domestic saboteurs and terrorists. Any effort to advance political reform in Saudi Arabia must therefore be undertaken cautiously with these dynamics in mind.

The United States will need to be consistent and candid with its Arab allies, voicing expectations about reform priorities and policies, and integrating reform into the framework of bilateral relations as a precondition for long-term, reliable and stable U.S.-Arab cooperation. America will be required to offer Arab states a great many security guarantees to offset the harmful consequences of Iraq's chaos and Iran's ambitions. Arab states should be expected to match this U.S. investment by committing themselves to genuine reform.

The next president will face a Middle East in turmoil and an American public weary of engagement there. Disengaging, however, would have profoundly dangerous consequences for America's security interests at home and across the globe. To protect those interests, the United States will have to reinvent a diplomacy backed by security guarantees and the threat of force in the service of a strategy designed to protect our allies, counter our adversaries, and promote a more stable region with governments accountable to their people.

This is a monumental challenge. It will require creativity, flexibility and a willingness to work with players whose purposes may not always be consonant with our own. We will need to abandon the ill-fated combination of faith-based naivety and hubristic muscularity that has characterized the Bush Administration's approach. In its place we should substitute a pragmatic realism that brings American values back into balance with American interests.