

The Gulf Peace A Barren Peace

For the West the war was plain sailing. Now comes the hard bit; the peace. **George Joffe** examines the intractable problems



The conflict in the Gulf was triumphantly brought to an end - as far as the US was concerned, at least - on March 6, 1991, when President George Bush addressed a joint session of congress. The president argued that the time had come for a new world order, in a world where the United Nations, freed from the stagnation of the Cold War, could finally realise the historic vision of its founders, a world in which liberty and human rights would be universally respected. Now that Kuwait had been freed, Bush claimed, the US and its allies had successfully passed their first test in bringing the new world order about.

The president did not only rely on rhetoric; he also indicated what the new world order would offer the Middle East. As he pointed out: 'Our commitment to peace in the Middle East does not end with the liberation of Kuwait'. He outlined four key themes:

1. New security arrangements would be based on the US's Arab allies and, although the US would not maintain ground forces in the Arabian peninsula, it would maintain a credible naval pres-

ence, as it had for the past 40 years.

2. Arms control arrangements would be directed towards controlling the proliferation of weapons of mass destruction and missile delivery systems and '... until it convinces the world of its peaceful intentions... Iraq must not have access to the instruments of war'.

3. Regional peace and stability could not be achieved through geography or military force alone. Stability throughout the region would have to be based on United Nations Resolutions 242 and 338 with Israel accepting the exchange of land for peace, while the Arab world would have to end its dispute with Israel.

4. Economic development would be used to foster peace and progress, although there was no mention of Secretary of State James Baker's recent proposal for a regional development bank like that proposed for Eastern Europe. Indeed, the president had already made it clear that Iraq, at least, could expect no aid at all until Saddam Hussein had disappeared and that Arab states which had supported Iraq - Yemen, Tunisia and Jordan chief among them - could expect significant reductions in future aid allocations.

There were other omissions in the president's speech, as well. No mention was made of fostering democracy in the region, although Baker had emphasised this to the Senate Foreign Relations Committee some weeks before. Nor did the president suggest an international peace conference for outstanding regional issues, although he did suggest that the problems of Lebanon, the Arab-Israeli conflict and the Gulf had to be confronted with new vigour and determination. Nor, interestingly enough, did states other than those which had played a prominent role in the coalition figure in the plans for a new world order. Yet Europe, the Soviet Union and even Iran, all unmentioned by the president, have vital concerns over the future of the Middle East.

Some answers were provided by the 'Group of Eight' - the Arab states in the victorious coalition (Saudi Arabia, Kuwait, Qatar, Bahrain, the UAE and Oman, which together make up the Gulf Co-operation Council (GCC), together with Syria and Egypt - at their meeting in Damascus on the same day. In the 'Damascus Declaration', they proposed a new security arrangement: Syria and Egypt would provide military guarantees for Gulf security against financial support in the others. The declaration also called for a new 'Arab system' within the framework of the Arab League - although whether that is now more than a moribund memorial to lost ideals after the calamitous August 9, 1990 meeting in Cairo is open to considerable question - and for relationships with 'Islamic and international parties'; presumably Iran and the West.

Unfortunately, the new proposals were long on principle but desperately short on detail. They did involve an international peace conference, but omitted the PLO as the legitimate representative of the Palestinians. Spokesmen privately hinted that Yasser Arafat was no longer an acceptable negotiating partner.

They also suggested that the GCC would provide between \$15 and \$18 billion to pay for between 100,000 and 150,000 Egyptian and Syrian troops to be stationed in the Gulf. Secretary of State James Baker welcomed the proposals, while insisting that Washington was not about to impose its own views over regional security. Nonetheless, administration sources admitted that a US military presence in the region was to continue and that the United Nations was to provide a 5,000-member force to police the Iraqi frontier with Kuwait and Saudi Arabia.

Baker also recognised that the Israeli government would be unlikely to agree to the concessions proposed by President Bush, even though Saudi Arabia and Kuwait were apparently prepared to establish contact with it. Baker tried to sweeten the pill for Israeli premier Yitzhak Shamir by hinting that Washington no longer necessarily considered the PLO a viable negotiating partner -

even though he met 'representative' Palestinians (approved by the PLO leadership in Tunis) from the occupied territories. Even PLO proposals that it would take a back seat in negotiations with Israel and consider further territorial concessions did little to shake Shamir's resolve to stand by his own 1989 peace plan, which does not allow for any significant territorial concessions.

Baker's experiences all sound weary familiar. Israel's Likud government still insists on bilateral discussions with Arab states - even if Israel is prepared for the Group of Eight to become eight plus one, in the words of Avi Pazner, Shamir's official spokesman. Israel still rejects the PLO and only offers autonomy in the occupied territories.

Its position was immeasurably strengthened, just before a visit by Baker, by additional US aid - \$400m to resettle Soviet immigrants and \$650m to compensate it for the costs of the recent conflict. Its anxieties were also underlined by an unsuccessful border raid by six fedayin, the murder of four Israeli women and the killing of two Israeli soldiers.

In short, stability does not appear very likely - at least as far as the Arab-Israeli dispute is concerned. What of President Bush's three other aims - security, arms control and economic development? The outlook here is also fairly gloomy, although effective security does not seem possible, given the Damascus Declaration. Effective security, however, will eventually depend on a stable and unitary Iraqi state. Yet, even as President Bush was speaking, the Shi'a in southern Iraq and the Kurds in the north-east of the country were in revolt. Turkey began contacts with the rebellious Kurds, while the radicals in Iran exploited the Shi'a uprising to force President Rafsanjani's government to intervene in southern Iraq. Iraq, in short seemed to be in danger of fragmenting.

Against that background of a potential power vacuum and of Turkish and Iranian concerns, the Damascus Declaration seemed a rather hollow exercise in exclusion and unreality. The uncomfortable fact is that Iran, at least, if not Turkey as well, cannot be long excluded from effective security arrangements. Saudi Arabia, however, could not easily share its new-found regional hegemony with its arch-rival for moral leadership of the Islamic world in Tehran, nor will Egypt share its own strategic pre-eminence either. It would also be a very uncomfortable outcome for Washington, given American sensitivities over the Islamic revolution in Iran and the US embassy hostage crisis there in 1979, particularly in the wake of its success in the conflict against Iraq. Yet, without Iran, neither Washington nor its regional allies can guarantee the control of the Gulf.

Arms control, too, looks likely to be more difficult than the Group of Eight

and Washington think. Indeed, the Bush administration has implicitly recognised this in its annual Javits report to congress by proposing an \$18 billion arms package to its new Arab allies. That seems to run directly counter to presidential intent, even though, in his speech, Bush only referred to 'weapons of mass destruction'. Furthermore, Saudi Arabia has proposed arms purchases totalling \$20 billion and Israel is seeking a further \$10 billion worth of new and sophisticated equipment, while Syria has just quietly received a consignment of long-range Scud missiles from North Korea. So, instead of disarmament, there is likely to be a new arms race in the Middle East - not least because nobody, least of all President Bush, has suggested that Israel should abandon its own nuclear deterrent.

So, if stability, security and arms control are doubtful objectives, what of economic development? This, it appears, really means the redistribution of economic resources so that the oil-rich Arab states provide development for their oil-poor brethren. Unfortunately, this is no longer a realistic option. Reparations from Iraq will be very difficult to extort - quite apart from the colossal resentment and consequent threat to regional security they would cause. Reconstruction in Iraq alone could cost \$110 billion. Additional demands for reparations and repayment of earlier foreign debt would add on another \$244 billion. At expected oil export levels, it could take Iraq between 50 and 100 years to pay such sums.

Kuwait's reconstruction will cost up to \$100 billion. Since it cannot expect to become a significant oil exporter again for at least two years, it will have to liquidate much of its foreign investment. Saudi Arabia has already had to pay \$50 billion towards military costs and has had to raise a \$3.5 billion long-term loan in consequence. Its own reserves have already declined from \$145 billion in 1982 to around \$65 billion in 1989 and even less today because of weak oil prices in the past and its current account deficit has been running at between \$12 billion (1985) and \$4 billion (1990) annually. It will have to pay the lion's share of the Group of Eight's military costs and will have little left over for aid. The other Gulf states will have some funds to offer, it is true, but that will be of little consequence, given the enormous demands if any real change is to be achieved.

Nor is this situation likely to improve, despite all the brave words and the promise of a 1m barrels per day cutback at Opec's meeting in Geneva on March 11, 1991. Opec will find it very difficult to persuade member states to cut back on production permanently now in order to maintain high oil prices. Indeed, once Kuwait starts producing again and the economic blockade on Iraq is lifted, say in six months time, the world oil glut will reappear and prices will fall below \$20 per barrel, whatever Saudi Arabia tries to do. And Saudi

Arabia's oil revenues will follow, as will hopes of economic redistribution.

So Bush's hopes for a new Middle Eastern order look a little threadbare. There is worse in store, however. Not surprisingly, the Bush administration seems to believe that the US now genuinely dominates world affairs, with the cold war ended and the Soviet Union in apparent disarray. Moscow is certainly not able to confront the US in global terms as in the past, but the Middle East is still of acute concern, despite the collapsing Soviet economy, the unruly Baltic republics and unrest in the south. Soviet oil production is declining - by a precipitous 20% this year alone. By 1994, the Soviet Union will be importing large quantities of Gulf oil.

Nor have Gorbachev and his new allies in the Soviet military structure forgotten that President Bush effectively ignored them during the Gulf crisis. Nor, indeed, have they completely abandoned Soviet ties with Iraq. In any case, the Middle East is virtually on Moscow's doorstep and the Soviet Union cannot simply abandon its interests in such a strategic region. Iraqi officials and Soviet representatives have already been in contact, while Moscow has been quietly reinforcing its links with Tehran. Should the US ignore Soviet sensitivities, the Gulf could become the amphitheatre for a new contest for influence between Washington and Moscow.

Washington also seems to have forgotten that Germany and Japan, recently reluctant paymasters for the Gulf conflict, also hold the purse strings to its own survival. Since the start of the 1980s, Germany and Japan have financed America's massive budget and foreign trade deficits. The US is, today, the world's greatest debtor nation, with Germany and Japan as its greatest creditors. That gives both states considerable potential clout in the White House, particularly when the full horror of the Savings and Loans scandals hit home, just before the next presidential election.

In short, Washington lacks the financial muscle and the diplomatic opportunity to usher in the new era of world peace and security mooted by George Bush. To do that, it will have to cooperate with Europe, dominated by Germany and motivated by the Mediterranean states of Spain and Italy, both of whom seek collective security through co-operation with the Middle East rather than a *pax Americana*. Nor can Washington turn to the United Nations for help, for it has fatally undermined the very vehicle in whose name it claimed to have acted during the conflict by the way in which it exploited the United Nations Security Council. It all has a very familiar air as, once again, the future becomes the past. O

George Joffe works at the school of Oriental and African studies, London University

'Europe, the Soviet Union and even Iran, all unmentioned by the president, have vital concerns over the future of the Middle East'

