

US foreign policy: New approaches and old problems in Afghanistan and the Middle East

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CHAPTER 3

US foreign policy: New approaches and old problems in Afghanistan and the Middle East

Geopolitical challenges in South Asia and the Middle East dominate US foreign policy. Obama's new approaches to Afghanistan, the Iran nuclear crisis, and the Israeli-Palestinian conflict have failed to translate into policy success so far. Tough choices lie ahead, as he needs to reconcile policies on Afghanistan and Pakistan, reassess engagement with Iran, and decide about more robust mediation in the Middle East conflict. Preparing to exit from Iraq is an additional challenge. The scope for progress remains slim, with domestic issues likely to increasingly dominate Obama's agenda in 2010.



Nobel Peace Prize laureate US President Obama at the award ceremony in Oslo City Hall, 10 December 2009, Reuters/Lamarque



CRISES IN SOUTH ASIA AND IN THE MIDDLE EAST HAVE DOMINATED US FOREIGN POLICY DURING THE FIRST YEAR OF PRESIDENT BARACK OBAMA. Other foreign policy issues of long-term strategic importance, such as the redefinition of relations with Russia and China, have obviously been high on the agenda too. The most pressing short-term challenges have however been related to the two wars in Afghanistan and Iraq, the Iran nuclear crisis, and the Israeli-Palestinian conflict. How Obama deals with these crises is bound to heavily affect assessments of his foreign policy and, indeed, his presidency.

Obama has come up with new approaches on most of these issues, which reflects his emphasis on 'change' with regard to both the style and the substance of US foreign policy (see Chapter 1). He has shifted the strategic focus and US resources from Iraq to Afghanistan, come up with a new strategy for Afghanistan and Pakistan, embarked on a policy of engagement with Iran, and tackled the Israeli-Palestinian question head-on and more even-handedly than either George W. Bush or Bill Clinton. What is more, he has taken on all of these challenges at once, arguing that they are all increasingly interlinked and of major importance to US security. He has also underlined his determination to shape

and control US policies concerning these crises by appointing three senior figures as either special envoys (Richard Holbrooke for Afghanistan and Pakistan, George Mitchell for Middle East peace) or special advisors (Dennis Ross for Iran).

Dynamic though his start may have been, the balance sheet of Obama's policies in Afghanistan and Pakistan and in the Middle East still remains mixed. With the situation in Afghanistan deteriorating throughout 2009, the US administration has reviewed its strategy twice and eventually opted for significant troop increases, with the caveat that this would pave the way for a US withdrawal to start by July 2011. It is a compromise solution that renders Afghanistan the major strategic issue in Obama's foreign policy while providing a very narrow timeframe to achieve US objectives. Furthermore, although the new policy emphasises the need for a comprehensive approach for Afghanistan and Pakistan, the US has no clear strategy yet as to how to deal with Islamabad.

Iraq has been less problematic in 2009, with Obama implementing the gradual withdrawal of US troops as agreed with the Iraqi government in the final days of the Bush administration. Events in 2009 have however demonstrated that security remains



very fragile. The situation may well deteriorate again as the US deadline for exit in 2011 gets closer, particularly as a sustainable political solution has yet to be found in Baghdad. As for Iran, the US policy of engagement has failed to produce significant results so far. As the nuclear crisis escalated again at the end of 2009, Obama will have to make some tough choices sooner rather than later. Finally, with regard to the Israeli-Palestinian conflict, US negotiations with Israel over the specifics of a settlement freeze ended in an unsatisfactory compromise formula that left the Arabs disillusioned with Washington's ability and determination to bring about peace.

Obama's major achievement in the Middle East so far has been his symbolic outreach to the Muslim world. His decisions to close the Guantanamo detention centre and ban the use of torture in interrogations, his distancing from the notion of a 'war on

terror', and his call for a new beginning between the US and the Muslim world in Cairo did much to improve US international standing. Even here, however, it remains to be seen how sustainable this development will be. Overall, the improvement of the US image has been much more modest in the Muslim world than elsewhere, with less than 30 per cent viewing the US favourably in countries like Egypt, Jordan, Pakistan, or Turkey.

But to argue that the success of Obama's new approaches in Afghanistan and the Middle East has been limited so far is not to say that they are intrinsically flawed. Rather, it points to the enormous complexity the US faces in these regions – and to Obama's difficult inheritance from the Bush presidency. To be sure, there are other reasons why Obama became bogged down in foreign-policy realities in the course of his first year in office. The financial crisis and pressing domes-

Major crises in the Middle East and South Asia





tic issues have meant that he had only limited time to oversee the implementation of his foreign policy strategies. With key figures of his foreign policy team divided about some of his priorities, US policies have evolved in ways not always compatible with his strategic directions, especially as concerns the Israeli-Palestinian conflict. Still, there is no doubt that Obama essentially became entangled in the harsh local realities in the Hindu Kush and the Middle East, with little prospect for significant progress in 2010.

From Iraq to Afghanistan

Obama has long been outspoken about his views on the two wars that he inherited from the previous administration and that had cost US taxpayers almost a trillion dollars by the time he took office: While Afghanistan has been the necessary war justified by the terror attacks of 11 September 2001, Iraq was Bush's war of choice. It was the wrong war according to Obama as it drew US attention away from the really relevant threats to US security, i.e., al-Qaida and the Taliban, tied down US troops and resources that were badly needed in Afghanistan, and caused substantial rifts between the US and much of the world.

In line with his election promise, Obama was quick to initiate the shift from Iraq to Afghanistan. Following

the decisions he took in the course of the two strategic reviews in 2009, there will be more than 100,000 troops in Afghanistan by late 2010, more than twice as many as at the beginning of his presidency. As a result of this shift, Obama unambiguously made the operation in Afghanistan his own war.

Afghanistan: Obama's war

This undoubtedly raises the stakes for Obama. Eight years after the US toppled the Taliban in Kabul as part of the post-9/11 operation *Enduring Freedom*, the country is more unstable than ever. Taliban insurgents are again in control of large areas of the south and east of Afghanistan. While the build-up of local security forces has proven to be painfully slow, there has been a sharp rise of coalition casualties since 2007. They reached a new height in the year 2009 with 519 coalition fatalities (including 316 US dead). This constitutes almost a third of all coalition fatalities since 2001. The political environment has deteriorated, too, as the government of President Hamid Karzai has proven corrupt and unable to deliver basic governance services. Warlordism and opium production continue to flourish.

The dire situation in Afghanistan is often compared to Iraq in 2006–7. There are, however, considerable dif-



ferences between the two crises. The major conflict line in Afghanistan is neither sectarian nor ethnic. Rather, there is an insurgency led by the Taliban, who bring together Pashtun nationalism and militant Islamism, against a Pashtun-led government, with the ultimate aim of recapturing Kabul. Also, Afghanistan has no tradition of strong state institutions and has been beset with civil war for much of the past three decades. From the perspective of military crisis management, Afghanistan poses far bigger challenges than Iraq, ranging from the rugged terrain to the difficulty of securing supply lines, with the US lacking a large logistics hub in the neighbourhood comparable to Kuwait. A huge discrepancy compared to the case of Iraq is also discernible in terms of socio-economic fundamentals, with the society in Afghanistan being less urban and educated and the country lacking Iraq's oil wealth to fall back on.

Despite these differences, Obama's revised Afghan strategy clearly has conceptual ties to the 'surge' in Iraq. In the context of the first strategic review in March 2009, he ordered the deployment of an additional 17,000 troops and 4,000 military instructors. This was with a view to expanding counterinsurgency operations against the Taliban, better protecting the Afghan people, and developing

increasingly self-reliant Afghan security forces. The March aim was to use an improved security environment to forge a political solution, to be accomplished through a more capable, accountable, and effective central Afghan government, enhanced local governance capacity, efforts to integrate reconcilable insurgents, and a regionalisation of diplomatic efforts.

Parallel to expanding the scope of the US military and civilian engagement, Obama's March strategy limited the basic rationale behind it from Bush's over-ambitious and under-funded nation-building project to the counterterrorism goal of disrupting, dismantling, and defeating al-Qaida and its safe heavens and preventing their return to Afghanistan and Pakistan. At the same time, he extended the geographic focus of the engagement by identifying the growing insurgent and terrorism activities in Pakistan as a major obstacle to progress in Afghanistan and calling for a comprehensive strategy for both countries.

The US administration reinforced the notion of a fresh start when US Secretary of Defense Robert Gates appointed General Stanley A. McChrystal as new commander in Afghanistan in May 2009. However, much of the remainder of the year was dominated by a renewed review of strategy, rais-

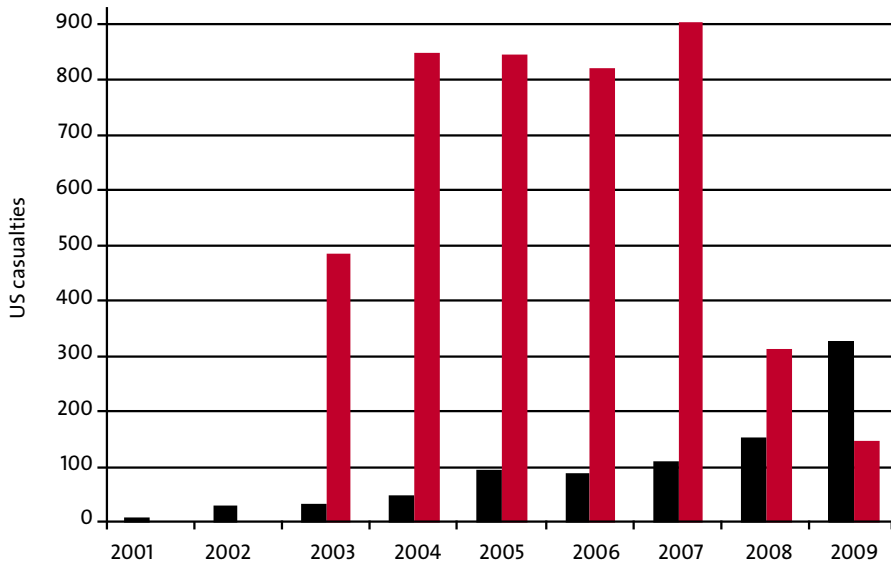


ing doubts among allies as to Obama's determination and capacity to implement the new policy in Afghanistan. New strategic thinking was required since McChrystal reported that the situation on the ground was worse than anticipated and that more resources were required to prevent the Taliban from winning. The disaster of the presidential elections in Afghanistan caused additional headaches in Washington. As Karzai's victory in the first round in August 2009 was tainted with evidence of massive fraud and the US-requested run-off election never took place due to the withdrawal of opposition candidate Abdullah Ab-

dullah, the Afghan government today lacks the popular legitimacy and credibility the US had hoped for.

After controversial debates within the administration between those supporting McChrystal's manpower-intensive counterinsurgency strategy and those making the case for scaling back the US military engagement and refocusing on basic counterterrorism operations against al-Qaida, Obama announced his much-awaited decision in a speech at the US Military Academy in West Point on 2 December 2009. Essentially, he opted for a further build-up of the US engage-

US casualties in Afghanistan and Iraq



Source: Iraq Coalition Casualties Count

■ Afghanistan ■ Iraq

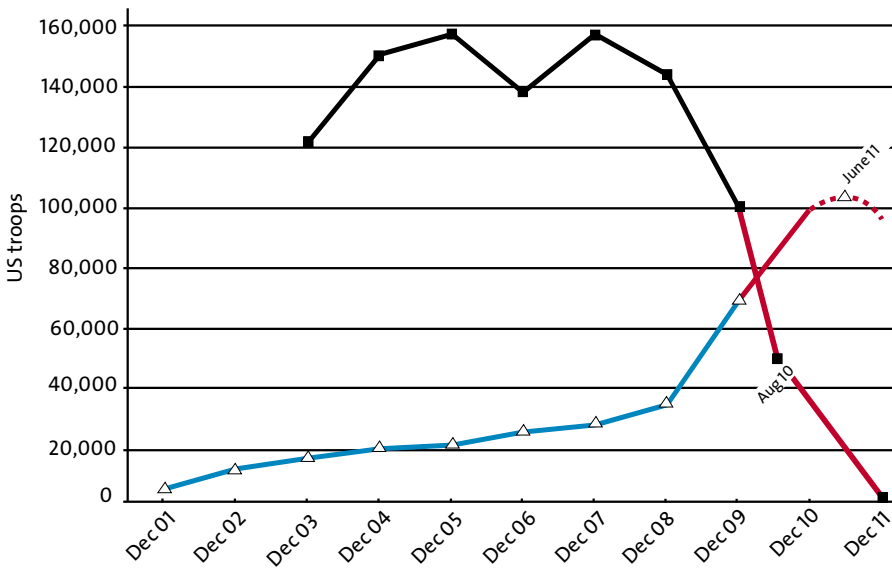


ment in line with the March strategy, sending an additional 30,000 troops and several hundred civilian experts to Afghanistan. However, there are also major modifications compared to the first strategy review. While the aim of the troop increase is still to reverse the Taliban's momentum, the counterinsurgency approach is more focused on the protection of key population centres and the accelerated strengthening of Afghan security and governance capacity. There is now less talk of political reconciliation, with the main responsibility for translating an improved security environment into political stability being shifted to

Afghan institutions. Also, by announcing that the US will begin to transfer its forces out of Afghanistan in July 2011, Obama has set a tight schedule for his troop increase to work and the US to achieve its objectives.

Overall, Obama's strategy for Afghanistan as it has emerged after the 2009 reviews is marked by two characteristics: First, there has been what could be termed a creeping Americanisation of the international crisis management effort. Although many allies are sending more troops to Afghanistan too, the relative share of the US contribution is rising significantly.

US troops in Afghanistan and Iraq



Sources: US Central Command; Global Security

▲ Afghanistan
 ■ Iraq
 ▲ Announced troop levels



Second, the strategy aims at an early Afghanisation of the war and implicitly acknowledges that there are limits to the US capacity and will to stay engaged in Afghanistan and, in general, to play the role of the principal underwriter of security around the globe.

To be sure, part of the purpose behind the withdrawal date is to increase pressure on the Afghans to make their institutions more effective. Also, by leaving the pace and size of the withdrawal unspecified, Obama has been careful to preserve flexibility as to the evolution of US strategy in Afghanistan after 2011. Still, there is a strong domestic dimension to the date. Electoral considerations resonate in what constitutes the key line in the West Point speech: 'Our troop commitment in Afghanistan cannot be open-ended – because the nation that I'm most interested in building is our own.'

Faced with enormous national debts and domestic challenges resulting from the financial crisis, Obama cannot afford ever-growing military commitments. Having promised to bring national security and the economy into a balance, he needs quick progress in Afghanistan. However, the prospects for the Afghans to provide for their own security and accomplish national reconciliation are even slimmer than in Iraq. The grim choice of

either staying for a long time with large numbers of troops at the Hindu Kush or facing the risk of a Taliban return to power and increased al-Qaida activity from Afghanistan will not be resolved anytime soon.

Pakistan: Some progress and much uncertainty

Within Obama's new strategy, the one aspect where progress has been made concerns the call upon Pakistan to increase counterterrorism in its border regions to Afghanistan. This is no small point. Having become a safe haven for al-Qaida and other Islamist militant groups, these remote, rugged, and often ungoverned areas have been labelled by Obama as 'the most dangerous place in the world' for the American people. Yet, Pakistan is likely to remain the Achilles heel in the US strategy. The convergence of US and Pakistani interests may be less comprehensive and enduring than would be necessary to achieve sustainable results.

Over the past two decades, both the Pakistani army and the Directorate for Inter-Services Intelligence (ISI) have tolerated, and often informally cooperated with, militant Islamists in their country, and they have supported the rise of the Taliban in Afghanistan. To a considerable extent, this was in response to the power vacuum



in Kabul after the Soviet withdrawal and Pakistan's deteriorating relationship with the US after 1989. Having been an important US ally during the Cold War, Pakistan felt strategically abandoned in the 1990s, as the US imposed sanctions due to its uranium enrichment program. Building ties to the Taliban in Afghanistan and militant Islamists operating from Pakistani territory became an alternative for Islamabad to safeguard its regional interests vis-à-vis India, the rivalry with which has shaped Pakistan's strategic culture to this day.

After the attacks of 11 September 2001, the US was eager to realign with Pakistan, dropping sanctions and providing the country with military aid to garner support for the 'war on terror'. General Pervez Musharraf, Pakistan's military ruler between 1999 and 2008, did side with President Bush and occasionally took action against selective insurgent groups at Washington's behest. Yet, the army and the ISI remained reluctant to break with the Taliban and other Islamist groupings that it considered useful for repelling Indian influence in Afghanistan and Kashmir.

Obama has continued to provide Pakistan with military assistance and money, but this is contingent on clear evidence that Islamabad is committed

to going against violent extremists within its borders. He has authorised an expansion of drone programmes to kill operatives of al-Qaida and the Taliban in the border regions. In addition, he has supported a sharp increase in non-military aid, seeking a broad partnership with Pakistan that balances military cooperation with US support for economic development and Pakistan's civilian government led by President Asif Ali Zardari. From a regional perspective, he has launched a trilateral dialogue among the US, Pakistan, and Afghanistan, with a view to enhancing political and military cooperation.

The net effect of these measures is difficult to assess at this stage. Drone attacks have been successful to some extent, with several key militants such as Baitullah Mehsud being killed. The downside is that the attacks have nourished already virulent anti-American sentiment among the Pakistani people. Increased civilian aid has caused considerable resentment among army circles in Pakistan, being tied to various conditions and widely interpreted as an attempt to change the domestic balance of power within Pakistan.

The Pakistani army's decision to finally take vigorous action against militants in the border regions has been



the most important development since Obama's strategic review. There have been major Pakistani military offensives in the Swat and South Waziristan regions. Further efforts to regain territory are likely to follow in the course of 2010. But Pakistan's change of tack has resulted not so much from heightened US pressure than from the sharp increase in militant Islamists turning against the Pakistani state and society. In 2009, 87 suicide attacks killing more than 1,300 people were counted, with all terrorist violence causing more than 12,600 fatalities. Even the army headquarters in Rawalpindi was besieged for almost 24 hours.

Although the US has applauded Pakistan's intensified counterterrorism efforts, it could not but note that Pakistani counterterrorism efforts are still highly selective, targeting mainly

the Mehsud faction of the Pakistani Taliban, which has strong al-Qaida connections and is blamed for the majority of terrorist attacks in Pakistan. The continuing reluctance of the army and the ISI to also go against the Afghan Taliban and the non-Mehsud factions of the Pakistani Taliban bodes ill for the US mission in Afghanistan. It is particularly worrying since more insurgents are bound to seek refuge in Pakistan's remote areas as the US troop increase gathers pace in Afghanistan.

Obama's decision to start reducing the US presence in Afghanistan in 2011 has done little to persuade Pakistan that it ought to review its perception of Afghan Taliban as a strategic asset to safeguard its interests in relation to India rather than a strategic liability. As Pakistani-Indian rivalry





over influence in Afghanistan is bound to wax as the US presence wanes, there is little chance that Washington can bring Islamabad to fully support its crisis management efforts in the Hindu Kush. More US pressure may be counterproductive, as it risks both forfeiting Pakistan's limited support and adding to the already growing political instability of the country. Should the domestic situation in Pakistan further deteriorate, the country will become a major security headache for the US in itself, especially given concerns about nuclear safety.

This points to the need for the US to formulate a comprehensive Pakistan strategy that is more than a function of its war in Afghanistan. Getting the balance right between advancing US interests in Afghanistan without destabilising Pakistan will be a key challenge for Washington to confront.

Iraq: Straight to exit?

So far, Iraq has received less strategic attention from the Obama administration than the other crises discussed here. There are two reasons for this. First, there has been less of a sense of acuteness, as the security situation in Iraq had already improved substantially in the late stages of the Bush administration. As a result of a combination of factors ranging from the military surge in 2007/8 and a modified counter-

insurgency doctrine focusing on population security to the de facto division of Baghdad along sectarian lines and the US-sponsored 'Sunni Awakening' movement, the level of violence in Iraq was sharply lower when Obama took office than at its peak in 2007.

Second, thanks to the policy changes made towards the end of Bush's second term, Obama has been able to focus on implementation of policies rather than devising new strategies. Faced with time pressure as the government of Nouri al-Maliki requested that the UN mandate for the international force not be extended beyond 2008, Bush made far-reaching concessions in the Status of Forces Agreement (SOFA) with Iraq during his last weeks in office. Above all, he dropped demands for permanent US bases in Iraq, accepting a schedule for full withdrawal according to which 'all US combat forces shall withdraw from Iraqi cities, villages, and localities' no later than 30 June 2009 and 'all the US forces shall withdraw from all Iraqi territory' by the end of 2011.

While Obama had rejected the surge strategy and pressed hard for a much faster withdrawal during his presidential campaign, both the SOFA and the improved security situation have given him the opportunity to draw down US engagement in Iraq in a less



hectic manner. According to his Iraq Plan of 27 February 2009, US combat troops are to leave Iraq by August 2010, with a residual force of around 50,000 soldiers staying on until the end of 2011, primarily to train the Iraqi Security Forces. It is a realistic scheme, provided the security situation continues to improve.

This cannot be taken for granted, however. Iraq still has a long way to go towards lasting stability. Improved security has not translated into comprehensive political accommodation or indeed any notion of Iraqi national identity. Tensions between Kurds and Arabs over disputed territory, oil, and government resources remain high. As for Shi'ite-Sunni tensions, the provincial elections of December 2008 marked an important move away from sectarian politics, but the protracted negotiations over a new election law that led to a postponement of the parliamentary elections to March 2010 illustrated that the Shi'ite-Sunni divide continues to be a source of tension. Strong external mediation by the US and the UN was indispensable for getting a new election law signed off. Similar efforts will be needed to forge political compromise once the poll is completed.

These internal political struggles have been accompanied by a series of high-

profile car and suicide bombings in Iraq since the summer of 2009. Three major terror attacks targeting mainly government institutions in Baghdad on 19 August, 15 October, and 8 December killed more than 350 people in total, being in part timed to coincide with oil concessions being signed. Although there is little evidence so far that such new bombing campaigns – often attributed to al-Qaida, other Sunni Islamist extremists, and neo-Ba'athist groups – could trigger new large-scale civil conflict in Iraq, the blasts have undermined people's trust in the ability of the government to bring security to Baghdad. If the Shi'ite government continues to fail to integrate former Sunni insurgents into the state apparatus as promised, the recruitment base for terrorists may widen again.

The complex regional context further contributes to the uncertainty concerning Iraq's future. Post-Saddam relations between Baghdad and Tehran have yet to solidify, but there is no doubt that Iran's capacity to influence developments in a Shi'ite-dominated Iraq has grown. Sunni-dominated Arab neighbours have yet to come to terms with the 'new Iraq', while Iraq's relations with Syria are bound to remain tense as Baghdad accuses Damascus of enabling terrorism in Iraq.



All these challenges – slow political accommodation, violence, and complex regional dynamics – are likely to become aggravated as the US prepares for exit. It is difficult to predict how Obama would react to a significant deterioration of the situation in Iraq in light of his focus on South Asia. While al-Maliki at least has hinted at the possibility that Iraq could ask US forces to stay beyond 2011, recommitting troops to Iraq would be a very unpopular decision for Obama to make when trying to secure a second term in the White House. Irrespective of the withdrawal issue, Obama will have to pay more attention to the substance of the future US-Iraqi relationship and US strategy in the Persian Gulf in 2010. As Iraq has failed to become a US hub from which to promote regional interests, Washington will have to rethink its role and position in the Gulf.

Iran: Engagement and its limits

Similar to Afghanistan, there has been a substantial change of US policy concerning the Iran nuclear crisis under Obama. Advocating a new policy of engagement, Obama underlined his readiness for unconditional talks with Tehran. In doing so, he moved away from the Bush-sponsored demand of the P5+1 (the five UN veto powers plus Germany) that Iran must stop enriching uranium before diplo-

macy could resume. He also made clear that the US would fully participate in any P5+1 negotiations with Iran, whereas Bush had stated that the presence of a US diplomat at the 'Geneva I' talks with Iran in autumn 2008 was a one-off. However, Obama's new approach has shown few dividends to date. If anything, the nuclear crisis has escalated again into 2010.

Obama's engagement efforts became manifest on both the rhetorical and the practical levels of US Iran policy in 2009. In at least three letters to Iranian leaders, and in several public speeches, Obama called for a fresh start with Tehran. He recognised Iran's right to peaceful nuclear power while also pointing out the responsibilities it needed to comply with to regain its rightful place in the international community. Referring explicitly to the 'Islamic Republic of Iran', he assured that he had no intention of working towards regime change in Tehran. Remarkably, he also became the first US president to acknowledge US involvement in the toppling of a democratically elected government in Iran in 1953.

On the practical level, the US suspended efforts to seek international agreement on new sanctions against Iran in spring 2009. Other measures



included an invitation for Iran to attend the Afghanistan conference in March 2009 and permission for Iranian Foreign Minister Manouchehr Mottaki to visit Iran's interest section in the Pakistani embassy in Washington in October 2009. The US has, however, refrained from opening an interest section in Tehran, which had been discussed during the final months of the Bush administration.

The Iranian response to this engagement has been ambivalent. While Iran refrained from grasping Obama's extended hand and asked for more relevant gestures such as the abandonment of US sanctions, it did accept talks on the nuclear crisis – albeit insisting on its nuclear rights. Elements within the Iranian political elite are sceptical about engagement, as they consider a rapprochement with Washington potentially dangerous for regime stability in Iran. There is also much concern that the US is out to deprive Iran of its legitimate nuclear and political aspirations.

The June 2009 presidential elections complicated things further. The Iranian regime lost much of its legitimacy at home and abroad following its manipulation of the vote and its violent measures against the street protests. As the regime in Tehran has become ever more fragmented and divisions have

emerged even within the conservative camp, Iran's capacity to negotiate is now limited. As for the Obama administration, it lost some of its appetite for engagement after the election and became more passive in that respect, though it has continued to stress that the door for Iran remains open.

The one-day 'Geneva II' talks between the P5+1 and Iran of 1 October 2009 took place in a difficult context. The prior revelation that Iran had secretly built a new uranium enrichment plant near Qom nourished further distrust as to the peaceful purpose of its nuclear programme. Against this background, the outcome of the talks seemed substantial at first. Having requested the IAEA's support for getting nuclear fuel for its Tehran Research Reactor, Iran agreed 'in general' to a US-sponsored deal according to which it would send about 70 per cent of its low-enriched uranium to Russia and France for conversion. While this measure would not resolve the crisis, it would reduce time pressure. This is because the converted uranium could not be further enriched into weapons-grade material, and Iran's declared stock of low-enriched uranium would be depleted to an extent that according to several estimates would rule out the



production of a nuclear explosive for about another year.

However, reflecting an all-too-familiar pattern in the nuclear crisis, there was much diplomatic backsliding in the aftermath of the Geneva talks, resulting in non-implementation of the deal and an escalation of the conflict. Iran missed the deadline for an official response to the proposal and repeatedly called for 'fundamental changes' that at different times included measures like the exclusion of France, supply guarantees, or a more limited fuel swap to take place on Iranian territory. The resulting tough resolution by the IAEA Board of Governors of 27 November 2009 provoked an announcement by Ahmadinejad that Iran would construct ten new enrichment facilities. Other important voices in the Iranian regime suggested further reducing cooperation with the IAEA or even withdrawing from the Non-Proliferation Treaty.

In light of these events, it is little wonder that the Obama administration recalibrated its Iran policy in late 2009. It has since focused on mustering support for further UN sanctions again, with Congress pushing forward legislation on unilateral sanctions against energy companies providing gasoline to Iran in parallel. Obama

was compelled to acknowledge the limits of engagement, as Iran has failed to compromise and has continued to enrich uranium to an extent that provides it with a potential nuclear breakout capacity today, should it decide to go for the bomb. Obama did not go as far as to abandon engagement completely, however, being aware that there are limits to the sanctions approach too.

Although Obama's demonstrations of goodwill vis-à-vis Iran may result in broader international support for US calls for new sanctions into 2010, it remains to be seen whether this holds true for Russia and China. Both Moscow and Beijing have strong energy and economic interests in Iran and are less concerned than the US about Iran's nuclear programme. Despite Obama's efforts to improve relations with Russia and China, neither power is likely to sign up to harsh measures against Iran. Even if they did, it is far from certain that new sanctions would have the desired effect in Tehran. Broad sanctions hurting the Iranian people may weaken the opposition movement and inadvertently foster national reconciliation. Conversely, targeted sanctions against regime leaders are unlikely to bring about much progress in the nuclear crisis.

The US had to recalibrate its Iran policy again in late 2009

and economic interests in Iran and are less concerned than the US about Iran's



Obama has thus very few credible policy options left. There are those who make the case for a 'wait-and-see' approach, hoping that domestic change in Iran will improve the chances for resolving the nuclear issue. However, as Iranian enrichment activities continue, the risk of a regional nuclear proliferation cascade grows. With Israel pushing for tough measures against Iran, a further escalation of the nuclear crisis is very possible in 2010. Such a development would also cause further strains in US-Israeli relations.

Middle East peace: More impartial mediation – but also more robust?

Indeed, Israel is one of the few countries where the US image has deteriorated since Obama came to power. This has to do with Obama's sense of urgency to push a two-state solution. Not since Jimmy Carter has a US president invested so much in resolving the Arab-Israeli conflict so early in his term. And not since the days of former secretary of state James Baker has the US made such far-reaching public demands of Israel as Obama did with his call for a settlement freeze, acknowledging the need for a more impartial US role if mediation between Israel and the Palestinians is to translate into peace.

The snag for Obama is that the domestic contexts of both the Palestin-

ians and the Israelis are marked by a deficit of peace-making capacity and political leadership. The Palestinians are politically weakened by the schism between the secular-nationalist Fatah and the Islamist-nationalist Hamas. The former lacks strategic purpose while the latter's radical stance makes compromises difficult. President Mahmoud Abbas is rapidly losing credibility as his rapprochement with Israel and the US has failed to produce major political results. As for Israel, the inconclusive Gaza War in late 2008 and early 2009 is indicative of its strategic quandary as to how to deal with Hamas at its borders and to move from conflict management to conflict resolution in the struggle with the Palestinians. The new right-wing coalition government led by Likud leader and 'Oslo-sceptic' Netanyahu has consolidated Israel's security-first approach, with large parts of the political elite making the case for dealing with Iran prior to turning to the Palestinian issue.

Obama's decision to keep pushing for Arab-Israeli peace underlines the fact that he does not see the Palestinian question and the Iran nuclear issue as either/or options, but as crises that must be dealt with simultaneously. His (partial) move away from the US habit of cross-checking and coordinating policy one-sidedly with



Israel underlines that he is serious about Middle East peace. Obama has not yet succeeded however in fulfilling the high expectations laid out in his Cairo speech. Further changes in US policy would be necessary if substantial progress towards peace were to be made.

The Obama administration so far has pursued an incremental approach in the Israeli-Palestinian conflict. It started by calling for a settlement freeze and Arab steps towards normalisation of relations with Israel as measures to build confidence and provide a basis for relaunching peace talks. This policy soon ran into difficulties, though. As Israel refused a full freeze, Mitchell spent much of his time wrestling with Netanyahu over the details of a set-

tlement stop. Although the resulting partial ten-month freeze on construction (excluding East Jerusalem, public buildings, and already commissioned houses) came in well below Obama's initial expectations, he went along with it. The political fallout for Abbas and indeed Arab governments has been considerable, as they had made the resumption of talks and symbolic gestures of rapprochement dependent on a full freeze as called for in the Road Map.

Prospects for a peace process deteriorated further at the end of the year as Abbas decided against running for reelection without a full freeze, while Netanyahu, after being pushed by the US to subscribe to the two-state concept in June 2009, insisted on starting

Israeli settlement population

Year	West Bank	Gaza Strip	East Jerusalem	Golan Heights	Total
1972	1,182	700	8,649	77	10,608
1983	22,800	900	76,095	6,800	106,595
1991	90,300	3,800	137,300	11,600	243,000
1995	133,200	5,300	157,300	13,400	309,200
2000	192,976	6,678	172,250	15,955	387,859
2005	258,988	0	184,057	17,793	460,838
2007	276,462	0	189,708	18,692	484,862

Source: Foundation for Middle East Peace



negotiations afresh rather than building on previous agreements. There were also some frictions between the US and its Middle East Quartet partners. Obama's support for Netanyahu's quest that Israel be recognised as a Jewish state was criticised in Russia and raised eyebrows in some European capitals. As for the EU, it had long called Israeli settlements illegal (rather than just illegitimate as Obama does) and urged for an immediate full freeze in its 8 December 2009 declaration. Catherine Ashton, the EU's new high representative for foreign affairs and security policy, described East Jerusalem as 'occupied territory'.

Tough choices ahead – in the Middle East conflict and beyond

Given this lack of progress, the US faces a tough policy choice on the Israeli-Palestinian conflict. If formal disinvestment is not a viable option after Obama's previous commitment, Washington could continue its current efforts to resume peace talks through incrementalism and 'soft' mediation. This approach may or may not result in a relaunch of the peace process, but is unlikely to lead to conflict resolution, given the situation on the ground. As the prospect for a two-state solution gradually fades away, there is a real possibility that conditions in the occupied territories could deteriorate further.

Renewed violence would be the likely result.

Alternatively, in order to overcome the impasse in the Middle East conflict, Obama would need to invest even more political capital and move towards more 'robust' mediation. This would likely mean coming up with a US peace plan that lays out the basic principles of negotiations, the intended results, and a timetable. In addition, the US would have to insist on close monitoring and be willing to take measures against any non-complying party. In line with his Nobel Prize acceptance speech credo to 'face the world as it is', Obama would also need to think about revising US policy towards Hamas. Isolating Hamas until it renounces violence, abides by previous peace agreements, and recognises Israel's right to exist has failed to decisively weaken the Islamist rulers in Gaza. At the same time, this policy has set an unworkable threshold for even the commencement of negotiations and has become a major impediment to Fatah-Hamas reconciliation.

Taking such bold steps would be a risky endeavour for Obama, as they are bound to provoke domestic criticism and harm relations with Israel in what are very slim prospects for peace in any case. But this is only



one of several difficult decisions the president will have to take concerning the Middle East and South Asia towards 2012. The issue of balancing resources between the two regions is bound to come up again should the situation in Iraq deteriorate or the Iran nuclear crisis escalate further. Additional UN sanctions against Tehran may also prompt increased Iranian efforts to act as spoiler in Iraq and Afghanistan, while additional US sanctions are likely to bring Washington into growing conflict with China

and Russia. Similarly, the controversy over prioritising Afghanistan or Pakistan could intensify depending on which country deteriorates fastest.

The scope for sustainable progress in all these crises is small indeed in 2010. Prospects are unlikely to improve anytime soon as Obama faces enormous domestic challenges and as the race for the White House inevitably starts the day the mid-term elections end. ●

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