

A NEW PARTNERSHIP FOR THE GREATER MIDDLE EAST: COMBATING TERRORISM, BUILDING PEACE

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Since the end of World War II, we have recognized that our national security rests on four strong pillars: our own democratic values and the example of freedom that we hold out to the world; our military strength; our alliances with other countries and our ability to work cooperatively with the rest of the international community; and an enlightened use of both hard and soft power, including diplomacy, aid, and trade, that promotes friendship while protecting us from enemies.

To meet the threat from the Soviet Union, we maintained a strong military and created NATO. But we did more. We also launched the Marshall Plan to rebuild Europe and helped create the United Nations and the Bretton Woods institutions, the World Bank, the International Monetary Fund, and the World Trade Organization. The aim was to promote international cooperation, to spread the values of democracy and respect for human rights, and to fight poverty. Over time, we developed more institutions and mechanisms: bilateral defense treaties, regional development banks, the Helsinki Process, and the Nunn-Lugar Cooperative Threat Reduction program, just to name a few.

Today we in the West face a major challenge. It is the threat of weapons of mass destruction, terrorism, failed states and instability that arises in major part from extremist organizations in the Greater Middle East. The terrorist ideology generated there has global reach. The region is the prime source of what I believe is the greatest single threat to modern civilization in the 21st century—that is, the nexus between terrorism and weapons of mass destruction. We must promote security and stability in this vast but troubled region, where demographics, religious extremism, autocratic governments, isolation, stagnant economic systems, and war have often overwhelmed the talents of its peoples and the wealth of its natural resources.

Common Interest

This is a challenge for all of us in the developed world. Instability, poverty and joblessness increase the flow of migrants to Europe. The Palestinian-Israeli conflict causes unrest and discord among Europe's Muslim populations. For some, this long-standing struggle is both a reason and an excuse for anti-Americanism and anti-western sentiments in the Arab world. Last week's response to the killing by Israel of Hamas leader Sheik Yassin is yet another illustration of how events there can reverberate around the region, and a foretaste of the conflagration that could ensue if we can't end the spiral of violence. It underscores my strong belief that we cannot take an election-year time-out in the quest for peace.

Iraq and Beyond

While we cannot ignore the repercussions of the U.S.-led military action in Iraq, it is now time to look forward. European and Asian countries have the same interest as the United States in seeing that Iraq becomes a stable democratic country. By so doing, it can become a catalyst for positive change throughout the region, where millions of people suffer from grinding poverty and hopelessness. This has led some young people to terrorism and to express their despair by lashing out at others more fortunate. At the extreme, some have chosen suicidal missions.

But if we strongly support in Afghanistan and Iraq citizens who are striving to build successful states that embrace freedom and enjoy broadly shared economic development, their success could generate extraordinary encouragement to millions of people now mired in hopelessness.

Likewise, if we help to produce a resolution of the Israeli-Palestinian conflict, fresh political winds would sweep through the region and new possibilities for political reform would flourish. We should make solving the Israeli-Palestinian conflict an integral part of our larger strategy, not an adjunct to it, and consider new structures that bring moderate Arab countries into the process.

Long-Term Strategy

As President Bush has said, our long-term strategy is to replace the region's pervasive repression, intolerance and stagnation with freedom, democracy and prosperity. The war on terrorism is only a part, although a crucial one, of this broad and ambitious agenda. The best way to achieve this goal is to cooperate with our traditional partners and with countries in the Greater Middle East on a new paradigm of reform and development.

At its June Summit in Sea Island, Georgia, the G-8 (the United States, Canada, Japan, Russia, the United Kingdom, France, Germany, and Italy) should outline a plan for the G-8 to engage with the Greater Middle East in a way that allows the nations of the region to set their own priorities for the new millennium.

Many of the nations of the Greater Middle East have entered this new era isolated from the industrialized world. As the U.N. Arab Human Development report noted, the whole Arab world translates only 300 books annually, 65 million Arab adults, including half of the women, are illiterate, and only 1.6 percent of the Arab population has Internet access. This isolation contributes to the misunderstanding and prejudice that leads to violence. Other advancements in communications, transportation, health and educational opportunities have yet to reach large percentages of the people of the Greater Middle East. As the 2002 Development report noted, while poverty is a serious problem, "The region is richer than it is developed."

The 2003 UN Arab Human Development Report identified knowledge, freedom and women's empowerment as the most serious challenges to development. Fourteen million Arab adults do not make enough money to buy even the most basic necessities. Steep population increases in many Arab countries mean that as many as 50 million more Arab workers will enter the job market in the next eight years. In addition, the Development Report found that Arab

countries had the lowest freedom score out of the seven world regions. A number of these findings are applicable to non-Arab nations of the Greater Middle East as well.

The G-8 can be a key instrument to effect long-term political and economic change in the Greater Middle East by leveraging financial contributions from Europe, Asia and the rich countries of the region, and by providing the imprimatur of the broad international community. The United States has already begun on its own. The Bush administration launched the Middle East Partnership Initiative (MEPI) in 2002 to support economic, political, and educational reform as well as women's empowerment in the region. MEPI currently consists of 87 programs in 16 different countries. The other G-8 countries have similar programs.

Many of these existing efforts should continue. But the G-8, speaking with one voice, must make a bolder statement.

Proposal

I propose a grant-making Greater Middle East Twenty First Century Trust, sponsored by the G-8. It would be modeled on the principles of the Global Fund to Fight AIDS, Tuberculosis, and Malaria, the G-8 Africa Action Plan, and the United States' Millennium Challenge Account. The Twenty First Century Trust would unite the G-8 countries with donor countries in the Greater Middle East in a quest for political, economic, and educational modernization. The donors would pool resources to deliver grants and would work together to define the funding criteria based, in part, on the high priority needs identified in the United Nations' Arab Human Development Reports, which were written by Arab scholars. Vigorous two-way interaction between donors and recipients is vital: change cannot be imposed from the outside.

The Trust would not only increase development funding to the region but would also provide an opportunity for the G-8 countries to work alongside countries in the Greater Middle East toward common goals, instead of arguing over old disputes. It is particularly important to demonstrate to countries like Afghanistan and Pakistan that G-8 interests stretch beyond capturing terrorists and destroying their networks.

It will be important for the Trust's contributors to include rich countries of the region, such as Saudi Arabia, willing to invest in their own futures and take a stake in the Trust's success. Equally important, Saudi Arabia has completely banned its citizens from donating to charities in foreign countries because it feared funds were being diverted to terrorist causes. A Twenty First Century Trust would give donors in Saudi Arabia, and other countries, a secure vehicle for charitable donations.

To be sensitive to cultural concerns in the Greater Middle East, the Trust could be structured to respect Islamic financial principles. These principles, in part, forbid the payment or receipt of interest, or any transaction that involves speculation, but allow grants, profit-sharing, transaction fees and other financial structures. This would provide a vehicle that both the religious and the non-religious could use.

This Trust proposal reflects advances in our understanding of international development. The programs it is based upon—the G-8 Africa plan, the global AIDS fund, and the Millennium Challenge Account--represent a new form of social compact between governments and donors

that does not superimpose a plan from donors but, instead, works with the recipient countries to plan and set priorities. The MCA and the Global Fund institutionalize the inclusion of civil society in project design and incorporate benchmarks so we can know if a project is effective.

Under MCA, countries must demonstrate that they are ‘ruling justly, investing in their peoples, and establishing economic freedom.’ The MCA will use independent indicators to judge a candidate country’s fitness in such realms as corruption, rule of law, political rights and trade policy. The MCA includes at least three break-through concepts that could be applied to the Trust proposal:

- Donors and recipients negotiate compacts based on goals put forth by the recipient countries. This gives recipients the lead in coming up with their own priorities.
- The compacts contain benchmarks that can be measured over time to assess progress. This lays the groundwork for performance-based evaluations.
- Both the compacts and the projects are to be published on the organization’s website. This provides transparency and openness.

What I am proposing today is in some ways parallel to the Bush administration’s own initiative, which it developed separately. But mine has some key differences. For one, the Trust is not a development bank, but a grant- and investment-making body that could conform to Islamic financial principles. More importantly, rather than a set of programs to be created and funded, I am proposing instead building a vehicle for action that would set broad goals and criteria. Specific programs would be developed and offered by the recipient countries themselves, and accepted or rejected by the Trust based on the standards it sets. This way, we can confer “ownership” of the reform process on the countries themselves.

Similarly, the Trust would go beyond the primary development paradigm of growth, infrastructure and health. It would help realize what the Arab Human Development Report called “a restructuring of the region from within.” Ultimately, the Trust would seek to promote changes to many of the structures that have been identified by the Arab scholars in the Development Reports as roadblocks to modernization in the Greater Middle East. This involves reform of economic systems; lessened state control of economies; diversification away from over-reliance on oil and toward more value-added industries; reform of labor markets to promote productivity and greater opportunities for advancement; revamping of weak education systems; a sea-change in the role of women in education, the economy, and society; much greater emphasis on research, science, technology and engineering; and political reform to give citizens more space to think and to have a voice. As the latest Development Report notes, political instability and struggles for power “in the absence of....democracy...impede the growth of knowledge on Arab soil.”

The Trust would recognize that many of the policies and practices that have hobbled the Greater Middle East have been endorsed by the governments of the countries in question. It will be a challenge to convince them to join the Trust as partners in a process that will require them to make such fundamental changes. That’s why the Trust will seek to engage all elements of societies. The Arab Human Development Report calls on “the state, civil society, cultural and mass media institutions, enlightened intellectuals and the public at large to plant those values that encourage action and innovation in the political, social and economic sphere.”

This challenge to business-as-usual helps explain why the administration's own ideas for a Greater Middle East initiative have so far met with resistance from many Arab governments. Some Europeans have also criticized the initiative for, in effect, choosing reform over stability. I urge the President and his team to stay the course and not be cowed by this initial reaction. Many comments about the administration's plan have a familiar ring. Arab autocrats have denounced it as an imposition of western values by outsiders. They've also criticized it as being a mission impossible until western outsiders impose a settlement on the Israeli-Palestinian conflict. Such obstructionism simply makes the case more clearly for real reform.

I understand the desire of regional governments for "ownership" of this process, which is why I have emphasized the two-way nature of the Trust's functions. But granting ownership does not mean the G-8, through the Trust, should simply write blank checks to Greater Middle East governments to pursue their own self-interested visions of reform. That would deny the need for fundamental change. We must be prepared to use our considerable leverage with allies inside and outside the region to promote truly democratic reforms and political freedom, not simply maintain the status quo, or our initiatives will lack credibility. At the same time, by remaining engaged in the Israeli-Palestinian conflict, we will strengthen the rationale for our broader initiative in the region.

The Security Dimension

The social and political changes we are seeking will be even more difficult in an atmosphere of violence. The industrialized democracies, working with the countries of the Greater Middle East, must try to maintain a stable environment for long-term progress. I have proposed that NATO, with its integrated military command, interoperability of equipment and forces, and a proven ability to make decisions and take action, assume a larger role in the Greater Middle East and make the region a new priority.

I have made a number of specific proposals. In particular, NATO should beef up its presence in Afghanistan, where it is leading the International Security Assistance Force, and assume a formal role in Iraq. No reasonable country of the Greater Middle East, just as no Western or Asian country, can wish for failure in the rehabilitation of Iraq. NATO's involvement, by further internationalizing the reconstruction effort, will make success more likely.

More broadly, NATO should launch a major effort to promote strong military-to-military relations with Greater Middle East countries, a program I have called "Cooperation for Peace." As in NATO's hugely successful Partnership for Peace program in Central and Eastern Europe, NATO could help with training for peacekeeping, counter-terrorism and border security, as well as with defense reform and civilian control of the military. This Cooperation for Peace program would complement efforts by the Twenty-First Century Trust to modernize Greater Middle Eastern societies and integrate them into the international community.

The Political Dimension

Achieving the kind of regional transformation we seek will require many steps over a long period of time. The first step, before deciding WHAT change is necessary, must be for the leaders and the people of the Greater Middle East to agree, through vigorous and open debate among themselves and across the region, that change IS necessary. This reform in attitude cannot be imposed from outside, it must be generated from within the region, across national boundaries. And it must be seen in the context of people taking charge of their own futures. We already see examples under way. For instance, the Alexandria Library in Egypt hosted a conference on ‘Critical Reforms in the Arab World: From Rhetoric to Reality’ this month to bring together members of the civil society in the Arab region including intellectuals, businessmen and academics. They declared they “are fully convinced that reform is a necessary and urgent matter.” And contrary to the popular notion that democracy is somehow an alien concept, they said they embraced “without ambiguity, genuine democracy.” We need much more of this.

Many in the region say that they cannot support an agenda for change unless the United States addresses the Israeli-Palestinian conflict. The Arab Human Development Report calls the conflict “a contributing factor to the region’s democratic deficit, providing both a cause and an excuse for distorting the development agenda.” The search for stability in the Greater Middle East must proceed hand in hand with the resolution of the Israeli-Palestinian conflict. But the nations of the Greater Middle East must be brought into the process of resolving the conflict. They cannot continue to expect the U.S. to address these issues on their behalf, and then complain that the U.S. is not doing it right. Therefore, I propose that as part of this drive to bring the Greater Middle East countries into the modern world, we bring them fully into the process of resolving the Israeli-Palestinian conflict. This would close what has in the past often been a gap in strategies for the larger region.

As a first step, we should expand the “Quartet” which is currently directing the peace process—the U.S., Russia, the European Union and the United Nations—into the “Sextet” by adding Egypt and Saudi Arabia. This would give the Palestinians more confidence in any proposal that comes forth, and give all countries in the region a greater stake in both the specifics of new peace proposals and in the efforts to follow through on their implementation. Closer Arab support would also give the Palestinians the option to make compromises that they might not otherwise make on their own.

Secondly, we must recognize that Prime Minister Sharon’s unilateral disengagement has created an opportunity that we should seize to generate new attitudes and approaches to ending the violence. His decision to evacuate unilaterally almost all settlements in Gaza and a number in the West Bank, once unthinkable by any Israeli leader, is being accepted by most within Israel. Many in Israel are recognizing the demographic reality that if Israel maintains control of the West Bank to the beginning of the next decade, Jews could be a minority in the state of Israel. Such recognition now reinforces Israel’s acceptance of the principle of a separate Palestinian state.

The Israeli withdrawal, as a practical matter, along with Israel's construction of a security fence, will reduce the opportunities for Palestinians to attack Israelis, and the need for Israeli military checkpoints and other intrusions into Palestinian daily life, which do so much to inflame anger. The withdrawal, because it is new and was put forward unilaterally, could energize the peace effort and provide a useful "detour" in the Road Map without abandoning it.

However, it is important that we, along with the Quartet--or the Sextet--work actively with the Israeli government to ensure that disengagement is done in a way that enhances Israeli security, returns a significant number of Arab neighborhoods to Palestinian Authority jurisdiction and does not fragment Palestinian territory. It should also be coordinated with the Palestinians and others.

There is concern that the Palestinian Authority is so weak and fragmented that upon an Israeli departure, a radical group such as Hamas could emerge as the de facto rulers. That's why the administration is promoting the active involvement of Egypt and Jordan in any security arrangement in Gaza. But we can and must go further. With the effective collapse of the Palestinian Authority, Israel has no reliable negotiating partner, as events of the past week have underscored. We should consider asking moderate Arab countries to assume significant responsibility for rehabilitating or restructuring the Palestinian Authority so that discussions can be restarted.

Some experts have proposed turning over control of the Palestinian territories to an international trusteeship. This trusteeship would provide enhanced security for both Palestinians and Israelis, it could restructure the Palestinian security services, and lead a reform of the Palestinians' failed institutions. It would turn back sovereignty at the appropriate time. Why shouldn't this trusteeship be managed by Arab nations? This would give them a role in what they themselves claim is at the core of many of their own problems.

Arab nations' establishment of a trusteeship; Israeli unilateral disengagement: these might sound like drastic measures. But taken together, they could revive momentum toward a solution of the Israeli-Palestinian conflict.

Conclusion

The G-8 has already taken on one new role in 21st Century security, the Global Partnership Against the Spread of Materials and Weapons of Mass Destruction and has pledged an additional \$10 billion over 10 years for Nunn-Lugar programs in the former Soviet Union. The Greater Middle East Twenty First Century Trust should be a new form of social compact between donors and recipients. By working together with a wide range of other nations, Americans can demonstrate that we are strong and creative advocates of a peaceful world for all, and that the future lies in being a partner with the United States, not a counterweight to it

In my view, the G-8 Summit in Sea Island at the beginning of June represents an opportunity to focus the world on modernization needs in the Greater Middle East. This challenge should be addressed by the G-8, and it should include the participation, contribution, and vision of those in the Greater Middle East. By the same token, the NATO summit in

Istanbul at the end of June would be the right venue for framing a transatlantic security structure that extends throughout the Middle East.

As His Royal Highness Prince El Hassan bin Talal noted last October in Amman, “Peace is real and durable only when the root causes of conflict have been eliminated.” He went on to highlight the importance of eradicating poverty to limit violence. We can achieve greater security through careful mitigation of well-defined threats. We can extend our idealism to create broad opportunities for millions of people to enjoy more promising lives for themselves and their children. Let us answer the call of those in the Middle East and work with them.