Greater Middle East Initiative

From "Reading In Iran Foreign Policy After September 11"

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Introduction
Iran's foreign policy options and priorities have become considerably more complicated, and complex, as a result of the seismic geopolitical shifts and transformations in the Middle East since the events of September 11th, 2001. The Middle East, long a theater of great power as well as inter state rivalry, has been subjected to a new cartography namely, the "greater Middle East," signifying a new political semiology with multiple connotations.

The "Greater Middle East Initiative," originating in the United States and subsequently embraced, and renamed as "Partnership for Progress," by the G8 nations in June 2004 in Sea Island, Georgia, aims to address the sources of socio-political and economic backwardness in the region, loosely identified as encompassing the Arab world, Iran, Turkey, Israel, and possible Afghanistan and Pakistan. Focusing on economic reform, good governance, women and minority rights, civil society institutions, and democracy, the project contains all the essential elements of the so- called Modernization paradigm, whereby the political and economic facets of modernization processes are linked together in a comprehensive approach that is thoroughly faithful in the paradigm's quest for globalizing its main ethos of universal democracy, rile of civility, and economic liberalization.

These lofty objectives are echoed in a UN- sponsored Arab Human Development Report (AHDR) that is sharply critical of the economic, political, demographic, and social conditions in the Arab world (United Nations Development Program, 2002). The 170- page document provides a long checklist of problems, ranging from "knowledge deficit" and "freedom deficit" to gender "discrimination" to "low human welfare" and so on, as a wide- ranging recipe for change, such as "regular elections," expanding economic opportunities, "improving education," and effective utilization of resources including the internet for stimulating economic growth to combat unemployment, poverty, and "building a knowledge society". The AHDR adopts a holistic view of development of development cognizant of the need for political development as a twin of economic development, noting that "the individual should be central to the learning process" and that the authoritarian or state-led developmental strategies are in the dire need of transformation toward neo- liberal, i.e., market- led strategies. What makes this report particularly disturbing is the array of negative evaluations, including the following:

* The combined GDP of the 22 Arab League countries is less than that of Spain.

* Approximately 40% of adult Arabs- 65 million people- are illiterate, two thirds of whom are women.

* Over 50 million young people will enter the labor market by 2010, 100 million will enter by 2020- a minimum of 6 million new jobs need to be created each year to absorb these new entrants.

* If current unemployment rates persist, regional unemployment will reach 25 million by 2010

* One- third of the region lives on less than two dollars a day. To improve standards of living, economic growth in the region must more than double from below 3 percent currently to at least 6 percent.

* Only 1.6 percent of the population has access to the internet, a figure lower then any other region in the world, including sub- Saharan Africa.

* Women occupy just 3.5 percent of the parliamentary seats in Arab countries, compared with, for example, 8.l4 percent in sub- Saharan Africa.

* Fifty-one percent of older Arab youths expressed a desire to emigrate to other countries, according to the 2002 report, with European countries the favorite destination.

Since its publication, the 2002 and 2003 AHDR, written by Arab authors, have come under close, and critical, scrutiny, particularly from within the Arab and Muslim intelligentsia, and it has been faulted for its restrictive research methodology giving priority to the internal sources of underdevelopment and for its selective statistics highlighting the negative indicators in order to portray a gloomy picture of development in the Arab region.

On the other hand, the AHDR, not to mention other similar reports such as the ones by the World Bank (World Bank: 2004), has served a timely function for the post- 9/11 U.S. policy towards the Middle East, and invariably has been cited in the official rationalizations for the Greater Middle East Initiative, first hinted by the Vice President Dick Cheney at the 2004 World Economic Forum in Davos, Switzerland. A key architect of the U.S. doctrine of "pre- emptive warfare," Cheney declared, "Our forward strategy to freedom commits us to support those who work and sacrifice for reform across the greater Middle East" (Rueters, 2004a). In fact this report was even utilized in shoring up support for the 2003 U.S. invasion of Iraq, notwithstanding a New York Times columnist's pre0 invasion narrative the U.S. should "make it clears that it was going into Iraq, not just to disarm Iraq, but empower Iraq's people to implement the Arab Human Development Report" (New York Times, 2004). This follows closely to the policy recommendation articulated by a number of scholars of the Middle East, such as Bernard Lewis, who has explicitly linked "Islamist terrorism" to the failure of economic and political reform in the Middle East. Lewis's forceful argument for the necessity of inducing such changes "from the outside" and by the fiat of American 'hard- power" if need be, has been fully embraced by President George W. Bush and his Administration consistently underscoring the need to "democratize the Middle East" as part and parcel of the "global war on terrorism".

A careful and critical scrutiny of the Greater Middle East Initiative requires kneading together the various economic, political, social, and security dimensions of this initiative studied historically and scientifically, both from the prism of political economy, world diplomacy, superpower politics, and regional policy. One of the major strategic challens of Islamic Republic of Iran in the new international and regional milieu is to address the major strategic challenges of the post 9/11 order; constructing a viable and dynamic response to the Greater Middle East Initiative certainly registers high on the list of those challenges. Instead of cursory examinations and snap judgment about this initiative, which now counts on Europe as one of its participants, what is needed is careful and detailed analysis as a prelude to an evaluation on the policy level. An Iranian response to the Greater Middle East Initiative clearly does not manifest itself in abstract, but rather according to the existing norms, values, and priorities of Iran including the U.S. games of strategy in the Middle East. Central Asia Caucasus, and elsewhere in the world.

Equally important is the role and influence of globalization and the need to contextualize the Greater Middle East Initiative within the current web and tumult of steady globalization of the regional realities in the Middle East. A pertinent question is, of course, whether or not this initiative is better understood from the prism of globalization, or as a mere offshoot of American foreign policy?

The aim of this study is to provide a systematic answer to this question and other relevant questions touching on the needs and priorities of the Islamic republic of Iran's foreign policy in today's complex, and somewhat unpredictable, world politics presenting Iran with alternative "strategic choices". Doubtless, Iran's geopolitical importance has been enhanced in the post- cold war and post- 9/11 historical juncture just as the welter of Iran's national security worries and anxieties have also multiplied as a result of the massive infusion of Western forces in the region, wars and instability in the neighboring countries, above all Iraq and Afghanistan, and the uncertainties surrounding the future of U.S.- Iran relations.

Clearly, Iran's reaction to the Greater Middle East Initiative cannot be divorced from the overall U.S.-Iran relations, and, instead, needs to be formulated first and foremost to support and enhance Iran's U.S. policy, particularly since there are several intended and unintended consequences as a result of any official response, be it positive or negative, to this American- led initiative which identity has been somewhat diluted due to the Europeans' and Japanese participation. Consequently, Iran's reaction to the Greater Middle East Initiative is bound to have repercussions for Iran's European policy, which has potentially entered a new milestone due to the Paris Agreement in November 2004calling for a comprehensive negotiation and cooperation between Iran and Europe.

Similarly in the light of willingness of almost all Arab states, as well as Turkey, to take part in the Greater Middle East Initiative, Iran cannot possibly remain indifferent

Iran cannot possible remain to the evolution and nuances of U.S.-Arab cooperation, such as the Free Trade Agreement between the U.S. and Morocco as well as Bahrain, the recent trilateral agreement between U.S., Israel, and Egypt,7 or the bilateral security agreements between the U.S. and Iran's Arab neighbors, or NATO's embrace of the project in tandem with its "eastward expansion." Henceforth, an important foreign policy priority of Iran is to focus on and to delineate the elements of a future-oriented policy that, would seek to implement Iran's national (security) interests by adopting creative and pro-active sets, of action, instead of being merely reactive. This is, indeed, an important litmus test of Iran's foreign policy in the current milieu of greater and greater Americanization of Middle East politics, and the present study is conceived as a small step in laying the groundwork of cognitive 'road trip' that, typically, is a sine qua non for successful foreign policy-making.

1. The Greater Middle East Initiative (GMEI): An Overview

GMEI emerged in late 2003 as a set of guidelines for coordination effort, by the United Stated and other countries of the Group of Eight Industrial Nations (G-8) to promote political and economic reform in the Middle East, following the conviction, expressed by President Bush, that "sixty years of Western nations excusing and accommodating the lack of freedom in the Middle East" had filed to contain security threats emanating from the region and that the U.S. had to adopt a new "forward strategy of freedom in the Middle East."8 Initially, a draft paper was sent to other G-8 governments, with the exception that it would form the basis of a unified initiative to be unveiled at the Sea Island summit in June 2004.

The GMEI working paper was premised on the claim that the growing "pool of politically and economically disenfranchised individuals" in the region threaten the national interests of G-8 members by contributing to the global rise in "terrorism, international crime and illegal migration." Statistics form the 2002 AHDR, mentioned above, were cited to underscore the magnitude of the problem. The GMEI draft strongly urged G-8 member states to "launch a coordinated response to promote political, economic and social reform in the region" and "force a long-term partnership with the Greater Middle East reform leaders."Four notable aspects of this working paper were as follows

First, GMEI proposes that G-8 governments work to directly empower Arab countries by increasing "direct funding to democracy, human rights, media, women's and other Ngo's in the region." Although Western governments often claim to provide such assistance, the current level of "civil society aid" they provide is very modest to begin with and much of it goes to what can best be described as quasi-governmental Ngo's – organizations that are specifically approved by governments to absorb foreign aid and channel it in ways that do not empower citizens (Wittes,2004, pp.86-114).

Second, GMEI makes the lifting of government restrictions on public freedoms an explicit goal of G-8 diplomacy. G-8 member states should "encourage the region's governments to allow civil society

organizations, including human's rights and media NGOs, to operate freely without harassment or restrictions." The working paper states that the G-8 could do the following with respect to "civil society" in the Middle East:

* Encourage the region's governments to allow civil society organizations, including human rights and media NGos, to operate freely without harassment or restrictions.

* Increase direct funding to democracy, human rights, media, women's, and other NGOs in the region.

* Increase the technical capacity of NGOs in the region by increasing funding to domestic organizations (such as UK's Westminister Foundation or the U.S. National Endowment for Democracy) to provide training for NGOs on how to define a platform, lobby government, and develop media and grassroots strategies to greater support. These programs could also include exchanges and the creation of regional networks.

* Fund an NGO that would bring together legal or media experts from the region to draft annual assessments of judicial reform efforts or media freedom in the region. (This could follow the AHDR model.)"

* Third, GMEI proposes a mechanism of monitoring progress. Specifically, it suggests that the G-8 "fund an NGO that would bring together legal or media experts from the region to draft annual assessments of judicial reform efforts or media freedom in the region."

* Fourth, the GMEI is said to be inspired by the 1975 Helsinki Accords, sign by the U.S., the former Soviet Union, and most European countries. The Helsinki model is utilized in order to establish a mechanism for settling disagreements and for the protection of human and political rights particularly as it pertains to the dissident groups.

Most of the GMEI recommendations, such as funding for literacy programs, training of legislative representatives and technical assistance in adopting more effective investment and trade policies, did not represent a significant departure from the pre-existing American and European reform programs. The GMEI is, as of this writing , far from a fully-worked out program without ambiguities or with a lot of novel ideas; so far the U.S. has not made any major financial contribution to the GMEI and, yet, the scope of U.S.'s financial commitment is itself an important criterion to gauge the degree of its importance, particularly with respect to the U.S's Middle East policy under the second Bush administration. The GMEI working paper did not, for instance, recommend that governments showing some U.S. officials have gone on record opposing the inclusion of "rogue" states. While it said governments should be encouraged to hold free elections or release prisoners of conscience (Gambill, 2004, pp.67-85)

2. From GMEI to "Partnership for Progress and a Common Future with Region of the Broader Middle East and North Africa"

At the June 2004 summit of G-8 countries, America's GMEI experienced both semantic and substantive modifications. The initiative was endorsed by the G-8, invoking the enthusiasm of a "milestone in U.S. diplomacy" by the American media,9 and was renamed "Partnership for Progress and a Common Future with the Region of the Broader Middle East and North Africa." The reason this change was deemed necessary was in part to avoid any direct association with the "new Middle East" coined by Isreal's Shimon Perez in his 1996 published book under the same title. Also, this was to dispel the suspicion that it was solely an American project beamed unilaterally at the Middle East landscape.

According to the G-8 official statement, the Partnership for Progress will focus on three areas: political, social/cultural, and economic. In the political sphere, state reform, good governance, rule of law, progress toward democracy, free exchange of ideas and the peaceful resolution of differences are mentioned as "necessary ingredients of building democracy." In the social and cultural sphere, "education for all, freedom of expression, equality between men and women, as well as access to global information technology" are mentioned.

In the economic sphere, the G-8 statement reads: "Creating jobs is the number one priority of many countries in the region. To expand opportunity, and promote conditions in which the private sector can create jobs, we will work with governments and business leaders to promote entrepreneurship, expand trade and investment, increase access to capital, support financial reforms, secure property rights, promote transparency and fight corruption. Promotion of intra-regional trade will be a priority for economic development of the Broader Middle East and North Africa. Other measures include a micro-finance initiative to help small entrepreneurs, and support for training programs for businesses. The Partnership program adopted at the G-8 summit is thick on generalities and thin on specifies. It is unclear how the program will be financed and, as of this writing with the exception of token funding for the regions NGOs, neither the U.S. nor Europe nor Japn have explicitly allocated any budget to bankroll the overall program. Case in point, the GMEI working paper contained the following two provisions:

Greater Middle East Finance Corporation: The G-8 could agree to co-finance a corporation modeled on the International Finance Corporation (IFC) to help incubate medium and larger-sized businesses, with an aim toward regional business integration. The corporation could be managed by a group of G-8 private sector leaders committed to applying their expertise in business development to the GME region.

Greater Middle East Development Bank (GMED Bank): The G-8, along with creditors in the GME region, could establish a new regional development institution modeled on the European Bank for Reconstruction and Development (EBRD) to help reforming countries finance basic development priorities. The new institution would pool the resources of wealthier GME nations and the G-8 to focus on improving access to education, health care, and basic infrastructure. The GMED Bank would also serve as a store of technical assistance and development knowledge for the GME. Lending (or grant-making) decisions would be governed by each borrower's ability to demonstrate measurable reform results" (Al-Hayat), 2004, p.1).

While it remains to be seen if any of these above-cited projects will materialize as envisioned, it is fairly obvious that the Partnership between the U.S. and Europe on the Middle East is, undoubtedly, both timely and significant for both sides at a critical time when the European opposition to American unilateralism in the Middle East has fractured the Cold War unity between the two sides, and when such Partnership is interpreted by Europeans and others as corrective steps by the United States back toward global multilateralism. Yet, the Partnership program may, in fact, turn out to be a lot less grandiose, certainly less than any "Marshall Plan," and rather short on action in the absence of adequate financial support, notwithstanding the U.S.'s huge financial bureden of the Iraq war and stabilization and its need for greater allied "burden sharing." The IFC facility, for instance, has an initial funding goal of merely $100 million and, yet, to date, "various countries and Islamic Development Bank have pledged a total of $60 million" (U.S. Embassy in Berlin, 2004a). Hence, as time goes on, a fundamental disjunction may transpire, on the one hand between the GMEI's rhetoric, essentially as " a sweeping change in the way we approach the Middle East," to quote a senior U.S. State Department official (see implementing this approach in its entirety. Thus, given the priority to reconstruct Iraq, the Partnership program may actually be put on a backburner for the most part, kept floating partly to compensate for the war-induced legitimation deficits of the United States, and to a lesser extent Greater Britain, i.e., as a soft power mechanism to offset the debilitating consequences of mass outrage at perceived American "atrocities" in Iraq, not to mention U.S.'s perceived complicity with the right wing government of Ariel Sharon in Israel.

3. The GMEI and the Arab-Israel Conflict

Both the GMEI and the subsequent Partnership for Progress explicitly refer to the need to resolve the conflict between Israel and the Palestinian people. In his initial speech in Davos on the Greater Middle Ease, Dick Cheney stated, "We support a viable, independent Palestinian state" and called on Israel to "redouble its effort by alleviating the suffering of the Palestinian people and by avoiding actions that undermine the long-term viability of a two- state solution" (Dick Cheney, 2004) The G-8 statement on this matter is worth quoting in length:

"Our support for reform in the region will go hand in hand with our support for a just, comprehensive, and lasting settlement to the Arab- Israeli conflict, based upon U.N. Resolutions 242 and 338. We fully endorse the Quartet's Statement of May 4, 2004 and join the Quartet in its "common vision of two

states, Israel and viable, democratic, sovereign and contiguous Palestine, living side by side in peace and security." We support the work of the International Task Force on Palestinian Reform and the Ad Hoc Liaison Committee and urge all states to consider the assistance they may provide to their work. We welcome the establishment of the World Bank's Trust Fund and urge donors to contribute to this important initiative. We join in the Quartet's call for both parties to take steps to fulfill their obligations under previous Quartet statements, and to meet the commitments they made at the Red Sea Summits in Aqaba and Sharm el Sheikh." We reaffirm that a just, comprehensive, and lasting settlement to the Arab-Israeli conflict, including with respect to Syria and Lebanon, must comply with the relevant U.N. Security Council resolutions, including Resolution 425, which "Calls for strict respect for the territorial integrity, sovereignty and political independence of Lebanon within its internationally recognized boundaries" (U.S. Department of State, 2004).

In reality, however, the Bush Administration has been widely criticized both inside and especially outside the United States, for its staunch support of the right wing Israeli government led by Ariel Sharon's Likud Party which has unilaterally scrapped the terms of Oslo Accords through the use of brute force. According to certain Arab pundits, the GMEI's advantage for the Palestinian people may rest on the fact that it verbally and morally commits the U.S. government to a just resolution of the Israel-Palestinian conflict and, at a minimum, act as a hinderance to any unlimited and unbounded U.S. support for the current Israeli government and policy (of eradication of rights of Palestinians). Athe Rabat conference on the GMEI, December 2004, however, the U.S. Secretary of State sought to delink the GMEI from the Israel-Palestinian issue by insisting that "reform…is not connected to the peace process" (Reuters, 2004b).

One reason the GMEI-turned Partnership for Progress has received a relatively more positive response from the Arab and Muslim world after the G-8 summit than from before the summit has to do with the more positive Arab and Muslim perception of Europe's role and position on the Arab-Israeli question, considered definitely more balanced than the American approach. In fact, this perception has been partly fueled by the post-summit statements of various EU officials, about the relevance of the "Barcelona Process" to the Partnership program (Reuters, 2004c).

To elaborate on the Barcelona Process, it refers to the November 1995 Euro-Mediterranean Conference of ministers of foreign affairs of the European Union and the Southern Mediterranean states (Algeria, Libya, Egypt, Israel, Jordan, Lebanon, Morocco, Palestinian Authority, Syria, Tunisia, and Turkey). It laid the foundations of a new regional relationship by establishing a dialogue on political and security issues, and economics dialogue aimed at creating shared prosperity through economic and financial partnership and the gradual establishment of a free-trade area, not to mention that promotion of cultural exchange. The Euro-Mediterranean dialogue has comprised two complementary dimension of bilateral and regional dialogue, both geared to increasingly infuse Europe in the economic and political reconstruction of the Middle East and North Africa, in part by supporting the idea of an Arab Free Zone, and in the various Middle Eastern crises.

Hence, the GMEI in a certain sense "builds on the EU's existing Euro-Mediterranean dialogue," to paraphrase EU Commissioner Paten, and yet, it is not positively certain that the U.S. is denude of any doubts or ambivalence with respect to a full merger of its GMEI initiative and the Barcelona Process, which, in turn, raises the possibility that the EU will "steal the torch" from the U.S. and thus assume the leadership of the Middle East reform project, or at the least, become equal partner in it. The fact that one of the key challenges of Europe's Middle East policy is how to deal with the U.S.'s unwillingness to forfeit the management of the said project has escaped the attention of some U.S. policy experts. Moreover, any Israeli-perceived "over Europeanization" of the GMEI causing an "over-emphasis" on the Palestinian issue to the detriment of Israel's interest may conceivably lead to a contraction of the GMEI in terms of importance, the weight attached to it by the White House, and the scope of attention to its detailed programs.

Two recent developments, named by the passage of PLO Chairman, Yasser Arafat and Israel's planned withdrawal from Gaza Strip, have altered the road to negotiation between Israel and the Palestinians and, for the moment, somewhat closing the conceptual gap between the U.S. and EU on this subject matter, and thus facilitating their collaboration on the GMEI macro-plan. Still, the U.S.'s decision to make its GEMI into G-8 agenda is bound to have both intended and unintended consequences which may or may not always be in tandem with each other, what is more, may cause a paradox of

preference on the U.S.'s part regarding the wisdom of its transatlantic partnership with Europe and others on the initiative, given the welter of competing interests between the U.S. and the EU over trade and non-trade, e.g. security and nuclear-proliferation, issues. Perhaps this is no where more clear than the realm of foreign trade.

4. The GMEI and the U.S. and Europe Trade Policy toward the Middle East

The U.S. may have multilateralized its GMEI through the G-8, yet its trade policy is mainly bilateralist, focusing on expanding bilateral trade and investment with the various Middle East countries through Free Trade Agreements (FTA). Much of this effort has been concentrated on North Africa, as the U.S. seeks to establish a "Northern African market" through FTA with Morocco, Tunisia, Algeria, Egypt, Jordan and, eventually, Libya. In the Persian Gulf, the U.S. has entered into negotiations with Oman, UAE, and its FTA with Bahrain awaits Congressional approval.

So far, Jordan, Morocco, and Bahrain represent three successful cases which the U.S. hopes will be used to expand into sub-regional FTAs by melding them "within a decade" into "an historic Middle East Free Trade Area" (Lovatt, 2003, p.31). In a certain sense, the GMEI is the economic "Trojan" by and through which the U.S. pushes a network of economic bilateralism, such as the Millennium Challenge Account's selective assistance to countries such as Morocco, to bolster its FTA with the U.S. (see U.S. Embassy in Berlin, 2004b) Also, the U.S. government plans to expand the Generalized System of Preferences (GSP provided duty-free entry to the U.S. market for thousands of products from over 140 developing economies including the six (P)GCC states; in 2002, under this system, Americans bought nearly $300 million worth of products from the region (Lovatt, 2004).

The FTA with Bahrain has been denounced by Saudi Arabia and other members of the (P)GCC as a violation of the organization's custom union precluding bilateral tariff agreements without the consent of (P)GCC (Khaleej Times, 2004, p.2); complementing the U.S.'s current "security bilateralism" in the Persian Gulf, the FTA approach has further weakened the ties of regional multilateralism.

On the other hand the FTA with Jordan, signed under President Clinton, has been showcased, given the news that since 1998, foreign direct investment in Jordan has grown 4 times and Jordan's exports have also grown 42 times, with a "diversification to new areas outside textile" (See, "Congressional Group", 2004). Yet, the tiny state of Jordan may prove more an exception than the rule in the light of reluctance of other Arab states, notably Egypt, to undertake the prerequisite economic liberalization programs deemed necessary by the U.S. but not necessarily Europe.

In fact, the EU, already enjoying strong trade relations with countries such as Tunisia, Algeria and the (P)GCC (Persian Gulf Cooperation Council) states, has vested its hopes on the rapid progression of its current FTA negotiations with, among others, Syria, Saudi Arabia, Oman, Qatar, Bahrain, Kuwait, and the UAE. The PGCC is the UE's fifth largest export market and it the PGCC's number one trading partner (World Bank, 2004). In 2001, the combined EU-PGCC trade exceeded 47 million Euros, constituting nearly 50 percent of EU's trade with the entire Arab world (Didgaha va Tahlilha, 2004).

A relative advantage of the U.S is that it acts as the WTO "gatekeeper" and, therefore, as in the case of Oman's recent accession to the WTO, can play a more prominent role than Europe in supporting the WTO membership quest of various Middle East states. But, by the same token, the lingering disputes with countries such as Egypt, e.g., over Egypt's authorization of copycat versions of U.S. pharmaceutical and other goods or ban on certain U.S. imports, are discouraging signs negatively affecting the prospects of U.S. trade policy in the Middle East.

Any future broadening of U.S. economic relations with the Muslim Middle East hinges not only improved bilateral relations but also on a positive and sustained political and cultural record given the unofficial, mass boycott of American goods in many parts of the Middle East in reaction to the negative reception of U.S.'s pro-Israel and war policies, both in effect acting as negative catalysts on U.S.-Middle East trade. Undoubtedly, the U.S. could be a more powerful magnet for trade relations with Middle East if it could (a) project a more balanced approach vis-à-vis the Palestinian "problem," (b) improve its hostile relations with the Islamic Republic of Iran, (c) reinforce its investment and foreign aid policies toward the Muslim Middle East, and (d) implement its commitments to help countries like Lebanon and Saudi Arabia to join the WTO.

Iran in particular represents one of the "sticking points" between the U.S. and Europe showing how they operate at cross purposes in the Middle East, notwithstanding the U.S.'s sanctions on Iran, through the Iran-Libya Sanctions Act (ILSA) coinciding with growing trade relations between Iran and the EU countries (see Khaloo Zadeh, 2003). For the past few years, Iran and the EU have engaged in several rounds of negotiation centered on an Agreement on Trade and Cooperation covering some 17 and non-trade issues, such as immigration, refugees, investment, technology, capacity-building, transportation, and the like. After a temporary suspension of these talks over the nuclear issue, both sides are now poised to resume them in the light of the recent Iran-EU/E3 (Germany, France and England) agreement in November 2004. Whereby in exchange for Iran's compliance with UN atomic agency's request for a "confidence building" suspension of its nuclear fuel cycle, Europe pledged "firm commitment" to cooperate with Iran on economic and security issues (Afrasiabi, 2004, p. 14).

A key stepping stone in Iran-EU relations, the Paris Agreement, has the potential to culminate in real breakthroughs on the economic, security, and even nuclear issues, optimistically speaking, in which case the current wedge between Europe and the U.S. over Iran, and indeed, the entire Middle East, may grow even bigger; the mere prospect of such an eventuality, on the other hand, may act as a spur to a new and or modified U.S. policy toward Iran, one that would relinquish the current demonization of the Islamic Republic by focusing instead on the potential shared or parallel interests. Even then, any meaningful step toward overcoming the quarter of century old diplomatic alienation between Iran and the U.S. would require a great deal of preliminary confidence building whereby, for instance, the existing perception of the U.S. in Iran, as a "coercive" and "bullying" power would be amended and similarly, the U.S. public would become at least informed of Iran's constructive role in regional conflict management. This, in turn raises the issue of GMEI's security dimension.

5. The Security Dimension of GMEI

As the U.S. Trade Representative Robery Zoelick said, "The long-term war against terrorism has to include trade, openness and development…Trade is more than about economic efficiency. It's about American's role in the World" (Beck & Andrews, 2003, p.A14). The GMEI plays an important role with respect to the expanding role of the North Atlantic Treaty Organization (NATO) in the "broader Middle East" principally in the name of combating global terrorism. Unsurprisingly, the practical security cooperation" with the Middle Eastern states is said to "complement the G-8 and U.S.-EU decisions to support calls for reform from within the Broader Middle East region" (U.S. Embassy in Israel, 2004). The Istanbul Cooperation Initiative of NATO is conceived as a "bilateral approach" with "interested nations" of the Middle East for cooperation on the following areas: counterterrorism; counter-WMD (Weapons of Mass Destruction); drug traffic; participation in NATO exercises; tailored advice on defense reform and civil-military relations; and promoting military interoperability (see NATO Update, 2004). Similar projects are being followed by NATO's other Middle East and North Africa initiative called the "Mediterranean Dialogue," which began in 1994 and was elevated into a "more ambitious and expanded framework" in 2004 – the seven participating countries in the Mediterranean Dialogue are: Egypt, Israel, Mauritania, Morocco, Tunisia, Jordan, and Algeria. Both these initiatives are said to require "building bridges via public diplomacy" and to "entail a significant outreach programme in the Arab world" (NATO Review, 2004, p.55). This is hardly surprising given the large negative Arab reactions to the U.S. invasion of Iraq and the related antipathy to any security cooperation with Israel.

The explicit linkage of NATO's 'twin initiatives' with the GMEI notwithstanding, its Istanbul Cooperation Initiative is "beginning with members of the (Persian) Gulf Cooperation Council" (NATO Review, 2004). Here, it is noteworthy that unlike the Mediterranean Dialogue, which pursues multilateral cooperation, the Istanbul Cooperation Initiative is strictly bilateral in nature, this raising the possibility that its net effect will be a weakening of the existing multicultural regional security arrangements, principally the (P)GCC. The on-going NATO-(P)GCC dialogue and transactions occur against the backdrop of U.S.'s bilateral security agreements, e.g., with Kuwait until 2011, NATO's 6500-strong role in Afghanistan as well as its role in training the new Iraqi government's police force by dispatching some 300 personnel to Iraq in the aftermath of its 2004 Istanbul Conference; Iran's Foreign Minister denounced NATO's Iraq initiative as "interference in the internal affairs" of Iraq (IRNA, 2004)

The "new NATO" thus being increasingly involved in the post 9/11 security infrastructure of the entire Middle East, the question still remains as to the structural limits of this involvement given the fact that even in Iraq where the U.S. has unilaterally been dictating the security issues, the token NATO presence was only reluctantly accepted by the U.S. and that even after intense lobbying by European

members of NATO. The latter have not limited themselves to NATO, however, the OSCE (Organization for Security and Cooperation in Europe) constitutes another channel for EU-Middle Ease security dialogue.

The OSCE-NATO dialogue and collaboration on regional security matters notwithstanding, (NATO Issue, 2004; Helly, 2002, p.32-49). the OSCE has paralleled NATO in terms of its own "Mediterranean dialogue," security confidence building and conflict prevention, thanks in part to its post-alliance "cooperative security" paradigm which puts it somewhat at odds with NATO, which pursues an alliance-type security cooperation with the six proliferation of weapons of mass destruction." In the light of U.S.'s accusation of Iran as a nuclear weapon proliferator, this has the potentiated a NATO-(P)GCC alliance against Iran, one that may, conceivably, including the "new" Iraq.

The partial overlap between NATO and OSCE, then, will likely be put to test in the future when and if their contrasting security paradigms culminate in contrasting, even conflicting, security prescriptions with respect to the hitherto excluded member of the Persian Gulf, namely, Iran. Such an outcome is not, however, an inevitable eventuality and, instead, depends on a host of factors ranging from evolution of an independent European military force, presently at a rudimentary level, to the outcome of Iran-EU dialogue on security matters, and the future of Iran-(P)GCC relations. An extended discussion of these issues belongs elsewhere. Suffice to say here that both security paradigms are operational simultaneously on the part of the European countries which are members of the European Union, and it remains to see which will have the upper hands in the (near) future. A related question is, of course, what the various Middle Eastern states, including the Islamic Republic of Iran, can do in order to strengthen the cooperative security paradigm of OSCE and to weaken the NATO's Cold War, i.e., balancing approach? Given Historic success of the OSCE process in Europe, the idea of an OSCE-like mechanism for the region that would focus on the principles of collective security, human rights and good governance embodied in the Helsinki process has been gaining momentum. According to Leverett, the OSCE model, focusing on inclusiveness and issue comprehensiveness, provides a sound conceptual basis for a new cooperative security mechanism for the Middle East (Leverett, 2003). There are limits, however, to the applicability of the OSCE model to the Middle East, such as the existence of divergent security orientations acting as breaks on the omnibus of security cooperation.

6. Iranian and Arab reactions to the GMEI

Initially, the official and semi-official Middle Eastern reactions to the GMEI were almost entirely negative. Thus, while officials from the (P)GCC states criticized it for neglecting the issue of Middle East and North Africa immediately branded it as a latest manifestation of "American (neo) imperialism" targeting the Muslim World for subversion and hegemonic control through both military and non-military, i.e., soft power, means. Case in point, a columnist in Al-Ahran referred to the U.S.'s cassus belli in Iraq as the beginning point of "Greater Middle East" project and wrote,

"The Middle East used to be dealt with as just one region among many. Today it is regarded as a mainstay of world terrorism and the justification for the continued existence of a world military pact, NATO. Indeed, it has come to personify the continuing confrontation between the forces of good and the forces of evil. The New Middle East was meant to portray the Middle East as a region that could pass from war to peace. Now the Greater Middle East seems to indicate that the region is plagues with the continued threat of unmanageable violence" (Sid-Ahmed, 2004).

On the positive side, a small number of Arab commentators welcomed the GMEI as a timely corrective step by the Bush administration to rectify its coercive, military approach toward the region (see Middle East Information Center, 2004, pp 2-3). Such interpretations were, and continue to be, dwarfed, however, by the avalanche of more cynical commentaries that argue that the GMEI is an extension of the U.S's hard-power approach aiming to "lubricate" the U.S. war machine causing havoc in the region and yet, experiencing a resilient resistance in Iraq that is partly fueled by external support fed by the popular hostility against the American "leviathan" ostensibly controlled by the pro-Israel "neo-conservatives."

Another view has labeled the GMEI as a Western "conspiracy" to "de-Islamicize" the region by blaming Islam as a main culprit for backwardness and underdevelopment (see Iran daily, 2004a, p.12; Shargh Daily, 2004, p.14).

Indeed, a growing number of Middle East commentators have argued that the implicit, if not explicit, mission of the GMEI is to "secularize" the region by adopting the secular and pro-Western republic of Turkey as the appropriate role model (Iran Daily, 204b; www.usembassy-Israel.org). By all indications, Turkey has embraced the GMEI, irrespective of its latent reservations that this may accentuate its Middle Eastern, rather than European, identity and thus to contribute to the momentum against its accession to the EU. In the light of a growing EU sentiment to postpone Turkey's accession for another 10-15 years, Turkey's decision to endorse the GMEI is geared to both open a new window of cooperation with the U.SS. as a reliable allay, and simultaneously, bolster its cooperation with the EU given Turkey's fears and concerns about the ascendancy of Kurdish power in Northern Iraq, necessitating a sound Turkey-U.S. relations. Thus, at the GMEI conference in Rabat, December 2004, titled "Forum for the Future," Turkey proposed the creation of a "Democracy Assistance Dialogue" to promote consolidation of democratic institutes in the region (Zaman Daily, 2004, p.4).
Still, irrespective of participation of certain Middle East governments in the GMEI, the project's biggest problem appears to be its widespread perception as a "soft power" complement of America's militaristic hegemony in the region. In a policy paper by the International Crisis Group, titled "Broader Middle East and North Africa Initiative: Imperilled at Birth," it is argued that the project "to have any possibility of producing a generation-long partnership of western states and regional reformers…the U.S. will have to take significant steps to change the highly unfavorable wider political context in which it begins" (The International Crisis Group, 2004). In response, the U.S. has toned down its zealous crusade for reform in the Middle East, now insisting that it "never intends to impose a single reform agenda on the region." However, such reassuring remarks pale in comparison with the actual record of American military impositions in Iraq and elsewhere in the Middle East and the related coercive policy – of "categorizing certain countries as 'rogue states', excluding them from global institutions because they refuse to knowtow to American wishes" (Foreign Affairs, 1999; Global Governance, 2000).

Whether or not the regional suspicions about the true intention behind the GMEI are apt, what is clear, however, is that "blame Islam" attitude in the past 9/11 U.S. and Eurpe remains strong, this despite recent analyses which show that such conclusions are untenable. In terms of the practical implications of the GMEI, some Iranian experts have interpreted it as a part and parcel of "America's offensive realpolitik" and have warned that it will cause considerable "tension and conflict in the region" (Etellaat Daily, 2004). Another commentator has predicted that the U.S.'s real intention is to use the "ruse of democracy" in order to undermine or topple the governments it regards as unfriendly or hostile to its interests, and that the U.S.-led pressure for democratization may culminate in the overthrow of weak Middle Eastern states, followed by their replacement not with stable democracies but with even more authoritarian and dictatorial regimes.

Such scathing criticisms of the GMEI launched mainly in the column pages often to present reductivist explanations of the GMEI, reducing its rationale to either propaganda or largely political, motives, without presenting a clue about the multiplicity of factors that can be discerned motivating it, including the initiative's potential impact in further "globalizing" the Middle East; avoiding such reductivist explanations require, in return, a careful distinction between and among the various economic and geostrategic inputs in the GMEI. Following the imperative of such analytic distinctions, it may then be possible to evaluate the American GMEI as a purposeful manifestation of globalized capitalism seeking to integrate the region in the international capitalist system and its trading regimes, in contrast to the simultaneous role of GMEI as a functional support for the U.S. hegemony.

The two casual factors are, of course, tightly inter-related and, yet, it is a sheer error other to reduce one to the other and or overlook their relative autonomy from each other; the whole GMEI issue rekindles the tension between two different understandings of politico-military hegemony and economic globalization with underpin the distinctive approaches to the GMEI. Indeed, an in-depth study of GMEI cannot possibly proceed without exploring a variety of conceptions of globalization and how they impact understandings of basic constructs such as sovereignty and regime (Tabb, 2004; Zanjani, 2002). The GMEI invites multiple readings, e.g., as the result of a projection of power and or the promoting of a U.S.-led globalizing economy seeking to integrate the growing Middle East market, which must be included in any critical analysis of the GMEI.

On the policy level, however, Iran's reaction to the GMEI and the Partnership for Progress that has supplanted it occurs at a different degree of sophistication, and complexity, in tune with the complex requirements of Iran's foreign and domestic needs and policies in the new, post –Iraq invasion milieu.