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Toward a Regional Framework for the Middle East

Takeaways from other Regions

Ross Harrison
Summary

While the prospects for creating a regional architecture in the Middle East may seem grim currently, it is a crucial time to begin thinking about regionalization as a long-term project. The ongoing conflicts in the Middle East are likely to continue over the course of the coming decades, but it is possible that game-changing events could occur that create the political will necessary for adversaries like Saudi Arabia and Iran to cooperate. Regional and international powers should begin planning for the eventuality that an opportunity for a regional framework in the Middle East might open up. By looking at steps taken in Asia, Africa, Europe, and Latin America, this paper analyzes the conditions conducive to creating a regional order and how they arise at critical moments in history. Getting regionalization right can help create a pathway toward a regional institutional architecture and will be fundamental to establishing stability in the region.

Key Findings

♦ A regional architecture for the Middle East could start around a state-centric approach for Iraq, Syria, Yemen, and Libya, while a later phase would address broader challenges

♦ Regionalization efforts should begin by creating a set of tangible benefits for all states and focusing on measures that mitigate domestic constraints

♦ One area of potential cooperation in the Middle East is water management, and could be modeled similar to the European Coal and Steel Community

♦ The international community needs to focus its efforts on repairing the relationship between Iran and Saudi Arabia—a thaw in relations would be the biggest step toward regionalization

♦ One of the principles for any Middle East regional architecture will need to be the sanctity of state boundaries
The Argument

“Here we encounter two conflicting concepts with which we must come to grips in our time: the idea of national solidarity and the idea of international cooperation” – Gustav Stresemann, German Foreign Minister of the Weimar Republic, Nobel Peace Prize Acceptance Speech, June 29, 1927.

Iran, Saudi Arabia, and Turkey, states which in theory have the most to gain from a stable and prosperous Middle East, are locked in destructive proxy wars in Syria, Iraq, and Yemen. While efforts have been mounted to get these regional titans to work cooperatively to bring hostilities to an end, there is little evidence that this will happen any time soon.

Other regions of the world have been racked with equal or even greater levels of violence, but eventually developed institutional frameworks that helped with the transition from protracted conflict to stability. The question this paper explores is what role a regional institutional architecture could play in moving the major powers in the Middle East away from a zero-sum conflict approach to a point where they act on their common regional economic and security interests.

It would be fanciful to think that the regional powers in the Middle East will now suddenly shift gears and orient their attention toward creating regional institutions, even though it might be in their long-term interests to do so. In fact, the experiences of Europe and Asia instruct us that the window of opportunity for creating regional institutions usually opens only once major conflicts have subsided, something that seems a long way off for the Middle East.

But if we look at the formation of regional institutions as a long-term project and the culmination of a process of regionalization of the Middle East, then there is logic to starting now. Even if there is no immediate window of opportunity for creating a formal institutional structure, the process of building nodes of
cooperation that could culminate in a regional architectural framework as we move towards 2020, 2030, and beyond should commence.

We need to be realistic about the obstacles that will be confronted on a pathway toward regionalization. Essentially, regionalization is the process of creating interdependencies between states. This essay will argue that the idea of interconnectedness through common interests has little purchase in the Middle East today, as the region is one of the least integrated of the world. Of course, all states understand they have something to gain by stabilizing the region, but getting states to cooperate involves more than the acknowledgement of abstract common interests. It involves translating these into a web of tangible benefits that can only be maintained and increased through cooperation.

It will also be argued that even if the problem of common regional interests being too abstract can be overcome, there are challenges at the domestic political level within each state that hinder cooperation. Cooperation on behalf of long-term regional interests—where the political costs and risks are incurred in the short-term, but the payoffs only accrue in the long-term—requires a high-level of government legitimacy and political capital, which is lacking in most of the key states today.1 As a result, there is a tendency for governments with political capital deficits to focus more on short-term domestic interests and eschew longer term regional common interests.

Drawing insights from Asia, Africa, Europe, and Latin America, this paper will present possible pathways for regionalization in the Middle East, mechanisms for fostering cooperation, as well as different possible models for how regionalization could mature into a more formal regional architecture. It will be argued that we should proceed along two tracks. One track involves thinking about what kind of regional institutional framework would be the most effective in transitioning the Middle East from conflict to stability in the long-term. A second track is more immediately actionable and entails taking measures that

“Getting states to cooperate involves more than the acknowledgement of abstract common interests.”
facilitate regionalization. The key to catalyzing regionalization is identifying low-risk, legitimacy-enhancing initiatives around which states can cooperate. The idea behind this is that building political capital in these early low-risk, high-benefit initiatives will give states the capacity to invest later in longer term, more politically risky areas, such as cooperating to create a regional institutional framework.

There will be understandable skepticism about the notion that regionalization and institution building might be a place to look for answers to the problems besetting the Middle East today. Given the immediacy of conflict mitigation and humanitarian relief needs in the Middle East, one might consider expending intellectual capital on what is at best a medium-to-long term project a fool’s errand.

But focusing on the more immediate on-the-ground situations in Syria, Iraq, Yemen, and Libya, while thinking ahead as to how the region might eventually transition from chaos to stability are not mutually exclusive endeavors. It would in fact be reckless to address the immediate crises without also peering around the corner and asking what processes and structures might be put in place to handle the needs of post-conflict reconstruction and to protect backsliding once the region returns to stability.

Few today would claim that Jean Monnet or Robert Schuman, credited with being founders of what became the European Union, were reckless when they peered beyond the devastation of post-World War II Europe to envision a regional architecture that would create interdependence and provide mechanisms to prevent Europe from plunging back into chaos and violence.²

“The key to catalyzing regionalization is identifying low-risk, legitimacy-enhancing initiatives around which states can cooperate.”
Lessons from Other Regions

The only advantage of the Middle East being one of the least integrated regions of the world is that it is still *tabula rasa*. While every region's experience is unique, we can nevertheless find clues from the historical circumstances of other areas of the world as to how the Middle East could start the process of regionalization and develop regional institutions that facilitate cooperation.

The European Union (E.U.)

Back story

The story of the European Union is the evolution of regionalization in stages. After World War II, Jean Monnet and Robert Schuman believed that reconstruction and integration weren't taking place fast enough and that cooperative efforts between the European powers needed to accelerate. The first phase of this started with the Treaty of Paris, which in 1951 established the European Coal and Steel Community (E.C.S.C.). The theory was that if the production of coal and steel for France, Germany, Italy, Netherlands, and Luxembourg would be placed under a central authority, the probability of war between these countries would be greatly diminished. The treaty converted what was merely an abstract idea of states sharing an interest in regional stability into something more tangible. States would be constrained by the fact that their coal and steel industries would be under a supranational authority, but also by the specter of mutually assured economic destruction if war broke out. The E.C.S.C. was followed in 1958 with the establishment of the European Economic Community (E.E.C.), and in 1992 with the Treaty on European Union (Maastricht Treaty), which established the European Union we know today.

“The only advantage of the Middle East being one of the least integrated regions of the world is that it is still *tabula rasa*.”
The E.C.S.C. created the first strand of interdependence in what was an atomized post-World War II Europe. Over time, integration of the coal and steel industries stimulated interdependence and cooperation on other economic and political matters, eventually culminating in cooperation to create the European Union.

The mechanism for cooperation once the E.U. was established was a body of laws, which developed over time with the negotiation, agreement, and ratification of treaties. The culmination of this was the Treaty of Lisbon of 2007, which created a President of the European Council and new procedures for rendering the E.U. a unified actor on the global scene.

Because the E.U. is underpinned by a body of law enshrined in formal treaties, cooperation is more institutionalized and less ad hoc than in Asia, Latin America and Africa. While bilateral cooperation among members is necessary, the ceding of authority and sovereignty to Brussels on many issues is a unique feature of the European Union. There is, however, the principle of subsidiarity, which means that outside the domains where the E.U. has exclusive powers, there is a preference for state-level decision-making. What this means is that in addition to formal multilateral relations, there is the need for more informal bilateral bargaining between states. For example, monetary policy related to the euro is the purview of the European Central Bank, while fiscal policy is the responsibility of the 28 national governments, meaning any cooperation that occurs in this area is voluntary and bilateral.\(^4\)
Takeaways for the Middle East

Given the sensitivity to sovereignty issues, the E.U. isn’t a model of cooperation that could be imported to the Middle East. But what can be gleaned from the European case is that regionalization can occur in different stages, and that economic interdependence and cooperation can be a wedge for later political coordination. The experience of the E.U. teaches us that early progress towards regionalization can open up pathways to more formalized and elaborate institutions. The question this begs (which will be dealt with later) is whether there is a counterpart in the Middle East to the role steel and coal played in catalyzing the process of regionalization in Europe.

Another insight the Middle East can glean from the E.U. is the importance of timing for the process of regionalization to take hold. The impetus for regionalization in Europe was the end of World War II. The lesson here for the Middle East is that while the early stages of regionalization might be able to begin now, it is unlikely that any window for more formalized institutions will open until the proxy and civil wars have subsided.

Last but not least, the E.U. instructs us as to the indispensability of courageous leaders like Monnet and Schuman who were willing to look beyond the present and see a better future.

The Association of Southeast Asian Nations (ASEAN)

Back story

In August of 1967, the foreign ministers of Thailand, Indonesia, Singapore, Malaysia, and Philippines met at a Thai resort to hammer out the terms of the ASEAN agreement. The catalyst was the end of the guerrilla war former Indonesian President Sukarno had waged against newly independent Malaysia. With Sukarno’s ouster by Major General Suharto in 1967, a pathway to

“Economic interdependence and cooperation can be a wedge for later political coordination.”
ending these hostilities appeared.

The idea for forming ASEAN was proposed by Thai Foreign Minister Thanat Khoman while conducting peace negotiations between Indonesia and Malaysia. The belief among those taking part in the negotiations was that guerrilla wars like the one just ended, plus the ongoing Vietnam conflict, posed threats to regional stability. What is clear is that a sense of geopolitical vulnerability, plus an awareness that the only pathway to economic prosperity was through regional cooperation, became prevalent enough to muster the political will needed to create ASEAN.5

Model for Cooperation

There were several key features to the ASEAN model. One was the principle of voluntary compliance, a central tenet of the “ASEAN Way.” Given the legacy of Dutch, British, and French colonialism in the region, ASEAN members were averse to formal enforcement mechanisms that could possibly impinge on their sovereignty.6

But what was it about the ASEAN Way that fostered cooperation between former adversaries? While there were many factors, the principle of non-interference in the internal affairs of member states was important, as it lowered the political temperature of interstate relations. By taking the kind of meddling Indonesia had perpetrated on Malaysia off the table, the idea of cooperation became less politically threatening.

Also, over time soft power and a shift in political culture were sufficiently strong to facilitate cooperation. An example of cooperation made possible by the deft use of soft power occurred when in 1978 Vietnam breached the borders of Cambodia (both non-ASEAN members at the time). ASEAN was influential in getting its members to censure Vietnam and internationalized the dispute by lobbying the United Nations to intervene.

Getting consensus was no small feat, given the initial inclination of Indonesia and Malaysia to break ranks with other ASEAN members and accommodate Vietnam. But once it was clear that the conflict posed a threat to Thailand, a
“Leaders would be more likely to cooperate on regional issues if they weren’t plagued by legitimacy crises.” fellow ASEAN member, they reversed their position. This was difficult as both countries saw China as a bigger threat than Vietnam. But two decades into the experiment, the normative tug from ASEAN was sufficiently strong to tilt members toward cooperation.7

But there was an even more sophisticated strategy to how ASEAN fostered cooperation, which involved a focus on improving the domestic political conditions of member states. The theory was that leaders would be more likely to cooperate on regional issues if they weren't plagued by legitimacy crises at home.8 It was understood that the legitimacy of leaders was hinged to the economic performance of the states. So ASEAN started focusing on investment-driven growth strategies that helped attract foreign investors to the region.9

The strategy seemed to work in moving Southeast Asia along the path of regionalization. On economic issues central to regime legitimacy, there was even receptivity to making exceptions to the “ASEAN Way” of never ceding state sovereignty.10 In fact, ASEAN, through the Asian Economic Community (A.E.C.), is moving toward a single market by 2020 which involves members agreeing to more binding rules. The case shows the potential for regional institutions to improve the domestic political climate of states, increasing the capacity and will to cooperate.11

But in addition to meeting the domestic needs of states as a means for securing cooperation, ASEAN nurtured a regional identity by linking the bloc to other areas of Asia and beyond. China's treatment of ASEAN as a single entity affirmed a distinct Southeast Asian identity, reinforcing the process of regionalization.12 Moreover, while the countries within the bloc were diverse, the common front created for engaging the world reinforced shared interests.

This common front engagement didn't happen automatically. The institutional bridge for engaging with China, South Korea, and Japan was “ASEAN Plus Three (A.P.T.).13 ASEAN also created the ASEAN Regional Forum (A.R.F.), which included the United States, Canada, North Korea, Russia, and the European Union, among others. While nothing prevented members from engaging bilaterally, the role that ASEAN played as a representative body to the broader international community reinforced regional interests and strengthened the norm of cooperation.
Takeaways for the Middle East

What does ASEAN have to teach us about both the perils and opportunities of erecting a regional architecture for the Middle East? First, ASEAN should give us some confidence that working toward a regional architecture amidst turmoil isn’t necessarily quixotic, despite the current dire state of the Middle East. The following quote is about the formation of ASEAN in 1967, but could just as well pertain to conditions in the Middle East today:

“What is remarkable about this grouping is the fact that it could be established at all. Relations among the founding members were highly charged in the 1960s, with interstate rivalries expressed in various forms: 1) irredentism, when neighbors laid claim to the territory of other states; 2) assistance provided by one government to secessionist groups in another state; and 3) non-recognition of another state, thus denying legitimacy to its government. These added to the existing vulnerabilities of national governments facing the difficult task of governing domestically divided societies and controlling peripheral parts of the state.”

Second, if a regional architecture for the Middle East would not include Iran or Israel, bridge mechanisms like A.P.T. can be effective platforms for forging cooperation with these states. Like ASEAN, whose charter members embraced market economics and developed a pragmatic way to reach out to ideological rivals like China, the Gulf Cooperation Council (G.C.C.), Egypt, and Turkey could reach out to Iran and Israel through a bridge mechanism like A.P.T.

But ASEAN also teaches us that membership in regional institutions can evolve in stages. ASEAN was chartered in 1967 with a core group of members—Thailand, Malaysia, Indonesia, Singapore, and the Philippines—and then expanded in the 1980s and 1990s to include Vietnam, Laos, Myanmar, Brunei, and Cambodia. When ASEAN was created in the 1960s, it would have been unfathomable to its founding members that Communist states like Vietnam and Cambodia would one day be included, much like today it is hard to imagine Saudi Arabia, Turkey, Egypt, Iran, and Israel under a single multilateral umbrella.

A third takeaway is that regional organizations that rely on non-compulsory means

“Working toward a regional architecture amidst turmoil isn’t necessarily quixotic.”
can engender cooperation by focusing on issues that build domestic political capital for states. ASEAN’s focus on economic matters took into account the domestic political constraints of its members. With legitimacy deficits being a characterizing feature of several Middle Eastern states, a focus on issues that can build the domestic political capital necessary for broader regional cooperation should be part of a strategy.

Last, like with ASEAN, which emerged from the armistice between Indonesia and Malaysia, the political will for creating a regional architecture in the Middle East will likely follow some historic event or new threat. It could possibly be a threat from a non-state actor more disruptive than ISIS. Or perhaps it could come from a sudden moderation of policy in Iran or Saudi Arabia.¹⁵

**FROM THE ORGANIZATION OF AFRICAN UNITY (1963) TO THE AFRICAN UNION (2002)**

**BACK STORY**

The Organization of African Unity (O.A.U.) was founded in Addis Ababa in 1963 under the leadership of Ethiopian Emperor Haile Selassie and Ghanaian President Kwame Nkruma. Its mandate was to shepherd states out from under the yoke of colonialism and then safeguard their territorial integrity following independence. The O.A.U. supported successful liberation movements in Mozambique, Angola, and Guinea Bissau, and continued supporting them after they achieved independence from Portugal in the 1970s.¹⁶

One of the interesting twists of the O.A.U. in terms of cooperation was that independence entailed dissolving large colonial blocs, such as French Equatorial Africa and French West Africa, into separate countries. Before

“Regional organizations that rely on non-compulsory means can engender cooperation by focusing on issues that build political capital for states.”
Toward a Regional Framework

Dismemberment, these blocs were held together through extensive functional cooperation, and their dissolution brought an end to the regionalization glue that enabled this.\textsuperscript{17}

By the end of the 20th century, it was clear that Africa needed a new organization with a more ambitious agenda of addressing the overall economic and political health of the region. At the 1999 summit of the O.A.U. in Libya, the late President Muammar Qaddafi spearheaded the drafting of the Sirte Declaration which called for the formation of the African Union (A.U.). If the O.A.U. had been state-centric, charged with delivering Africa out of colonialism, its successor was charged with leading African states further down the road of regionalization.

**Model for Cooperation**

It is easy to disparage the O.A.U.’s track record in forging cooperation, particularly when compared to ASEAN. But it is important to understand that there are active and passive types of cooperation. The O.A.U. was successful in forging passive cooperation, where members were implored “to respect frontiers as existing on their achievement of national independence,” but weren’t called on to take unified actions.\textsuperscript{18} The logic was that states emerging from independence would be fragile and therefore couldn’t be expected to work on behalf of regional interests. The O.A.U. saw state fragility as the biggest regional threat, going so far as to deny recognition of the right of self-determination to minority groups that laid claim to the states and challenged their boundaries.\textsuperscript{19} Consequently, it was believed that the O.A.U. gave more to the states than they gave back to the organization.\textsuperscript{20}

The question for the O.A.U.’s successor organization, the A.U., is whether it will be able to shift from this state-centricity to a broader regionalization mandate and an emphasis on active, not just passive, cooperation. While the jury is still out, the A.U. initiatives that have been launched so far are focused on more active cooperation and the goal of broader regionalization. The Continental Early Warning Systems (CEWS) is a security initiative that scans the horizon for both intra and inter-country threats to regional security, mobilizing the financial and technical resources from A.U. member states.\textsuperscript{21} On the economic front, the New Partnership for African Development (NEPAD) is a conduit for
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A.U. Post-Conflict Reconstruction and Development (P.C.R.D.) policy has been active in reconstruction activities in the Sudan, Sierra Leone, and the Democratic Republic of Congo, an effort which requires active coordination of resource across the membership.

**Takeaways for the Middle East**

Given the prevalence of state failure in the Middle East today, there are lessons to be learned from the O.A.U. of the 1960s and 1970s. The O.A.U. denial of the right of self-determination to sub-state minority groups, and the emphasis of the primacy of the state, has direct relevance to the Middle East today, given the territorial challenges posed by non-state actors like ISIS and al-Qaeda. One of the principles for any Middle East regional architecture will need to be the sanctity of state boundaries.

But we should be careful not to take this analogy too far, for as bad as the situation in the Middle East is, it has some advantages over Africa. In Africa, even the large states like Nigeria and the Democratic Republic of the Congo have been weakened by internal strife, reducing their capacity for regional leadership. In the Middle East, strong states like Iran, Saudi Arabia, and Turkey don't face an existential threat by sub-state actors, which gives them at least the capacity (if not the will) to assert regional leadership.

Another lesson for the Middle East is that regionalization can occur in stages. In Africa, the O.A.U. can be thought of as the state-centric phase followed by a broader regionalization phase of the A.U. Similarly a regional architecture for the Middle East could start around a state-centric approach for Iraq, Syria, Yemen, and Libya, while a later phase would address broader regional challenges. Tied to this is the importance of having an organization, like NEPAD and P.C.R.D., which for Africa acted as central interfaces with the international community. This has direct parallels with the Middle East, where international involvement connecting E.U. and U.S. donors to economic development needs across communities in Africa.
in post-conflict reconstruction and economic development efforts of Syria, Iraq, Yemen, and Libya will need to interface with regional institutions to be effective.

**Latin America**

**Back Story**

Latin American regional integration goes back to the early 1800s when Simon Bolivar envisioned unity as the key to security and prosperity for the fledgling states newly independent from Spain. The first successful attempt to form a regional institution, however, was the Pan American Union established in 1890, which created a forum for dialogue between Latin American countries and the United States. Decades later, as the United States confronted the realities of the Cold War, and saw the need for hemispheric-wide defense against what was perceived as a growing Communist threat, this organization gave way to the Organization of American States (O.A.S.) in 1948. In the first few decades the organization was heavily dominated by the United States. Evidence of this was that the United States successfully suspended Cuba from the O.A.S. in the 1960s, despite opposition from Mexico, Brazil, and Argentina, and there was only muted criticism after U.S. interventions in Chile in 1973 and Panama in 1989.

Another example of cooperation in Latin America was MERCOSUR, a common market between Brazil, Argentina, Paraguay, Uruguay, and Venezuela (suspended) established in 1991.

**Model of Cooperation**

Regional cooperation in Latin America formed around common threats and opportunities, such as the Pan American Union or the O.A.S., or around economic opportunity such as MERCOSUR. Part of the motivation for MERCOSUR was the desire to transform the relationship between Brazil and Argentina, the two regional economic powerhouses, from a competitive stance to mutually beneficial trade relations, on the premise that this would have positive regional economic spillover effects. 22
Another impetus to cooperation was threat based—the desire to counterbalance and contain U.S. power in the western hemisphere. In response to pressure from the regional powers, the O.A.S. in 1993 adopted new principles directly aimed at limiting the scope of U.S. political intervention. Outside the O.A.S. there were sub-regional institutional forums purposed with counterbalancing the economic influence of the United States. The Union of South American Nations (UNASUR) was formed in 2004 in order to integrate MERCOSUR and the Andean Community. But it also represented a repudiation of the neo-liberal Washington Consensus economic development model. While the U.S. government, the I.M.F. and World Bank promoted the notion that redressing income inequality required country-level economic reforms, UNASUR pushed regional integration as a better pathway. Around this view, a “Buenos Aires consensus” developed, promoted by Brazilian President Lula da Silva and Argentinean President Nestor Kirchner, as well as the “red tide” governments of Hugo Chavez in Venezuela and Evo Morales of Bolivia.

Counterbalancing the United States through sub-regional institutions, however, didn’t mean sundering the bonds between Latin America and its northern neighbor. When Chavez proposed that the Bolivarian Alliance for the Peoples of Our America (ALBA) should lead to the dismemberment of O.A.S., there was strong opposition from more conservative members. In fact, the relationship with the United States was essential to Latin American regionalization. The need to counterbalance the superpower to the north created the geopolitical and economic raison d’être for regional institutions and the impetus for cooperation for Latin American states.

**Takeaways for the Middle East**

One of the main lessons for the Middle East is that regional institutions can both counterbalance great power influence and provide a common interface for constructive engagement with them. There are dangers, however, in drawing
too many parallels between Latin America and the Middle East. Latin America had to contend with a single power, the United States, while states in the Middle East have to balance relations between the United States, Russia, China and the European Union. Nevertheless, the lesson of Latin America is that regional frameworks can provide an interface with international powers yet preserve the independence of states.

Another lesson for the Middle East from Latin America is the potential for regional institutions to act as a bridge between different ideological blocs. While in Latin America the tensions have been between the leftist “pink tide” approaches of Cuba, Bolivia, Venezuela (enshrined in ALBA), the more conservative approaches of Mexico, Columbia, Peru, and Chile (Pacific Alliance), and the neo-liberal approaches of Brazil and Argentina, in the Middle East the cleavages that regional organizations would need to bridge are likely to be on national (Iranian, Arab, and Turkish) or sectarian (Sunni and Shiite) lines.

**Track 1: Project Regionalization**

Other regions teach us that the conditions conducive to creating a regional architectural framework arise at critical moments in history. For Europe, it was the end of World War II for ASEAN the armistice between Indonesia and Malaysia, for Africa and Latin America it was independence from colonial Europe.

This may be discouraging for the Middle East given that decisive moments have come and gone, with few leaders taking a transformative approach as a result. In addition, the civil conflicts in Syria, Iraq, Libya, and Yemen might continue on for decades, and when they do wind down, there may never be a formal cessation of hostilities. Moreover, the regional leaders who would need to champion the creation of regional institutions, like Iran, Saudi Arabia and Turkey, seem bent on fueling the civil wars.

While the prospects for creating a regional architecture seem grim now, we shouldn’t give up hope for this troubled region. Instead, we should think about the process of building a regional architecture as a long-term project. We can’t be
"The regional leaders who would need to champion the creation of regional institutions...seem bent on fueling the civil wars.”

blind to the possibility that game-changing events may occur that could create the political will necessary for adversaries like Saudi Arabia and Iran to cooperate. It could be the rise of an armed group even more threatening than ISIS, or the emergence of a new leader in Iran, Turkey or Saudi Arabia who plays the role of Sadat going to Jerusalem or Nixon going to China. Because of these possibilities, regional and international powers should put intellectual energy into thinking about and planning for the eventuality that an opportunity for a regional framework for the Middle East might open up.

But we also need to understand that the creation of formal institutions, like the E.U. and ASEAN, were not discrete events, but rather part of a bigger process of regionalization that unfolded over time. In each of the cases we looked at, formal institutions were created at different points on the regionalization continuum. The regionalization process of post-World War II Europe was sparked by the creation of the E.C.S.C. in 1951, but it didn’t culminate in a formal institution like the European Union until 1993. In Southeast Asia, the formal institution of ASEAN came much earlier on the continuum, with the institution itself being the primary catalyst for the regionalization process. In both cases, the emergence of institutions were part of, not separate from, a more important process of regionalization.

The message for the Middle East is that the relationship between regional institutions and the process of regionalization is an important one, but we needn’t wait for the former to start the latter. In fact, we should be thinking along the lines of the European model where early efforts at regionalization using economic mechanisms helped build the political will for later institutionalization.

The advantage of a regionalization-first approach is that it can help remove some of the structural obstacles that might prevent the idea of a regional architecture from taking hold in the Middle East. Without regionalization, there are no tangible common interests around which cooperation can take place. And since cooperation is the goal of regional institutions, getting the regionalization piece
right is even more important than the timing of establishing the overarching institution itself. Getting regionalization right can help create a pathway toward a regional institutional architecture.

**The Regionalization Challenge: The Middle East is Currently a Region in Geography only**

“There are no mystical qualities in geographic proximity that make neighboring nations a “unit” in any real sense culturally, politically or economically.” – Riggirozzi and Tussie.

Geography alone doesn’t qualify the Middle East as a political and economic region. In fact, the Middle East lacks many of the attributes we normally associate with a regional system, such as a modicum of interdependence where all states have a shared interest in regional stability. Of course, we can enumerate the long-term political and economic benefits of peace in the region for Iran, Saudi Arabia, and Turkey, and other states. But these common regional interests are abstract and remote, while the parochial national interests that drove these countries to clash in Syria, Iraq, and Yemen are tangible and more immediate. Without these regional powers believing they have something to lose by sowing regional instability, the idea of shared regional interests is illusory. And without shared regional interests, cooperation, and the prospects for a vibrant regional architecture will remain a pipe dream.

How is it that the Middle East has become a region in name only? The reality is that the regional order in the Middle East has been broken for some time. But the more recent hollowing out of the Arab world, brought about by civil wars, the proliferation of fragile states, and challenges from transnational threats like ISIS, has been the coup de grace in creating an atomized region. Concurrent with the collapse of the old Arab order

“Without regionalization, there are no tangible common interests around which cooperation can take place.”
was the rise of Turkey and the emboldening of Iran.

Out of the ashes of the old regional order emerged a new Middle East, dominated by Saudi Arabia, Turkey, and Iran, states that are the least susceptible to succumbing existentially to the disorder, have the greatest capacity to stabilize the region, and are essential to creating any kind of durable regional architecture.

But this new region is a conflict system. The civil wars have drawn Saudi Arabia, Iran, and Turkey into their vortex, further destroying the Arab political order as well as the social fabric of many of its constituent societies. Within this new system, even if there is an abstract, theoretical notion of common interests, the fog of war makes it difficult to calculate the costs, risks or benefits of acting on those interests.

**Project Regionalization**

Given the fact that today any potential common regional interests are completely overshadowed by the realities of the conflict system the Middle East has become, our efforts on the ground should be oriented to starting the process of regionalization, which is a sine qua non for eventual regional institution building.

We should think of regionalization as a process by which a geographic area becomes a system of interdependencies, where all states have a concrete stake in the stability and prosperity of the region. The goals of regionalization for the Middle East should be two-fold. The first should be to take the abstract notion of common regional interests and convert it into a set of tangible benefits for all states. The second goal should be state-centric, that is focusing on measures that mitigate the domestic constraints on regionalization. The challenge is that states that have domestic legitimacy issues will have difficulty incurring the risks and costs of acting on regional interests when the potential benefits accrue only in the long-term. In other words, states need significant political capital to invest in regional cooperation. The goal of regionalization efforts should be to help bridge the gap, by either absorbing some of the costs or focusing on projects that mitigate the legitimacy issues.
A MIDDLE EAST COUNTERPART TO THE EUROPEAN COAL AND STEEL COMMUNITY?

We should take our cues from ASEAN, which used economic cooperation as a legitimacy enhancer for states, and Europe which focused on particular industries, coal and steel, to build a platform of interdependence between erstwhile adversaries. 27

The question for the Middle East is whether there is a counterpart to European steel and coal that could be a catalyst for regionalization? One area that has potential is water management. If there is any good news to the water shortage problems that plague the Middle East, it is that do-it-alone approaches are unlikely to be successful given the systemic nature of this environmental problem. Since 50 percent of the region’s population depends on water that flows from another state, this is truly a problem that begs for a region-wide effort. 28 Moreover, the problem isn’t limited to poor and fragile states. Both Iran and Saudi Arabia, strong countries whose cooperation could positively shape the dynamics of the entire region, are facing the dire effects of water shortages, increasing average temperatures, desertification, and potential food supply problems. Also, ISIS has used water as a weapon, threatening key infrastructure points, which could affect the well-being and security of all states in the region. 29 Projections are that without interventions, per capita availability of water will be cut by 50 percent by 2050. 30

Additionally, water represents an opportunity for mitigating the domestic political constraints on cooperation. Water resource management is essential to the legitimacy of all regimes in the Middle East, including Iran and Saudi Arabia, with the incentives for cooperation outweighing the political risks. 31 The risks of inaction for states are high, as droughts create conditions for domestic unrest and challenges to regime legitimacy, as was evidenced in Syria after the drought of 2006-10. 32 Positive signals have come from Iran on this issue. On the sidelines of the U.N. General Assembly annual meeting in September, the deputy head of Iran’s Department of Environment stated that his country was willing

“States need significant political capital to invest in regional cooperation.”
to cooperate to restore dried wetlands and reduce greenhouse gas emissions.\(^{33}\)

There is the potential for initiatives on water to have positive spill-over effects on security, health and trade—all areas that states should care about in terms of building legitimacy. But right now there is no region-wide approach to water. There have been modest efforts by the Arab League and by Jordan, Israel, and the Palestinian Authority, but these are disconnected efforts and haven’t made a dent in the regional problem. Efforts should be made to leverage water as one springboard for broader regionalization. Common initiatives such as water sharing and attracting investment in technologies for dealing with this critical issue could be a seminal step.

Israel has made advances in water technology, such as advanced irrigation techniques and low-water use toilets, which ultimately could be integrated into a broader regional strategy.\(^ {34}\)

**“Water resource management is essential to the legitimacy of all regimes in the Middle East.”**

**The Role of the International Community**

The biggest boon to regionalization and ultimately the formation of a regional architecture would be a thaw in the relations between Iran and Saudi Arabia. If Russia and the United States continue on the path of treating the Middle East as a zero-sum game, then the probability of cooperation between these two regional powers is low. The international community needs to focus its efforts on repairing this relationship. We should remember that after World War II, the United States was instrumental in repairing relations between erstwhile European adversaries.

What would also improve the probability of success in forming a regional architecture would be an International Middle East Support Group. This is not to suggest that existing alliances between the regional states and the United States, Europe, Russia, and China would ever be abrogated. It is likely that the United States and its allies will continue to back the Gulf Arab states and Russia will still back Iran and Syria. But perched above these bilateral relationships could be a high-level international support group focused on areas of potential
cooperation in the Middle East. The P5+1 approach used during the nuclear talks with Iran, or the International Syria Support Group (I.S.S.G.), could be models. But this would need to be less ad hoc and more overarching than these earlier efforts.  

**Backdoor Approaches**

There are other initiatives that might be less impactful and immediate as a water project, but could contribute to a slow build toward regionalization. As we saw with ASEAN, it was a focus on economic initiatives that burnished the legitimacy of leaders, freeing them up domestically to cooperate on other economic regional issues. In another essay in this series, economist Bernard Hoekman argues that in the current toxic environment in the Middle East, where bilateral trade initiatives have little chance of gaining traction, the sweet spot may be a bottom-up approach, focusing on business-to-business activities. His argument is that businesses have an interest in lower trade barriers, and could be the spearhead of a trade liberalization trend.

Further down the road, another possible backdoor area for advancing the process of regionalization could be the economic opportunities provided by the post-conflict reconstruction needs in Syria, Iraq, and Yemen. Hedi Larbi, another author in this series, argues that cross-border cooperation will be essential to meet the overwhelming logistical and resource demands of these endeavors. Iraq will present opportunities for Iran and Turkey, and once Syria is stabilized, reconstruction business opportunities will exist for Jordan, Lebanon, Turkey, Iran, and G.C.C. states. While these will have to wait for an end to hostilities, there are voices suggesting that the planning for this be done now. These kinds of low-key initiatives could pay regionalization dividends tomorrow.

“The biggest boon to regionalization ...would be a thaw in the relations between Iran and Saudi Arabia.”
Track 2: Building a Regional Architecture—Three Models

“Devolution is the most powerful political force of our age. But devolution has an important counterpart: aggregation. The smaller our political units get, the more they must fuse into larger commonwealths of shared resources in order to survive.” – Parag Khanna, author of Connectography: Mapping the Future of Global Civilization

The establishment of regional institutions is an important milestone on the continuum of regionalization. Without regional institutions to cement and sustain the progress and stability created, regionalization remains vulnerable.

This section will look at three different possible models for what an architectural framework might look like. While they are presented as discrete options, they could also be thought of as different phases of regionalization, much like how pioneering efforts to form regional institutions in Latin America, Europe, Africa, and Asia, were opening gambits that later led to more complex institutional schemes.

As witnessed in our review of other regions, regional frameworks need to embody a set of principles that member states subscribe to. All models presented here presuppose the principle of the sanctity of sovereignty. The colonial legacy in the Middle East has created sensitivity to challenges to state sovereignty. Due to this history and the legitimacy challenges of many states in the region, it would be political suicide for leaders to cede sovereignty to an E.U.-like institution.

Paul Salem has suggested that a number of principles, such as respect for the national security of each state, de-escalation of conflict through diplomacy, and the elimination of armed non-state actors, need to be part of a core set of agreed principles. Salem argues that more ambitious principles, which could be adopted as conditions permit, might also include: strengthening bilateral and regional economic relations, cessation of sectarian propagandizing, as well as commitment to establishment of a structured regional framework.39
Model 1—An Arab Centric Model: Anachronism or the Future?

What the Arab Spring taught us is that there is a common set of norms, expectations, and shared historical experiences that allowed uprisings to spread across the Arab expanse. And it is clear that what we have been witnessing with the civil wars and the rise of ISIS have been quite specifically Arab phenomena. The Arab-centric model is built on recognition that while the entire Middle East is in turmoil, the core of the problem resides in the collapse of the Arab order. It is also built on the assumption that there has to be an Arab institutional solution to this distinctly Arab problem.

While the Middle East overall may be the least integrated regions of the world, the Arab world has had experience with regional institutions, such as the League of Arab States, the Gulf Cooperation Council (G.C.C.), and the Arab Maghreb Union. Whether integrating these into a broader framework would mean subsuming them under a new umbrella organization or merely tying the missions of these existing institutions together through agreements, there is already machinery in place to facilitate cooperative behavior. The Arab League’s intention to create a still unrealized joint military force reflects movement in this area already. Because of these existing institutions, this model could happen earlier on the continuum of regionalization.

Pros: The legacy of existing institutions and the fact that they have at least made efforts in the direction of this model already are plusses. Another plus is that cooperation will be necessary to tackle the reconstruction efforts in Syria, Iraq, Yemen, and Libya. While Turkey and Iran are likely to have a stake in these activities, cooperation among the Arab countries will be at the center of reconstruction efforts. Also, ISIS is an insurgency movement against the Arab order and it will need a distinct Arab response.

Last, in the spirit of Parag Khanna’s “devolution before aggregation,” this model should be seen as a building block of a regional framework that extends beyond the Arab world. No regional integration project should be built on a premise that traditional identity politics will weaken, but instead should assume that different national identities will be functionally integrated into the whole.

Cons: As mentioned before, the region has become transformed by Arab state failure and the rise of Turkey and Iran. An Arab-centric framework doesn’t really address this emerging dynamic. Moreover, it assumes that there are common
political and economic interests across the Arab world, whereas we can actually think about the Arab world as having been split in two by the civil wars, with the eastern part of the Arab world actively engaged in these conflicts, while the countries of the Maghreb are more remote from the regional maelstrom. Also, while cooperation may be necessary across the Arab world, further consolidation could be perceived as a threat by Turkey and Iran, reinforcing the patterns of conflict and moving the region further away from cooperation.

**Viability:** This could work under two conditions. One is that there are mechanisms for outreach to the non-Arab countries of Iran, Turkey, and Israel. Similar to the mechanisms for ASEAN for reaching out to South Korea, China, and Japan, an Arab-centric system would need to create a bridge to the non-Arab Middle East. The second is if sub-regional integration takes place as a first step toward broader integration with Turkey, Iran, and Israel, then this might be viable. But as a long-term model, it would likely be an anachronism at best and a pathway to further conflict at worst.

**Model 2: The Arab-Turkish Model**

This model would involve an Arab-Turkish axis, which could be thought of as the Arab-centric model plus. In other words, formalized cooperation within the Arab community outlined in the previous model would run parallel to the inclusion of Turkey. One approach would be that Turkey, the Arab League, and the G.C.C would be subsumed under a single umbrella organization. Another could be less formal with agreements binding the Arab institutions and Turkey together. Under either of these arrangements Turkey could act as an informal bridge to Iran. Or the bridge to Iran (and eventually Israel) could be a formal institution, much like how ASEAN developed the A.P.T. as a functional bridge to South Korea, China, and Japan.

**Pros:** From where we sit today, the obstacles to a region-wide framework including both Saudi Arabia and Iran may be insuperable. Tensions between Saudi Arabia and Turkey, however, are less fraught than the Saudi-Iranian relationship. And while there are tensions between Turkey and Iran over Syria, there remain strong trade relations between them on natural gas. Turkey, thus, would be in a good position to manage tensions between the Saudis and Iranians, and reduce some of the political risks associated with compromise. Countries like Egypt, Oman, and Qatar, slightly more neutral in their views of Iran, could
also become part of the bridge. It will be important that the Arab League be an instrument of this model, as broader Arab membership (particularly with Egypt’s involvement) is likely to be less threatening to Iran than a Saudi-G.C.C dominated model.

**Cons:** It is possible that the bridge will fail and that an Arab-Turkish axis will heighten rather than ameliorate tensions with Iran. There is also the potential for Turkish-Arab tensions to undermine this model, particularly with the mercurial Turkish President Recep Tayyip Erdogan’s neo-Ottoman lens onto the Arab world. Also, this model could become a new status quo, letting both Tehran and Riyadh off the hook for some form of direct collaboration.

**Viability:** This could work under conditions where it is impossible to bring Iran and Israel under one tent, but it isn’t perfect. It could also work as a transition to a broader framework that includes all major stakeholders, reflecting the power dynamics of the new Middle East.

“**Broader Arab membership (particularly with Egypt’s involvement) is likely to be less threatening to Iran than a Saudi-G.C.C dominated model.”**

**Model 3: The All-Inclusive Model**

This model accurately reflects the new Middle East and includes at a minimum the G.C.C. countries, Egypt, Turkey, and Iran; at a maximum, of course, it would also include Israel. There are several scenarios as to how it might unfold. It could evolve from successful cooperative efforts of the previous Turkish bridge model. Or it could emerge out of collaboration between international and regional actors on post-conflict reconstruction of Syria and Iraq. Another is that it could develop as a result of a shift in leadership in either Tehran or Riyadh.

**Pros:** This model would more accurately reflect the new regional power map, and could provide the best forum for seriously ending proxy wars as well as jointly engaging the international community on region-wide issues. This model would also allow for the greatest coordination of resources for post-
conflict reconstruction efforts in Syria and Yemen. It would provide a region-wide platform for tackling the problems that are threats to regional security and to the political legitimacy of states, such as climate change, and water shortages.

**Cons:** This is almost impossible to start now given the intensity of the existing conflicts. This model would also heavily depend on international powers, and with the current deterioration in relations between the United States and Russia, and the election of Donald Trump to the U.S. presidency, it might be still-born. In this vein, the potential for international tensions to undermine this fragile regional system would be quite high. The model would be a high stakes game where failure could lead to an intensification of proxy conflict.

**Viability:** In any of the models presented, the balance of power between the major states of Saudi Arabia, Turkey, and Iran will be an important determinant of success. But with this model where all of these states fall under an overarching regional institution, this becomes even more delicate. Conditions that would be most conducive for cooperation would be a balance of power system, where states only win through cooperation, not one-upmanship. But maintaining that balance over time, as regional conditions evolve, will be difficult. If done judiciously, an international support group could help correct for imbalances in power, as long as the principle of the sanctity of state sovereignty isn't violated. If this model becomes a reality at all, it will likely be later on the regionalization continuum.

## Conclusion

The challenges of regionalization of the Middle East are formidable. The notion of common interests seems a mirage given the upending of the regional order that has taken place. Moreover, states that have legitimacy problems are either unable or unwilling to spend political capital on long-term projects for creating regional security and prosperity. There are also no obvious leaders today with the vision and courage to advance the Middle East toward regional integration as Schuman and Monnet did for Europe.

By these indications, it might be premature to aim for a regional institutional architecture. But if we look at regional institutional formation as one point on the continuum of regionalization, there are opportunities. What is more important than the timing of a regional architecture is that the process of turning a negative regional order in the Middle East into a positive system of
interdependencies begins soon. Jump-starting the process of regionalization by focusing on economic opportunities and addressing the region-wide water problems could advance the process of converting abstract interests into shared benefits.

As we have chronicled, there will be headwinds encountered in the march toward regionalization and even greater obstacles in trying to erect a formal regional architecture. However, there are some positive developments that could augur well for this process. The resilience of the Iran nuclear deal could bode well for the international community working together on issues related to the Middle East, which could be a boon to regional cooperation. Also, global trends toward regionalization could be a positive factor, as the emergence of trading blocs elsewhere could make regional cooperation the only way for the Middle East to be competitive. China’s One-Belt, One Road program, for example, can be a spur toward greater regionalization across Asia and into the Middle East.42

It is important to start regionalization efforts now, even though gratification of seeing a regional architecture materialize will likely not come in the short-term. Early steps require international powers to use their influence to convene, cajole and send signals to regional powers like Iran, Saudi Arabia, and Turkey that the only behavior that will be supported will be cooperation.

Like Rome, a regional architecture can’t be built overnight. But as the experiences of Asia, Latin America, Africa, and Europe instruct us, it will never be built unless the early steps toward regionalization are taken. As we saw with our three different models for the Middle East, there are opportunities at different points on the regionalization continuum for different forms of a regional architecture. The stakes for the Middle East and the rest of the world are too high not to aim for a regional architecture that, over the coming years and decades, transforms the Middle East from simply a geographic region into an integrated, stable, and prosperous regional system.

“There are also no obvious leaders today with the vision and courage to advance the Middle East toward regional integration.”
1. See Michael C. Hudson, Arab Politics: The Search for Legitimacy, (New Haven: Yale University Press: September 10th, 1979) for one of the better treatments of the legitimacy problems holding back the region.


6. Yuen Foong Khong and Helen E.S. Nesadurai in Amitav Acharya and Alastair Iain Johnston (editors), chapter 2, p. 34.

7. Ibid, chapter 2, pp. 40-43. Also, letter dated 30th October, 1991 from the Permanent representatives of France and Indonesia to the United Nations addressed to the Secretary General


11. Ibid. page 364


19. Jeffrey Herbst in Amitav Acharya and Alastair Iain Johnston (editors), Crafting Cooperation;


26. Shahrokh Fardoust, research Professor at the Institute of the Theory and Practice of International Relations at the College of William and Mary, and former director of strategy and operations, development economics at the World Bank (position held from 2008-2011) estimates that the peace dividend that would accrue to the region should it stabilize would be 2-3% of overall GDP of the region.


28. Aysegul Kibaroglu, “Natural Cooperation: Facing Water Challenges in the Middle East”, (Middle East Institute, MEI Policy Paper 2016-8, p 17 raises the issue of whether water for the Middle East can be the equivalent of what steel and coal was for Europe


36. Bernard Hoekman, “Intra-Regional Trade: Potential Catalyst for Growth in the Middle East, (Middle East Institute, MEI Policy Paper, 2016-1, April 2016 pp. 21-24

37. Hedi Larbi, “Regional Infrastructure Cooperation: Connecting Countries to Stabilize the Middle East”, (Middle East Institute, MEI Policy Paper 2016-4, p 16.


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**About the Author**

Ross Harrison is a non-resident scholar at The Middle East Institute and is on the faculty of the School of Foreign Service at Georgetown University. From 2007-2013, he was professor in the practice of international affairs at Georgetown, serving as chair of the international commerce and business concentration in the Master of Science in Foreign Service (MSFS) program. Ross is also on the faculty of the political science department at the University of Pittsburgh. Harrison authored *Strategic Thinking in 3D: A Guide for National Security, Foreign Policy and Business Professionals* (Potomac Books, 2013). Related to the book release, he has lectured at the U.S. Department of State, the National War College and National Defense University, Georgetown University, and the Matthew B. Ridgway Center for International Security Studies. He has also been published in policy-related outlets such as *The National Interest, Al Monitor, The Middle East Journal*, and *Parameters* (the U.S. Army War College Journal).

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