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## Paradigms of Peace for the Middle East

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### Two Paradigms, Two Policy Perspectives

In recent years, two major paradigmatic alternatives have been proposed for the attainment of peace and prosperity in one of the most war-racked regions on Earth – the Middle East. One envisages the solution lying in *political reform*, the other in *economic development*. The essence of each of these competing paradigms has been espoused separately by the last two prime ministers of Israel, the current incumbent Benjamin Netanyahu, and his predecessor, Shimon Peres. Both have expounded their views in two widely reviewed books, Netanyahu adopting the political approach his *A Place Among the Nations*,<sup>1</sup> and Peres the economic one in his *The New Middle East*.<sup>2</sup>

Both of these paradigmatic perspectives articulate a rationale based on the fundamental principles of their respective disciplines. According to the political paradigm, the achievement of regional stability must necessarily be predicated upon the democratization and liberalization of the Middle Eastern regimes. This is a prescription based on an essentially Kantian rationale that only by inducing greater accountability and plurality in politics can governments be made sufficiently sensitized to the fate of the citizenry, and hence more circumspect in embarking on policies inimical to the public interest, such as the initiation of costly and destructive wars.<sup>3</sup>

By contrast, the economic paradigm sees progress toward peace as a process driven by accelerated economic advancement. Here the prescription is based on the assumption that eliminating (or at least reducing) privation and poverty will also eliminate (or at least reduce) the fundamental motivation for violence.<sup>4</sup>

This conceptual divide as to the primacy of politics or economics as the predominant moving force in the promotion of peace in general, and in the Middle East in particular, is a matter that goes far beyond the realm of academic debate. Indeed, it is an issue which harbors profound and far-reaching practical policy-oriented implications, for both regional and trans-regional actors. The adoption of one paradigm, as a basis for policy formulation, will entail totally a different prescription for action than would be the case were the alternative paradigm adopted. This is true not only in the sense of *what* measures should be undertaken, but also of *how* and *when* they should be undertaken. Moreover, depending on the choice of paradigm, different frames of reference and different criteria would be appropriate for assessing policy success and monitoring policy progress.

That such profound policy-related differences should in fact be associated with this distinction is not altogether self evident. Fundamentally, both the political and the economic paradigms endorse greater

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“system decentralization”, either *explicitly* as in the case of former (where increasing plurality and competition in centrally controlled polities is the express objective), or *implicitly* as in the case of the latter (where the liberalization and deregulation of centrally controlled economies are generally considered essential pre-requisites for attaining the desired objective – a sustainable capacity for wealth creation). Thus, as both political and economic paradigms prescribe (i) increasing competition for control over resources and (ii) decentralizing the decision processes as to use of these resources, there may appear to be grounds for surmising that centralization in one sphere should be inimical to decentralization in the other. Accordingly, one may be tempted to infer that *similar* policy instruments may be employed to induce the desired decentralization in both – and therefore that the conceptual divide between the political and the economic perspectives has no real practical influence on the formulation of appropriate policy. This however would be a dangerously simplistic conclusion to draw.

### **The Invisible Hand and the Arm of the Law**

In most human collectivities, the social structures and activities which make up the fabric of everyday life are to a large measure determined by two major processes of value allocation – the authoritative allocation of the political process and the market allocation of the economic process. Understanding the respective effects that the workings of the different *internal* processes have on the *external* environments of such collectivities, requires a basic grasp of their fundamental nature (including their points of difference and similarity), of their range of variation and of their mode of mutual interaction. This no trifling issue – as is borne out by the fervor of debate that has raged over precisely these questions for most of this century, between both concerned laymen and erudite scholars of the disciplines alike. Thus, in the hope of avoiding needless controversy I shall attempt to be meticulous in deriving my position from largely non-contentious basic principles.

There should be little dissension as to the validity of the following observations regarding the essential nature of economics and politics and the mutual interaction between them. Politics as the discipline of power, authority and compliance, determines the framework *in which* the “invisible hand” mechanisms of economics, as the discipline of efficient resource allocation and wealth creation, operate. Thus the politician establishes the laws, regulations and restrictions under which the market forces may operate. He allots rights, issues licenses and sets obligatory standards of hygiene, quality and so forth; he may permit or prohibit monopolies or cartels; he may distort, or modify the structure of supply and demand by imposing taxes or granting subsidies; he may encourage exporters by devaluing the local currency, or protect local producers by raising tariff barriers; he may even totally forbid or severely restrict trading in certain goods and services deemed undesirable such as drugs, alcohol or prostitution. By contrast, economics determines the resource base *on which* and *by which* the authoritative political process can operate. For the wealth created by economic processes of manufacturing and commerce constitutes the basic inventory of assets which determines the capacity of a politician to exert power and authority at home and abroad. Thus, as a broad generalization, it would seem valid to make the following distinction: While it is the economy of a collectivity which determines its overall capability, it is the structure of its polity which determines how that capability is administered. This is distinction which, as will be subsequently shown, has significant policy implications, particularly in a Middle Eastern context.

There should be equally little dissension as to the observation that, both polities and economies may in principle vary across a range, *defined* by differing degrees of plurality, and *confined* by two antithetical “ideal-types”. Since Adam Smith’s *Wealth of Nations*<sup>5</sup> and Immanuel Kant’s *Perpetual Peace*,<sup>6</sup> both economic and political theory have considered the number of participants and the intensity of competition between them a meaningful criterion for distinguishing between different types of economic and political entities. Thus, in terms of such analytical “ideal types” economic structures may range between *perfect competition* (in which numerous firms compete for the purchasing power of numerous consumers) and *perfect monopoly/monopsony* (in which a single firm conducts all selling/buying). Similarly regime

structures may range between *perfect democracy* (in which numerous bodies vie for political power – i.e. positions which allow them to effect the authoritative allocations of values) and *perfect dictatorship* (where a total prohibition on such plurality and competition is enforced). Real world counterparts which parallel, or at least approximate, these theoretical ideals can be found both in the economic and political spheres. For example, a Soviet style command economy (where most buying, selling, manufacturing and distribution of even the most common consumer items, are conducted by state controlled organizations) would closely represent a highly centralized economic entity in which the plurality of participants and the competition between them are minimal. By contrast, a free-market economy such that of the USA (where even the production of weapon systems required for national defense, is in the hands of diverse privately owed corporations) would approximate a largely decentralized economic entity exhibiting a high level of participant plurality and competitiveness. Likewise, in the political realm, regimes such as those of Stalin or Hitler or even the tyranny of North Korea, represent highly centralized monolithic polities, in which genuine plurality and competition for positions of power are negligible, while the democracies of North America, Western Europe and Scandinavia would, with varying degrees of precision, constitute approximations of the antipodal extremity of political structure.

It therefore seems plausible to infer that the “conceptual space” mapped out by the theoretical “ideal types”, defined in terms of maximal or minimal decentralization, participant plurality and competition, does in fact depict adequately the full range of possible diversity in which empirical variants of polities and economies manifest themselves in reality. Moreover, it appears that this same criterion of decentralization, plurality and competition provides a useful means of tracing the mutual interaction between the economic and political processes, or at least for establishing a rationale for such presumed interaction. In principle, one might surmise that the degrees of plurality of polities and economies may vary independently from one another. Thus one might imagine scenarios in which highly decentralized economies operate in highly centralized polities, and vice versa. However, some reflection would seem to lead to the conclusion that such disparity between the structural plurality of economies and polities is not likely to be sustainable over time. As already mentioned, both economic and political plurality impinge upon the prevalence of competition for control over resources, and/or decentralization of decision processes as to their use. It therefore seems highly probable that, except in specifically defined areas,<sup>7</sup> the *modus operandi* of a highly centralized economy should at some point become incompatible with that of a highly decentralized polity, and conversely the *modus operandi* of a highly decentralized economy, inimical to the exigencies of a highly centralized polity. Accordingly, at some point, the degree of centralization (decentralization) in one area should begin to operate as a brake (spur) to decentralization in the other, and hence as a brake (or spur) on the effects associated with such decentralization.

As this is a crucial element in the debate of the relative efficacy of political reform and economic development as instruments for the promotion of peace, the substance of the respective arguments, together with a scrutiny of the empirical evidence to support them is, called for.

## Predictions and Performance

- (a) **The Political Paradigm.** It was just over two hundred years ago that Kant first articulated a rationale for the divergent behavioral proclivities of what may today be termed libertarian and authoritarian regimes. In principle, his prognosis was that because of the greater accountability of the government to the citizenry, regimes of the former type “would be very cautious in commencing such a poor game [of war]”. By contrast, in the case of the latter, war could be embarked upon “as on a pleasure party and for the most trivial of reasons”.<sup>8</sup>

However, in the ensuing years, well into the present century, there is little evidence that this distinction had any discernible effect on either the theory or practice of international relations. It was perhaps the emergence of the European dictators in the 1930’s that began to heighten awareness of the influence of the nature of a state’s internal regime on its international conduct. The opponents of appeasement, such as Churchill and

Eden, warned consistently that the lack of democratic restraints on the governments of Germany and Italy made them dangerous not only to their own people but to other nations as well.<sup>9</sup> Thus, in 1936, Churchill made the point that military might in itself is not a threat to international peace, stating that

Today, for this year, probably for part of 1937, the French Army is the strongest in Europe. But no one is afraid of France. Everyone knows that France wants to be let alone, and that with her it is only a case of self-preservation... They are a liberal nation with free parliamentary institutions.<sup>10</sup>

This however, he sternly cautioned, was not true of a regime in which power is concentrated in the hands of a few.

We have to consider that at present two or three men... have the whole of that mighty country [Germany] in their grip ... there is no public opinion except what is manufactured by those new and terrible engines – broadcasting and a controlled Press. Politics in Germany are not as they are over here. There, you do not leave office to go into Opposition. You do not leave the Front Bench to sit below the Gangway. You may well leave your high office at a quarter of an hour's notice to drive to the police station, and you may be conducted thereafter very rapidly to an even graver ordeal.<sup>11</sup>

It was in this type of regime that Churchill identified grave peril for the world.

Under its present regime... led by a handful of triumphant desperadoes... [under] these despotic rulers... [Germany] is arming in a manner which has never been seen in [her] history [and]...fills unmistakably that part [of]...the would be dominator or potential aggressor.<sup>12</sup>

The disregard, indeed the dismissal, by French and British policy makers of the of the anti-appeasers dire forebodings, and the rationale upon which they were founded, wrought upon humanity one of its greatest disasters.

Yet in spite of the traumatic vindication of those who warned that regime structure should be a major issue to be addressed in the formulation of foreign policy, it was only several decades later, in the early 1980's that a serious, systematic effort was started to investigate the phenomenon of what has become to be known as "democratic peace". The results of empirical research have been consistently robust. Two of more prominent scholars who have dealt extensively with the issue, Maoz and Russett, sum up the accumulated findings of almost 20 years of study:

A near consensus is emerging on the proposition that, for whatever reason, democratically governed states rarely go to war with each other, and are less likely than one would expect by chance to engage in conflict short of war against other democracies. This is *not* to say that democracies are more peaceful in general; ...most democracies are about as likely to go to war with *someone* as are other kinds of polities. But as a statement of dyadic relations, the proposition that democracies are generally at peace with each other is strongly supported. The same cannot be said for the relations between other kinds of seemingly similar political systems (for example communist-ruled or military dictatorships).<sup>13</sup>

Indeed, as Maoz and Russett go on to point out, the support for this proposition is so robust that it has led some scholars to claim that this finding "is probably the closest thing that we have to a *law* in international politics".<sup>14</sup>

However, in contrast to the growing consensus as to the empirical results there is no generally accepted explanation for their occurrence or indeed as to their significance. The absence of war between democracies has frequently been attributed either to greater decisional constraints on leaders in democracies, or to the externalization of internal democratic norms of negotiation and compromise in dealing with other states.<sup>15</sup> Recently, more formal models involving decision- and game-theoretic techniques have been suggested.<sup>16</sup> However, to date, no single approach has achieved anything like undisputed ascendancy. But whichever explanatory perspective may be preferred, in the final analysis, all of them draw, with varying degrees of directness or shades of emphasis, on the notion that in a democracy it is the multiplicity of polity participants, the effective competition between them and the consequent dispersion of political power that result in more restrained and prudent international behavior. Note that in order to sustain these conditions of

political competition and effective distribution of power, as a durable, steady-state routine condition of the polity, the concept of “democracy” cannot be restricted to the holding of popular elections alone. For in the past these have been instrumental in sweeping to power forces of tyranny whose principal aim is to annul all opposition and to concentrate power in the hands of a few – as was the case in pre-WW II Germany and in Iran, and almost the case in Algeria. Accordingly, in the context of “democratic peace”, the term “democracy” must be taken to comprise a number of basic elements which are all essential to the maintenance of on-going polity plurality and accountability. These include not only the widespread legitimacy and tolerance of organized and overt oppositionary institutions, and effectively entrenched mechanisms which limit the power of the incumbent executive authority, but also the independence of mass media from government control, and restrictions on the use of state resources for the purposes of the regime. Each of these elements is necessary in preventing the incumbent rulers in a polity from acquiring a monopoly, or at least dominance, over the foci of power within it.<sup>17</sup> Thus, it is only together with them that popular elections can be free and meaningful, and become a genuine vehicle for allowing the public to decide who will govern, and an effective means for making those elected, accountable to those who elect them. In other words, it is the entire aggregate of these elements that produces the kind of polities which demonstrate the circumspect restraint in their international behavior associated with the lower war-proneness of libertarian regimes evidenced in the empirical record.

Yet in spite of the accumulating weight of the evidence, some challenges to the idea that greater democracy induces greater pacificity have been mounted. Certain critics have been advanced suggestions that, in the interpretation of the empirical data, the causal relationship between democracy and peace should, in fact, be *inverted* – i.e. that democracy is the effect rather than the cause of “non-war” between states.<sup>18</sup> Such an approach, however, would seem to encounter almost insurmountable difficulty in explaining why, from the late ‘40’s onward, democracy took hold and proliferated so vigorously in a recently war-torn western Europe, while the absence of war, for most of the corresponding period between many of countries in the Persian Gulf, did little to advance the democratization of the regimes in the region (where the kingdoms, emirates and sheikdoms along the eastern seaboard of the Arabian Peninsula are among the less libertarian in the world). Or why it was only in the wake of military defeat that democracy was restored in Argentina. Or why so war-prone a country as Israel has managed to maintain a democratic regime ever since its inception.

Other reservations as to the universal validity of the “democratic peace” theory have centered on the nature of the data, particularly as to the measurement of the degree of democratization over time. In particular, one may well ask whether it is at all appropriate to classify regimes, considered “democratic” over a hundred years ago, together with modern democracies. While there may be a certain amount of substance in such a claim, it does little to lessen the force of the fact that for over half century a large number of democratically-governed, sovereign states across western Europe and Scandinavia have co-existed in almost complete peace and harmony – whether or not their borders were contiguous, whether or not there existed trans-border or intra-border ethnic diversity or even rivalries, whether or not there were large differentials in the relative capabilities of the various countries, whether or not there prevailed significant disparities in relative national wealth or rates of growth... By contrast in the Middle East, a region hardly more diverse linguistically, ethnically, and religiously than Europe, strife and conflict have raged within and between dictatorially ruled countries – quite apart from the perennial animosity toward Israel.

There thus appears to be very strong support for the claim that democratization of regimes is a *sufficient* condition for the attainment of peace and stability; conversely, as Randolph Rummel, one of the pioneers of “democratic peace” research points out, “a *necessary* condition of violence between two states is that at least one of them be ...nonlibertarian”.<sup>19</sup> It would thus appear that there is much to validate the political paradigm.

**(b) The Economic Paradigm.** However, while the *lack* of democracy may be a necessary condition for *war*, the *existence* of democracy is clearly not a necessary condition for *peace* – as evidenced by the fact that war is neither a permanent nor a ubiquitous feature of relations among non-democratic states. The economic paradigm proposes an alternative perspective for the causality of inter-state violence. John Mueller, in his *Retreat from Doomsday*, expresses the essential rationale of this approach:

As countries raise their standard of living, ...they will find the prospect of war decreasingly attractive because they will have more to lose.<sup>20</sup>

At the root of this position is the view of man as essentially *homo economicus* whose conduct is dictated by his desire to maximize his utility as a consumer of goods or services. Thus, satisfaction of material needs will allegedly generate contentment that will reduce the incentives for violation of the peace. Conversely, frustration of this desire will generate a feeling of deprivation and become an inducement for violence. This sense of grievance among large segments of the citizenry may foment interstate conflict, since governments have in the past tried to deflect the blame for the nation's plight from themselves, channeling public anger and unrest against some real or imagined "external enemy".

At the *state*, rather than the *individual*, level of aggregation, an argument based essentially on decreasing marginal utility has been invoked to support the proposition that wealth is a war-inhibiting factor. According to this view, prosperous states have much to lose from involvement in large scale violence, and little marginal utility to gain therefrom. Because of the structure of the world economy, the commercial and financial disruptions that would result from war between advanced wealthy countries would be far more severe than would be the case if poorer, less developed states were involved. By contrast, for the less affluent, less advanced countries, whose economies are often highly dependent on natural resources and raw materials, rather than on a complex manufacturing, commercial and financial base, war may have some economic incentives, if it focuses on the struggle for such resources. Moreover, underdeveloped economies, which are often centrally controlled, have less elaborate and complex mutual links with other nations. Thus the consequences of disrupting trade and financial relations, which ensue from war, would be less severe, because of the lesser dependence on these links. It would therefore seem to follow that the greater economic development and the more elaborate and interlocking commercial links associated with this development would constitute an inducement for greater international stability. Hence, according to the rationale of the economic paradigm, it is the generation of greater wealth (rather than democratic reform as in the political paradigm) that will generate greater stability.

However, the findings of empirical research into the effect of wealth, economic growth and trade on interstate conflict have proved to be significantly less supportive than those pertaining to the effect of regime type. Different studies produce differing, indeed even conflicting results.<sup>21</sup> One such study even found that that "rich non-democracies...clash with one another at a rate that is substantially *higher* than expected [by chance]...[while] rapidly growing states were found to be more likely to fight other states than is to be expected".<sup>22</sup>

Moreover, even without entering into the realm of quantitative research, and the intricacies of "operationalization of variables" and "statistical significance", it is difficult to overlook the fact that the most violent conflagrations of the century took place between the world's more developed nations. Indeed, the German aggression of the 1930's came in the wake of rapid economic restoration and growth, while Soviet expansionism withered away in the face of economic decline. In the Middle Eastern context, Saddam Hussein's attack on Iran came at a time of impressive economic development in Iraq. As one political biography of the Iraqi leader points out, the war "could not have been more ill-timed. [Due] to the oil boom in 1979 and 1980, the Iraqi economy enjoyed unprecedented prosperity... Numerous construction projects mushroomed throughout the country... Living conditions of many groups within Iraqi society were on the rise. War could only risk these achievements...".<sup>23</sup>

All of these constitute very significant instances refuting the "economic peace" rationale and strongly suggest that making tyrannies more *prosperous* will not make them more *pacific* – only more *powerful*. (By comparison, the only aberrant instances in the cases of "democratic peace" are, if at all, of very marginal importance – such as, perhaps, the minor skirmish between Peru and Ecuador in 1995. It is thus not overly surprising to find that even so avid an advocate of the "prosperity promotes peace" doctrine such as Mueller concedes that this is a "relationship [which] may be a bit spurious...".<sup>24</sup>

Indeed, no matter how persuasive the logic of the proponents of the economic paradigm may be, it is still very limited in its capacity to explain the almost ubiquitous absence of war between libertarian regimes. For if economic development is indeed deemed to be a causal element of inter-state stability, then one would be forced to conclude that either (a) democracies are always developed or (b) even poorly developed democracies are pacific. Either of these positions would make libertarian political structure a more fundamental cause of stability either (a) because economic development is always associated with such structures and thus seems to be causally related to it; or (b) that economic development is non-essential for the inducement of stability.

## Two Kinds of Stability

In fact, some reflection will reveal that much of the rationale of the economic paradigm implicitly assumes, at least partially, the tenets of the political one and the presumption that domestic economic hardship may fuel the flames of foreign wars, seems more plausible in a dictatorial environment than in a democratic one. For example, the argument that the sense of grievance, which may result from economic hardship, could foment war by governments channeling it against some “external enemy”, is predicated on the assumption that governments can indeed control the means by which to mold public opinion. Clearly this is far more likely to be the case in non-democratic regimes, where the mass media are in the hands, or under the command, of the incumbent rulers. For, to re-quote the apt Churchillian observation, in such regimes “there is no public opinion except what is manufactured by those new and terrible engines – broadcasting and a controlled Press”.<sup>25</sup>

This example raises a point of significant consequence, the impact of which is often not fully appreciated. This is that the basic rationale of the two paradigms militate toward a fundamental distinction as to the nature of the stability to which each is purported to aspire. On the one hand, in the political paradigm, the focus is mainly on *international* stability i.e. on stability *between* states and does not address (at least not explicitly) the issue of *intranational* stability i.e. the issue of stability *within* the state. Here the major thrust of the argument focuses on the idea that the greater accountability of the rulers to the citizenry will make them more averse to embarking on costly and destructive wars with other states. On the other hand, the economic paradigm places greater emphasis on the issue of *intranational* stability, by focusing on the dangers of domestic political upheaval, arising from domestic economic privation.

It is this existence of two distinct causal mechanisms for inducing qualitatively different types of stability that provides an explanation, at least partially, for the fact that increased national wealth has not always advanced the cause of international peace. For if the primary effect of increased wealth is to facilitate increased regime stability; while the primary effect of increased democratization is to facilitate increased stability in the relations between regimes, the plausibility of aggressive behavior by well-to-do countries becomes comprehensible, not as an anomalous abnormality, but as a logical result of a well defined processes of cause and effect. It is thus quite feasible that the accumulation of greater economic resources by an inherently aggressive dictatorial regime will not attenuate the danger of violence. On the contrary, if as is likely, these resources are utilized to bolster and entrench such a regime in its position of power and extend its capabilities, the prospects of war may well be *increased*. For in a highly despotic regime, the prospects of military success, enhanced by economic wealth, are liable to weigh more heavily with dictatorial rulers, than contentment of their citizens, whose fate counts for little in determining their continued incumbency.

It is in this light that the previously cited empirical research results, which show that rich and rapidly growing non-democracies clash with each other at a rate which is substantially higher than would be expected by chance alone, should be interpreted. Likewise, the distinction between the primary effects of economic development and of democratization offers a logically cogent framework to explain the hostile aggression of a rapidly growing Germany in the 1930's and a booming Iraq in the 1980's when war could only risk their newly acquired economic gains. Thus, unless economic enrichment is accompanied by

political reform, there is very little reason to suppose that economic development will induce greater pacificity in the external conduct of states.

Moreover, unless such reforms are made, there is every reason to suppose that such development will be short lived. For dictatorial regimes cannot easily permit the liberties required to engender sustained economic advancement such as the unhindered flow of people, ideas and merchandise, and the freedom to challenge accepted conventions, conceptions and perceptions. Similarly, these regimes are often inherently unable or unwilling to allow the fruits of economic success to be utilized for the promotion of further wealth creating facilities, outside the control of the incumbent rulers. For the maintenance of a centralized polity requires vast resources whose allocation can only be effected by centralized mechanisms. Thus, the distribution of national wealth across a wide base can only reduce the available resources which may be devoted to buttressing the regime in its position of power. In autocratic regimes, the armed forces frequently serve to protect the regime from internal as well as external enemies. Egypt, Syria, Iraq and Saudi Arabia serve as good examples. Thus not only does the Riyadh regime maintain effectively two armies as a hedge against rebellion, but in 1993 spent \$16.5 billion on defense – roughly 250% more than Israel.<sup>26</sup> As a result, the enormous surpluses amassed in the oil bonanza of the 70's and early 80's have vanished. Ever since 1982, the country has been running a deficit- both budgetary and in the current account – by some estimates reaching about \$ 100 billion in 1996. Neither has Egypt found almost two decades of peace with Israel reason to reduce defense outlays. In fact, not only is there little sign of any cutbacks in Egyptian military expenditures, recent reports indicate that Cairo has actually engaged in “greater spending on defense rather than less”.<sup>27</sup> Likewise, Jordan's signature of the peace treaty with Israel was followed by a request to the US for ...more and better weaponry.<sup>28</sup>

All of this seems to affirm the assessment of a leading authority on Middle Eastern economies, Prof. Kanovsky, that “history teaches us that economic relations and advantage do not necessarily deter armed conflict”.<sup>29</sup>

## Two Types of “Peace”

I have already made the point that although peace is ubiquitous between democracies, war is not ubiquitous between non-democracies, proving that conditions of non-war between states (i.e. external stability) need not necessarily be predicated on democratic reform. However the question arises as to whether or not the nature of the “peace” between democratic polities is a substantively different political condition to that which involves a non-democratic one.

Dictionary definitions commonly distinguish between two distinctly different meanings of the word “peace”. On the one hand, “peace” may be used in the sense of “*mutual harmony*” between states, maintained by a mutual perception of a common interest in preserving a non-violent status quo as the preferred option of all protagonists. On the other hand, it may be used in the sense of the “*absence of war*”, maintained by deterrence, in which one or both sides are dissuaded from embarking on a course of violence as a preferred option only by the threat of incurring exorbitant cost. The relations that prevail between the Scandinavian countries, between the members of NAFTA, and across the EEC represent a “peace” of the first variety. With very few exceptions (such as perhaps the US-Mexico frontier), these relations are characterized by openness, and free movement of people, goods, ideas, and capital across their borders. Virtually no effort at all needs to be invested by one state in efforts to deter hostile action by another state. Differences which arise are not only settled in a non-violent fashion, but the very idea of using of force to do so is virtually inconceivable as a policy option. By contrast, the relations between the USA and USSR during the “Cold War” or between Iran and Iraq up to the 1980's typify the second type of “peace”. Here the protagonists feel compelled to invest huge efforts in deterrence in order to maintain the state of non-war. Indeed, whenever the deterrent capacity of one state is perceived to wane, the danger of war becomes very real – as was the case in the Iraq offensive against Iran, when the latter appeared sufficiently weakened in the wake of post revolutionary disarray. In this type of peace there is no harmonious interaction between the peoples of the

states. The movement across frontiers, whether of human beings, goods, ideas or capital is usually highly restricted, at best – heavily regulated, at worst – totally forbidden. It is not surprising to find that “peace” of the “mutual harmony” variant prevails almost exclusively between democracies, since its characteristics of openness and unfettered trans-frontier interactions run counter to the nature of dictatorial regimes.

Consequently, not only should a distinction be drawn between *inter*- and *intra*-state stability, but also between two different kinds of inter-state stability, the one, “democratic peace”, being the product of a mutual preference of libertarian polities for non-violence, the other, “armed peace” being the result of coercive deterrence that dissuades the parties from engaging in hostilities, which otherwise might be their preferred option. It is “peace” of the second variety that can be expected to prevail between regimes of this type, and which is the prevalent variant in the virtually democracy-devoid Middle East.

### **The Path to Peace: Does Prosperity Induce Political Reform?**

If indeed political reform is the primary inducement of “autogenic pacificity” in the external behavior of states, the crucial question for proponents of the economic paradigm is whether improved economic conditions can indeed be expected to engender greater democratization. (Note that this should be distinguished from the previously debated question of whether economic success can induce peace *directly*, without the intervening variable of political reform.) On the face of things, it would appear that this is in fact the case, for there seems to be a strong correlation between political regime type and economic wealth. Most democracies are indeed rich, economically developed states whose economies are, based on extensive open trade with other nations. However, the history of this century has shown causal relationships between economic prosperity and democratic reform to be far more ambivalent than may appear at first sight. Thus, for example, in Eastern Europe it was not economic *success* but economic *collapse* that was the impetus for democratic reform. Nor was it great prosperity that brought the downfall of dictatorship in Argentina. Conversely, economic wealth which flourished in the 70’s and 80’s in Saudi Arabia and the Gulf states did little to propagate significant democratization of the regimes in these countries.

Nonetheless, quantitative studies of the relationship between economic development and democratization do generally seem to suggest the existence of a significant and positive correlation.<sup>30</sup> However, recent research points to the existence of important exceptions, which are especially pertinent for the analysis of the Middle East. These relate to the Muslim world in general, and to the Arab world in particular.<sup>31</sup> Findings presented at the 1996 meeting of the American Political Science Association show that: “...the correlation between income and democracy holds *within* (sic) all but one region/culture... The one exception is Islam for which there is no significant correlation... Among Arab nations there is a negative correlation between wealth and freedom...”.<sup>32</sup> This result has been duplicated in other studies, apparently indicating that the structural rigidity of the centralized regimes in the region are impervious, or at least highly resistant, to the predicted decentralizing effects of prosperity.

### **Policy Prescriptions**

How can the major elements of the preceding analysis be marshaled into policy pertinent formulations? In approaching this task, it is helpful to briefly recap the essence of these elements and their bearing on the relative efficacy of the political and economic paradigms in the Middle Eastern context:

- While democratization of states seems to be a sufficient condition for non-belligerency between states, almost all the regimes in the Middle East, with the exception of Israel, are non-democratic.
- While economic wealth, which facilitates reducing dissatisfaction with incumbent regimes operates mainly to induce internal stability, democratic reform, which imposes greater accountability of the incumbent regime to the citizenry and hence greater circumspection in foreign policy choices, induces greater external stability.

- In the Middle East, greater economic wealth appears to be negatively related with democratization. In cases where riches have been accumulated (or generous financial aid received), they have contributed neither to the establishment of a viable economic base nor to the engendering of political reform. Rather they have been used to finance direct government “handouts” (such direct subsidies or maintenance of artificial and unproductive jobs), and increased expenditure on defense, both of which serve to entrench non-democratic regimes.

These elements impinge upon policy related issues on several different, yet interrelated levels – *international, regional* and the *Israel-Arab* conflict. For the international community, the implications seem to militate unequivocally toward the *caveat* that unless significant (indeed, radical) reforms are undertaken in the Middle East, there will be no significant progress in reducing the inherent potential for violence in the region. Accordingly, the vision of a “New Middle East” of the kind advocated by the architects of the Oslo process, which sees peace being attained by establishing a new economic order on the basis of the existing political order, appears to be not only inappropriate and unattainable, but dangerously counter-productive. For unless predicated on prior or at least simultaneous democratic reforms, international efforts dedicated to enlisting economic resources for such an enterprise are liable only to strengthen the existing regimes, extend their capabilities, and reinforce their existing patterns of international conduct, thus magnifying, rather than reducing the potential for violence. Moreover, unless such reforms are forthcoming, it seems highly unlikely that in the highly centralized polities, such resources will generate any long term, sustainably productive economic base. While subsequent economic decline may attenuate aggressive capabilities, this may also prompt a declining power to initiate a “preventative war” i.e. a war initiated in order to “head off” an ongoing deterioration of one’s relative power. As Schweller points out “every [such] preventative war launched by a Great Power from Sparta [to the present day] has been initiated by a non-democratic state... whether the [adversary] is democratic or authoritarian”. Iraq’s invasion of authoritarian Kuwait and Egypt’s ‘73 offensive against democratic Israel, both classic instances of “preventative wars” fueled by deteriorating internal conditions, illustrate that the outbreak of such wars are eminently feasible occurrences in the region. It would thus appear that international efforts, whether of individual states or international organizations, which have the enhancement of regional stability and prosperity as their goal, must be geared, first and foremost, to fostering greater democratization of the Middle Eastern regimes and encouraging political norms, routines and institutions which go well beyond the ritual formality of popular elections in essentially authoritarian polities. Efforts channeled along other directions, however well intentioned they may be, are liable not only to be unproductive, but even counterproductive.

At the regional level, the major inference appears to be that in the absence of pervasive democratic reform, the chances of attaining peace of the “mutual harmony” genre are extremely low. Moreover, as it is highly unlikely that the ruling elites would be eager to encourage reforms that would dilute their positions of privilege, there seems little hope of creating the internal political conditions that can conduce such a “peace”. Accordingly, if conditions of non-war are to prevail between regional actors, they would seemingly have to be restricted to the second genre of “peace”, i.e. of armed deterrence of aggression. For whenever interests of Middle Eastern states clash, weakness has been an invitation to attack. Consequently, in a climate in which rulers often tend to perceive “peace” more as a grudgingly accepted *constraint* rather than a desired *value*, the exigencies of self preservation will compel regional actors, even those not necessarily inherently belligerent, to continue to allocate huge sums for defense. Almost inevitably, therefore, under the existing political order, not only will the Middle East continue to be a cauldron, simmering with potential violence, ready to bubble over whenever forces constraining it wane, but so too will the ongoing drain on economic resources needed for the development of the area and the betterment of its people.

Hence for the existing regional actors, the policy implications that arise from the foregoing analysis seem both clear and bleak: In the current environment in the Middle East there seem little option but to persist in a policy of heavy military spending. Thus it would be a rash government indeed that would abandon a policy of bolstering its military might in favor of some more pacific pursuit. For just like a firm in a competitive

market which abandoned its pursuit of profit in favor of loftier and less materialistic goals, its fate would most likely be woefully grisly.

The implications for the peoples (as opposed to the ruling elites) of the region seem equally clear and no less bleak: They appear destined to be locked into a pattern of spiraling military expenditure, burgeoning outlays for securing the positions of privilege of incumbent rulers and their cronies, and outbursts of violence whenever those in power feel either sufficiently strong to gain their foreign objectives by force, or insufficiently strong for them to delay armed confrontation with a potential rival any longer, lest their power wane even further.

The only conceivable way to break out of this dismal cycle would be to install regimes whose incumbency is contingent upon their concern for the fate of the citizens of their land and on their providing them an adequate quality of life. Of course, political change such as this is hardly likely to be the product of a purposeful initiative by the current rulers. Thus unless the peoples of the Middle East rise up and demand the liberties and the rights essential to a democratic society (over and above the formality of periodic elections) that facilitate open debate, expression of dissension, and criticism of government without fear of reprisal, imprisonment or execution, there seems scant chance of making the Middle East a more prosperous and peaceful region. While this is an inference which cannot strictly be called a *policy prescription*, it is one that should be heeded by both the region's educated middle classes and by the international community. For as the incumbent rulers have a vested interest in foiling the desired reforms, they alone can bring about the necessary changes, however gradual and painstaking such a process may prove to be.

With regard to the Israel-Arab conflict, the implications also seem unequivocally plain. They militate unmistakably towards a position which is very much at odds with the prevailing conventional wisdom as to the nature of the solution to the conflict. For in light what has been argued, it appears difficult to avoid the conclusion that the formula for peace and tranquillity between Jew and Arab must focus on demands for democratic reforms in Arab regimes rather than on territorial concessions by Israel. For while the former has been shown a proven recipe for the elimination of inter-state violence the latter has often proved a formula for further instability – as was in the case of Czechoslovakian cession of the Sudetenland, allegedly to facilitate the realization of frustrated ethnic aspirations for self-determinations.

Indeed, it is instructive to recall past pronouncements of those who now see ceding of territory as a means of resolving the Israel-Arab conflict. Perhaps most noteworthy are the words of Shimon Peres, who while serving as Israeli minister of defense sternly cautioned against the perils of the very policy he later instigated. After warning that it was precisely the greater range and mobility of modern weapons that increased rather than decreased, the importance of territory in war; and after dismissing the possibility of demilitarization as “doubtful” since “in the Middle East the Arabs have violated as many agreements as they have honored” (skepticism which can hardly have been attenuated by the subsequent abrogation of the Algiers and Baghdad treaties, the disregard of the Tai'f agreements in Lebanon and the scanty fulfillment of much the Camp David Accords), Peres then went on to proclaim: “While territorial expanse cannot provide any country with absolute deterrence, the lack of minimal territorial expanse [such as that implied by the Oslo Accords] will create a situation of almost compulsive temptation to attack Israel from all directions”.<sup>33</sup>

Thus those who would promote the cause of stability and tranquillity in the region would do well to heed the following assessment of Yigal Allon, former foreign minister and deputy premier of Israel on behalf of the Labor Party:

...the innovation and sophistication in weaponry... [including] the appearance of ground to ground missiles, supersonic fighter-bombers... not only fail to weaken the value of strategic depth and natural barriers, but in fact enhance their importance. This is even more true for Israel's difficult geographic position... One does not have to be a military expert to easily identify the critical defects of the armistice lines that existed until June 4, 1967. [For Israel] a military defeat... would mean the physical extinction of a large part of its population and the political elimination of the Jewish state. ...To lose a single war is to lose everything...<sup>34</sup>

Given the magnitude of the threat, and the nature of the prevailing geo-political parameters in the region, it would seem that territorial compromise would not only contribute little to the cause of peace, but in fact would constitute a formula for further destabilization of the area. Not only would it create “compulsive temptation to attack Israel” but impose on Israel the imperative for massive preemption at minimum provocation, thereby elevating the volatility of confrontation to new and unprecedented heights. Only political reform that will transform the region into one in which the structure of the regimes make non-violence the preferred mode of interstate dispute resolution, can provide any hope of a durable and lasting settlement of the conflict between the Jewish and Arab inhabitants of the Middle East. Only then will the prospect of further war permanently recede.■

## Endnotes

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- <sup>1</sup> B. Netanyahu, **A Place among the Nations: Israel and the World**, New York: Bantam Books, 1993.
- <sup>2</sup> S. Peres, **The New Middle East**, New York: H. Holt, 1993.
- <sup>3</sup> I. Kant, "Perpetual Peace" (1795) in **On History**, L.W. Beck, ed., New York:Bobbs-Merrill Co. Inc., 1963.
- <sup>4</sup> See for example J. Mueller, **Retreat from Doomsday: The Obsolescence of Major War**. New York: Basic Books, 1989.
- <sup>5</sup> A. Smith, **The Inquiry into the Nature and Causes of the Wealth of Nations (1776)**, Oxford:Claredon Press, 1976.
- <sup>6</sup> I. Kant, op. cit.
- <sup>7</sup> Such as “natural” economic monopolies involving activities with extraordinary high fixed cost (so that in their operating range  $dAC(Q) / dQ < 0$  where  $AC$ =average cost and  $Q$ = quantity); or “natural” political monopolies involving the monopoly on the means of coercion.
- <sup>8</sup> I. Kant, pp. 94-5.
- <sup>9</sup> See W.S. Churchill, **The Second World War: The Gathering Storm**, London: Cassell @ Co., 1948.,and A. Eden, (Earl of Avon), **The Memoirs of Anthony Eden: Facing the Dictators**, Boston: Houghton Mifflin, 1962.
- <sup>10</sup> W.S. Churchill, p. 183.
- <sup>11</sup> W.S. Churchill, p. 81.
- <sup>12</sup> W.S. Churchill, pp. 163-4.
- <sup>13</sup> Z. Maoz and B. Russett, ' Alliances, Contiguity, Wealth and Political Stability: Is the Lack of Conflict among Democracies a Statistical Artifact?', **International Interactions**, Vol. 17, 1992, pp. 245-6. Italics added.
- <sup>14</sup> Z. Maoz and B. Russett,p. 246. Italics added.
- <sup>15</sup> See Maoz & Russett, p. 246; and W. J. Dixon, "Democracy and Management of International Conflict" in **The Journal of Conflict Resolution**, Vol. 37, No. 1 1993, pp. 43-45.
- <sup>16</sup> M. Sherman, **Despots, Democrats and the Determinants of Foreign Conflict**, London: Macmillan 1998; M. Sherman and G. Doron “War and Peace as Rational Choice in the Middle East”, **Journal of Strategic Studies**, Vol. 20 (1), pp. 72-102, 1997; G.Doron and M. Sherman, “Free Societies and their Enemies”, **International Journal of Intelligence and Counter Intelligence**, Vol. 8(3) , pp. 307-320,1995;.B. Bueno de Mesquita, and D. Lalman, **War and Reason: Domestic and International Imperatives**. New Haven: Yale University Press, 1992.
- <sup>17</sup> For a detailed theoretical agrument demonstrating the validity of this position see M. Sherman, pp 25-75.
- <sup>18</sup> W. Thompson. “Democracy and Peace: Putting the Cart Before the Horse?”, **International Organization**, Vol. 50 (1), 1996, pp. 141-174.
- <sup>19</sup> R. Rummel, “Libertarianism and International Violence”, **Journal of Conflict Resolution** Vol. 27(1), 1983 p. 67. Italics supplied.
- <sup>20</sup> J. Mueller, p. 252.
- <sup>21</sup> Compare for example the conflicting findings of the following studies on the effect of international conflict: J.R. Oneal,. F.H. Oneal, Z. Maoz & B. Russett, “The Liberal Peace: Interdependence, Democracy and International

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Conflict, 1950-85”, **Journal of Peace Research**, Vol. 33(1) 1996, pp.11-28;and K. Barbieri, “Economic Interdependence: A Path to Peace or a Source of Interstate Conflict”, **Journal of Peace Research**, Vol. 33(1) 1996, pp. 29-49.

<sup>22</sup> Z. Maoz and B. Russett, p. 257.

<sup>23</sup> E. Karsh, & I. Rausti, **Saddam Hussein: A Political Biography**, London: Brassy, 1991, p. 136.

<sup>24</sup> J. Mueller, p. 252.

<sup>25</sup> W.S. Churchill , p. 92.

<sup>26</sup> E. Kanovsky, **Assessing the Mideast Peace Economic Dividend**, Ramat Gan : BESA Center for Strategic Studies, Bar Ilan University, 1994, p. 10. E.Kanovsky (1994) , p. 10.

<sup>27</sup> E. Kanovsky, **The Middle East Economies: The Impact of Domestic and International Politics**, BESA Center for Strategic Studies, Bar Ilan University, 1997, p. 16.

<sup>28</sup> E. Kanovsky (1997) , p. 13.

<sup>29</sup> E. Kanovsky (1994) , p. 13.

<sup>30</sup> For example M. Midlarsky “Democracy and Islam: Implications for Civilizational Conflict and Democratic Peace”, Paper delivered at the Annual Meeting of the Peace Science Society, Houston Texas, 25-27 October 1996.

<sup>31</sup> D. Pipes, “Muslim Exceptionalism”, Paper presented at the 92nd Annual Meeting of the American Political Science Association, San Francisco, CA, Aug. 29- Sept. 1, 1996; H. S. Rowen “Why a Rich, Democratic and (Perhaps) Peaceful Area, with More Advanced Weapons in More Hands, is Ahead”, ”, Paper presented at the 92nd Annual Meeting of the American Political Science Association, San Francisco, CA, Aug. 29- Sept. 1, 1996.

<sup>32</sup> D. Pipes, p.1.

<sup>33</sup> Interview in the now defunct Labor party daily **Davar**, 27/6/75.

<sup>34</sup> Y. Allon, “Israel: The Case for Defensible Borders”, **Foreign Affairs**, October, 1976, pp. 39-43.