If one looks only at regional trends in military spending and arms transfers, the trends in the Middle East seem positive. Middle Eastern military expenditures declined from 6.8% of all world expenditures in 1987 to 6.2% in 1997. They occurred largely because of the sanctioning of Iran, Iraq and Libya and because the former Soviet Union ceased to provide massive arms transfers at little or no cost. This latter development has largely crippled Syria’s conventional military forces and helped to secure the Arab-Israeli balance.

In fact, estimates from the United States Government indicate that Middle Eastern military expenditures dropped by 6.7% in real terms during the decade 1987–1997, in spite of the Gulf War. Middle Eastern military expenditures also dropped from 17.6% of the region’s total Gross National Product in 1987 to only 7.6% in 1997, and they dropped from 45.1% of all central government expenditures to only 22.7% during the same period. This was the first sustained drop in the regional military effort since 1948, although total military expenditures still totalled $52.4 billion in 1997, plus another $5.5 billion for North Africa.

Arms sales showed similar trends. The regional total dropped from $30.0 billion in 1987 to $19.9 billion in 1997, as measured in constant 1997 US dollars. Arms sales also dropped from an extraordinarily high 27% of all regional imports to only 12.3%. Other unclassified American intelligence estimates provide equally positive trends.

The actual delivery of arms did increase slightly in current dollars when a comparison is made of the four-year period between 1992–1995, and the period between 1996–1999. The total increased from $54.3 billion to $60.8 billion, or by about 12%. This increase, however, was largely a result of purchases made after the Gulf War and which involved long delivery times. In contrast, total spending on new arms agreements, which are the key factor shaping the future military balance, dropped from $48.1 billion during 1992–1995 to $34.3 billion in 1996–1999, or by nearly 30%.

Seen purely in terms of the macroeconomics of conflict, these figures do not reflect the kind of ‘tragedy of arms’ that burdened the region in the 1970s, 1980s and first half of the 1990s. Equally important, the flow of major weapons also dropped. If one again compares the period 1992–1995 to the period 1996–1999, the total number of new tank and self-propelled gun deliveries dropped from...
2,319 to 1,073. The number of major towed artillery weapons dropped from 1,221 to 234. The number of surface combatants dropped from 76 to 31, although the number of new guided missile patrol boats dropped only from 14 to 13. The number of fixed wing combat aircraft dropped from 329 to 181, and the number of surface-to-air missiles dropped from 2,367 to 1,289.

Whatever harm sanctions may have done in an economic and social sense — and the harm has often been all too real — they have had a major impact in limiting the efforts of some of the region’s most aggressive states. In fact, this movement away from militarism is one of the few areas where the Middle East has kept pace with the positive trends in ‘globalism’. At the same time, there are a number of reasons why such figures are not reassuring, either in terms of regional stability or arms control.

Factors of concern

The first such reason is that military expenditures and arms transfers still add to the region’s economic problems. A total of 11.1 men are under arms in the Middle East for every 1,000 people in the population — the highest percentage in the world. Regional military expenditures total well over $55 billion annually in the Middle East and well over $60 billion in the entire Middle East and North Africa region.

The second reason is that no further arms transfers are necessary to support prolonged conflicts in the region. The fighting in the Western Sahara can go on indefinitely without them, and any of the border conflicts in North Africa could result in a major war without additional shipments. Bloody internal wars like that in Algeria have not depended on conventional arms transfers to regular military forces. The cumulative build-up of weapons in the hands of the Arab-Israeli confrontation states leaves Israel, Syria, Jordan and Egypt as ready for war as they were in 1973 or 1982. Arms transfers do not affect conflicts like the struggle between Israel and the Hizbollah or the outbreak of fighting between Israel and Palestinians.

Although Iran took massive equipment losses at the end of the Iran-Iraq War, and lost some 40–60% of its land order of battle, Iraq’s similar losses during the Gulf War have left both sides with the capability to resume fighting in a state of near parity. Iran has built up a carefully focused military capability to attack shipping and targets in the Gulf, and Iraq still has a decisive military edge over Kuwait and Saudi Arabia if a United Nations coalition and outside states like the United States and Britain do not intervene.

In fact, there are considerable indications that transfers of high cost platforms and precision weapons tend to reduce casualties, and lead combatants to focus on a limited number of high value targets. In contrast, lingering low-level wars like the conflict in the Western Sahara, the Algerian civil war, the fighting between Israel and the Hizbollah, and the Iran-Iraq War can produce high cumulative civilian casualties and collateral damage, as well as have lasting economic and social consequences.

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The third reason is that many of the trends that led to a drop in military expenditures and arms transfers were the function of unique conditions, and have already proved to be cyclical. They are the result of the end of the Iran-Iraq War, the outcome of the Gulf War, movement towards a full Arab-Israeli peace settlement, the termination of Soviet concessionary arms transfers following the end of the Cold War, a focus on internal security issues in countries like Algeria, and various sanctions affecting Iran, Iraq and Libya.
Military spending and arms imports have rebounded in North Africa since 1997, and there are strong indications that the massive increase in oil revenues since 1999 means a major rise may take place in Gulf arms imports as well. According to United States Government estimates, North African military expenditures reached a low of $4.3 billion in 1993 in constant 1997 dollars. They are now back to levels well over $5.5 billion. Similarly, arms imports reached a record recent low of only $130 million in 1993, versus $2.6 billion in 1998, largely because of a recovery of Algerian purchases after the Algerian Government began to defeat the Islamist uprising. They rose back to $685 million in 1997 and now seem close to $1 billion. These trends do not yet reflect any major increase in military spending or arms imports by Libya, which has a major potential backlog of modernization expenditures, and may soon be free of sanctions.

Military expenditures in the Middle East (Egypt, the Arab-Israeli states and the Gulf) are still far below their peak of some $101 billion in constant 1997 dollars in 1990, but they have risen back from a record low of $50.4 billion in 1994, in constant 1997 dollars, to a total closer to $60 billion. Arms imports dropped from $31.0 billion in 1987 to a low of $15.0 billion in 1994, but rose to $19.9 billion in 1997. They may be well over $20 billion in 2001. These rises do not reflect the full impact of the increase in oil revenues since mid-1999, the flow of money into Iraq and the erosion of sanctions, and the impact of the tensions and conflicts between Israel and Palestinians.

The fourth reason is the emergence of new forms of conflict and threats to security. The Middle East has become a major net importer of drugs, and while no statistics are available, it has joined other regions in seeing an increase in organized crime and cybercrime — particularly in the Southern Gulf, Israel and Egypt.

Recent patterns in revolutionary war, ideological conflict, conflicts between non-state actors and terrorism are more mixed. The United States State Department and United States intelligence services report that many such groups and their state sponsors continue to plan, train for and carry out acts of violence at levels comparable to those in recent years. At the same time, the State Department has reported that recent casualty levels have been relatively low, and there have been few major incidents that might have caused high numbers of fatalities.

The State Department reports that there were no deaths in Egypt related to such forms of conflict in 1999 — for the first time in years — due in large measure to successful counterterrorist efforts by the Egyptian Government and a cease-fire declared by the Gama’at al-Islamiyya, Egypt’s largest terrorist group. The Algerian Government has also made progress in combating domestic violence during the year, undertaking aggressive counterinsurgency operations against the Armed Islamic Group (GIA), weakening the GIA’s campaign of indiscriminate violence against civilians. The pace of killings has slowed, although suspected GIA militants still carry out massacres.

Similar progress took place elsewhere in the Middle East. The conflict between Israel and the Hizbollah came to an apparent end in mid-2000, and Israeli-Palestinian violence declined. Both Israel and the Palestinian Authority scored successes in their efforts to disrupt these groups’ operation. Jordanian authorities in December arrested a group of terrorists associated with Usama Bin Ladin’s al-Qaida organization, and overall security conditions in Lebanon continued to improve.

Nonetheless, important international groups remained active and continued to try to mount lethal attacks. These included the multinational al-Qaida organization as well as the Islamic Resistance Movement (Hamas) and Palestinian Islamic Jihad (PIJ), both of which receive support from Iran. There was continuing internal violence in Egypt, Iran, Iraq, Jordan, Lebanon, Libya, Saudi Arabia, Yemen and many other states. The new outbreak of Israeli-Palestinian violence on 29 September 2000 may lead to a radical increase in such violence, and possibly to a renewal of conflict on the Israeli-Lebanese border.
It is also important to note that arms transfers are only one source of outside violence. Europe and the United States are important sources of funding for extremist and terrorist movements inside the region. Afghanistan and Pakistan have become sanctuaries or sources of funding for movements like al-Qaida; Afghanistan has also become a massive source of narcotics and narcoterrorism inside Iran.

The fifth reason is asymmetric warfare. Hostile states have found two major counters to the kind of technological advantages that moderate regional states and American power projection forces can now exploit in conventional warfare. One is the use of asymmetric warfare and the other proliferation of weapons of mass destruction.

There is nothing new about asymmetric warfare per se, or about the fact it poses a threat in the Middle East, as well as in the rest of the world. Chinese experts, for example, have written a significant amount of new literature on ways in which states and movements can attack a power with modern conventional arms and still win a conflict. The United States Department of Defense report on the lessons of the war in Kosovo notes in relation to Operation Allied Force:

Milosevic was unable to challenge superior allied military capabilities directly. […] Therefore, he chose to fight chiefly through asymmetric means: terror tactics and repression directed against Kosovar civilians; attempts to exploit the premium the alliance placed on minimizing civilian casualties and collateral damage; creation of enormous refugee flows to create a humanitarian crisis, including in neighbouring countries; and the conduct of disinformation and propaganda campaigns.

These tactics created several serious challenges for our forces, all of which we were able to overcome thanks to excellent training, leadership, equipment and motivation. Nevertheless, these challenges underscored the continued need to develop new operational concepts and capabilities to anticipate and counter similar asymmetric challenges in the future. Simply put, adversaries will use unconventional approaches to circumvent or undermine U.S. and allied strengths and exploit vulnerabilities. Milosevic illustrated very clearly his propensity for pursuing asymmetric approaches. He chose his tactics in the hope of exploiting the NATO nations’ legitimate political concerns about target selection, collateral damage, and conducting military operations against enemy forces that are intentionally intermingled with civilian refugees.

In the case of refugee flow, the time-scale was so rapid and the numbers so great that it initially overwhelmed the neighbouring countries, particularly the Former Yugoslav Republic of Macedonia (FYROM) and Albania. The humanitarian crisis created by Milosevic appeared to be an attempt to end NATO’s operation by ‘cleansing’ Kosovo of ethnic Albanians, overtaxing bordering nations’ infrastructures, and fracturing alliance cohesion. He failed, despite all these efforts, principally because NATO adapted to the changing circumstances. One general lesson learned is that similar attempts at asymmetric challenges should be anticipated in future conflicts as well.

It is important to note that Serbia had at least some aid from Iraq in planning asymmetric operations during the Kosovo conflict. The Hizbollah effectively defeated Israel and the South Lebanon Army with only limited deliveries of modern weapons. Iran has shown considerable originality in using submarines, mines, unconventional forces and anti-ship missiles to create a tailored asymmetric threat to naval movement through the lower Gulf.

As a result, the Middle East is shifting to asymmetric forms of warfare in ways that can sharply reduce the importance of arms transfers.
• **Sudden or surprise attack**: Power projection is dependent on strategic warning, timely decision-making, and effective mobilization and redeployment for much of its military effectiveness.

• **Saturation**: There is no precise way to determine the point at which mass, or force quantity, overcomes superior effectiveness, or force quality — historically, efforts to emphasize mass have been far less successful than military experts predicted at the time. Even the best force, however, reaches the point where it cannot maintain its edge in battle management, air combat or manoeuvre warfare in the face of superior numbers or multiple threats. Further, saturation may produce a sudden catalytic collapse of effectiveness, rather than a gradual degeneration from which the higher quality force could recover. This affects forward deployment, reliance on mobilization and reliance on defensive land tactics versus pre-emption and ‘offensive defence’.

• **Taking casualties**: War fighting is not measured simply in terms of whether a given side can win a battle or conflict, but how well it can absorb the damage inflicted upon it. Many powers are highly sensitive to casualties and losses. This sensitivity may limit its operational flexibility in taking risks, and in sustaining some kinds of combat if casualties become serious relative to the apparent value of the immediate objective.

• **Inflicting casualties**: Dependence on world opinion and outside support means some nations increasingly must plan to fight at least low and mid-intensity conflicts in ways that limit enemy casualties and collateral damage to its opponents, and show that they are actively attempting to fight in a ‘humanitarian’ style of combat.

• **Low-intensity combat**: Low-intensity conflict makes it much harder to use advanced weapons. It is difficult to exploit most technical advantages in combat — because low-intensity wars are largely fought against people, not things. Low-intensity wars are also highly political. The battle for public opinion is as much a condition of victory as killing the enemy. The outcome of such a battle will be highly dependent on the specific political conditions under which it is fought, rather than the strength of each side’s conventional forces.

• **Hostage-taking and terrorism**: Like low-intensity warfare, hostage-taking and terrorism present the problem that advanced technology powers cannot exploit their conventional strengths, and must fight a low-level battle primarily on the basis of infantry combat. Human intelligence is more important than conventional military intelligence, and much of the fight against terrorism may take place in urban or heavily populated areas.

• **Urban and built-up area warfare**: Advanced military powers are still challenged by the problem of urban warfare. Most western forces are not trained or equipped to deal with sustained urban warfare in populated areas during regional combat — particularly when the fighting may affect large civilian populations on friendly soil.

• **Extended conflict and occupation warfare**: Not all wars can be quickly terminated, and many forms of warfare — particularly those involving peace-keeping and peace-enforcement — require prolonged military occupations.

• **Weapons of mass destruction**: The threat or actual use of such weapons can compensate for conventional weakness in some cases and deter military action in others.

Finally, the regionalization of proliferation is an ongoing process that relies largely on the transfer of dual-use technology, and has little to do with either conventional arms transfers or efforts to control them. This regionalization arguably begins in Algeria and sweeps east through Libya, Egypt, Israel, Syria, Iran and Iraq. In addition, Yemen may have vestigial missile delivery capabilities and some minor stocks of mustard gas, and Sudan is increasingly cited as a possible producer of chemical weapons.
Middle Eastern proliferators are heavily influenced by the actions of proliferators outside the region and they scarcely need to look as far as North Korea. India and Pakistan clearly gained influence, prestige and leverage from testing nuclear weapons and long-range missiles. Iranian officials have often used Pakistani proliferation as an example of the ‘legitimacy’ of proliferation and have less publicly cited Pakistan as a potential threat. Missile rattling across the Taiwan Straits also scarcely goes unnoticed in the Middle East, and the American focus on National Missile Defence and covert or terrorist chemical, biological, radiological or nuclear attacks has had the side effect of dramatizing the impact of proliferating.

There is little present prospect of the effective globalization or regionalization of arms control, and there is a near certain prospect that current Middle Eastern proliferators will acquire more sophisticated and lethal weapons of mass destruction and long-range delivery systems. In the process, they will seek weapons that they can use to strike with precision at critical strategic targets like oil shipments, desalination plants, etc. At the same time, the spread of biotechnology, petrochemical technology, food processing technology, fermenters and pharmaceutical technology will steadily increase regional capabilities to produce advanced biological weapons that are storable, resistant to heat and light, and have nuclear-scale lethalitys.

**Trends**

In many cases, the regional powers that proliferate face international sanctions, or are signatories to arms control agreements that have such sanctions. The irony is that the ‘globalism’ of arms control provides a strong incentive to keep their efforts covert. The good news is that such constraints have often reduced their rate of activity and success, and have sharply increased the cost of acquiring and deploying key threats like nuclear weapons. The bad news is that nations like India and Pakistan have shown such barriers do not block military change, and nations like Iran and Iraq continue to acquire the new technology necessary to improve their capabilities.

In practice, this means that the Middle East faces problems that are far more important than conventional arms transfers.

- **Making weapons of mass destruction an international norm**: As the Iran-Iraq War has shown, the present political barriers to the use of weapons of mass destruction are tenuous and can vanish under the pressure of war. The Gulf War showed that missile attacks against population centres and ‘horizontal escalation’ are very real threats, and the course of the Gulf War might well have led to the widespread use of weapons of mass destruction if it had occurred several years later. There is a serious risk that a new conflict using weapons of mass destruction — such as a nuclear conflict between India and Pakistan — could suddenly ‘legitimize’ both proliferation and the use of weapons of mass destruction in the sense that it could become a new ‘norm’ for many developing countries.

- **Proliferating global ‘breakout capabilities’**: Proliferation has been slowed down in the past by the difficulties in acquiring nuclear weapons, and in weaponizing chemical and biological weapons with real effectiveness. Some of these trends may continue. While most powers can now design fission and boosted weapons, there has been only limited progress in the technology needed to develop fissile material. This situation seems likely to continue, although the acquisition of high speed centrifuge technology, the technology needed to build small reactors designed to produce plutonium, or fissile material from the former Soviet Union present continuing risks. It would take the collapse of the political restraints enforced by the Nuclear Non-Proliferation Treaty (NPT), and a major increase in supplier willingness to sell relevant technologies to radically change the present mix of risks the United States faces.
• Similar constraints do not apply, however, to chemical and biological weapons. The global spread of biotechnology, more food processing facilities, fertilizer plants and petrochemical plants is slowly giving a wide range of nations the ability to manufacture advanced chemical and biological weapons. In fact, far more countries have already begun such research efforts. The American intelligence community estimates a total of some twenty-five to thirty-five countries, although any list is classified. Moreover, the spread of missile warhead, cluster munition, sprayer and unmanned aerial vehicle technology is simplifying the weaponization of such weapons.

• The risk posed by biotechnology: Modern biological weapons can easily be as lethal as fission and boosted weapons. They can also be used to attack in ways that incapacitate or threaten the agricultural sector, or can be modified — with or without genetic engineering — to defeat current vaccines and medical treatment. Globalization is making such weapons steadily cheaper and more accessible, and is creating a wide range of national research and production capabilities that can mass produce such weapons with only a limited chance of detection. There is a high probability that the threat of nuclear proliferation, which dominated the ‘globalism’ of the last half of the twentieth century, will be matched or surpassed by the threat posed by the globalization of biotechnology.

• Long-range strike systems: Nations like North Korea, Iran and Iraq are demonstrating that developing states can acquire the technology to produce missile boosters capable of launching weapons of mass destruction with enough accuracy to hit city-sized targets at ranges of more than 1,000 miles (1,600 km), and eventually to intercontinental ranges. At the same time, the proliferation of GPS guidance systems and specialized commercial jet engines is greatly reducing the cost of developing and producing cruise missiles with ranges in excess of 600 miles (960 km).

• Weapons of mass destruction and asymmetric warfare: The technologies and weapons necessary to carry out covert and proxy attacks using weapons of mass destruction are far cheaper than those required to use ballistic and cruise missiles. They are also becoming available to non-state actors like terrorists and extremists, and such attacks offer the potential ability to attack without attribution.

• Homeland and allied defence: All of these risks combine to create a need for homeland defence that most states have not seriously contemplated since the early days of the thermonuclear era. It is far from clear that emerging proliferators will have the kind of political leadership that is as subject to rational deterrence as Russia. Certainly, Iraq and North Korea have been erratic enough in the past to create serious concerns about their conduct, and even a ‘rational’ developing state might become involved in a process of escalation that ended in little restraint. The practical problem is that there are many forms of attack that could be used that do not require an overt declaration of war or clearly identify the attacker, and that the most costly form of defence — national and theatre missile defences — deal with only the most costly and overt form of attack. As a result, effective counter-proliferation may require a global shift to a broad mix of costly homeland defence measures ranging from missile defence and counter-proliferation to response measures designed to limit damage and deal with its effects.

Conclusion

There are no certainties involved in any of these trends. It is impossible to assign reliable probabilities to their nature, timing or effectiveness, and it is possible that diplomacy, political change and economic development may reduce them, roll them back or at least prevent the emergence of
major paradigm shifts. It is equally possible, however, that they will interact to create a far more tense and threatening environment in the Middle East.

High oil revenues, proliferation, the fighting between Israel and the Palestinians, the ageing of existing weapons inventories, and growing fears that Iraq may break out of sanctions are not a good recipe for regional stability. As a result, the odds favour significant increases in arms expenditures over the next few years — although many of these expenditures could be on imports of dual-use technology and national efforts to develop missiles and weapons of mass destruction, rather than arms imports.

It is also a grim fact of life that this mix of trends and changing threats can interact disastrously with the world’s dependence on Middle Eastern energy exports, and with the growth of far more lethal forms of asymmetric warfare and terrorism. The energy facilities of the Middle East are already often highly lucrative targets. The hyperurbanization of the Middle East, usually with one key urban area that defines the political structure of each country, makes most nations ‘one-bomb states’. The use of such weapons would also force the near or total collapse of most regional economies. The end result is that proliferating states may be able to conduct ‘wars of intimidation’ against those states that cannot retaliate or which are not supported by defences and outside deterrents.

The message for arms control is also clear. Undesirable as conventional arms transfers may be, and no one can endorse massive spending on arms in a region whose people so badly need peace and development, they are not the key problem. Conflict resolution and efforts to control proliferation have a far higher priority. Moreover, outside pressures to sell arms, however undesirable, are not as important a problem as the transfer of dual-use equipment and technology. This in no sense means that the region and the world should not try to limit the flow of conventional arms transfers. It does mean that arms control has more important priorities.