Center

Changes in the Middle East: Moscow's Perceptions and Options (U)

An Intelligence Assessment

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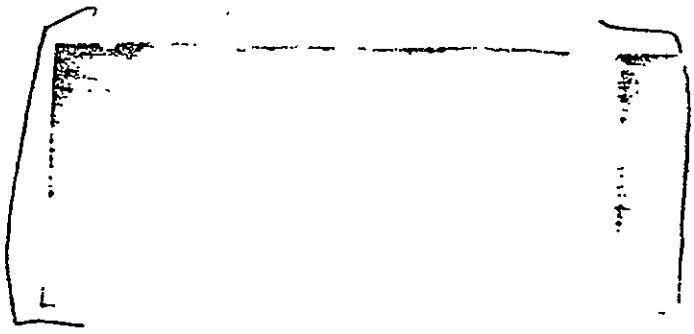

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Key Judgments

The Soviets must be gratified by the current polarization in the Middle East and their own identification with the overwhelming majority of the Arab states on a major policy issue—opposition to the Egyptian-Israeli peace treaty. On balance, the signing of the treaty has thus far worked to Soviet advantage as has the fall of the Shah of Iran. The Soviets' ability to forge positive gains from these developments is limited, however, by the same basic constraints which have long hampered their advancement in the region.

While unhappy with the demonstrated US ability to arrange a separate agreement and by their own exclusion from the negotiating process, the Soviets are undoubtedly relieved by the widespread opposition to the accord in the Arab world and by the resulting isolation of their main Arab antagonist, Sadat. They certainly hope the treaty will fail to attract broader Arab support and that the unity of the opposition to the accord will be sustained. The Soviets' own ability to accomplish these ends is marginal, but they will try to:

- Obstruct formal implementation and thus acceptance of the treaty by the United Nations in order to undermine US credibility and upgrade their own image as defender of Arab interests.

- Play on differences between the United States and the moderate Arabs.

- Strengthen ties with their Arab colleagues to fortify opposition to the treaty.

- Support Arab measures to isolate Sadat, hoping thereby to help precipitate his downfall.

The departure of the Shah was a windfall for the Soviets because of the setback to US strategic interests. While they have not benefited directly, the new regime's inherent weakness and its withdrawal from a regional security role have created power vacuums both within Iran and in the area generally that they would like to exploit.

Apparent contradictions in the Soviets' tactics in the Gulf region reflect complexities in their objectives. They want to maintain a proper relationship with the Iranian regime to protect both the Tudeh Communist Party and their own assets as well as to encourage a continuing anti-US posture by that government. At the same time, the Soviets would like to see continuing instability within Iran, which will prevent it from reassuming a major role in area politics and might eventually lead to a more pro-Soviet government. Similarly, while they would like to court the traditional Gulf states, particularly Saudi Arabia, the Soviets want to take advantage of the current absence of a restraining power to undermine these same states.

In pursuit of these goals, the Soviets will:

- Seek a stable relationship with the Khomeini-backed government.
- Encourage formation of a united front that would include the Tudeh Party in a broader and more powerful leftist coalition.
- At the same time, back Tudeh's efforts to penetrate the new Iranian regime in order ultimately to subvert it.
- Support efforts by their allies (South Yemen and the Popular Front for the Liberation of Oman) to subvert neighboring governments.

Efforts by the Soviets to advance their interests continue to be inhibited, however, by an impressive list of constraints:

- They want to avoid direct political or military confrontation with the United States in this region.
- They do not have the key to a political solution to the Arab-Israeli conflict.
- They want to prevent a backlash and repression of pro-Soviet elements in the area.
- Their inclination to support dissident and leftwing groups, even though indirectly, undermines promotion of bilateral relations with states that feel threatened.
- Virtually all of the Arab nations—even those with close ties to the USSR—are anti-Communist and distrustful of Soviet intentions.
- The West has the hard currency and civilian technology most of these nations want.

These factors leave the Soviets with a limited range of effective tools for advancing their interests. Their primary vehicle will continue to be the supply of arms and related services to build relations with various states; this approach requires the continuation of tension to produce the need. It also contains its own inherent dilemma; building the military capabilities of the Arab confrontation states may increase, rather than simply maintain, the level of tension and raise the risk of war and confrontation that the Soviets want to avoid.

The Soviets' secondary, and thus far less successful, tactic is indirect and rather indiscriminate backing for destabilizing elements in the region—a process they hope will ultimately produce regimes more willing to cooperate with them.

These techniques do not hold out much promise of significant breakthroughs for the Soviets. In the past, the arms supply relationships with Arab states have not earned compensatory long-lasting military or political payoffs, and instability in the region has not produced pro-Soviet regimes, except in South Yemen. Soviet policy, basically negative, requires a continuing state of controlled tension that can be exploited at US expense. US setbacks, on balance, work to Soviet benefit. Nonetheless, the USSR's ability to establish a deep-rooted presence in the region remains severely circumscribed.

The above material is Unclassified.

In sum, the Soviets must be gratified that the signing of the Egyptian-Israeli treaty has not produced a more negative situation for them. Rather, by creating a new alignment in the Arab world, it may have opened the way for some incremental gains in their relations with a wide array of Arab states. They continue, however, to be limited to a basically negative policy—trying to hold together elements in opposition to the treaty and prevent successful development of the US-backed initiative. (U)

The Iranian Revolution

The Soviets certainly consider the Shah's fall and the victory of Khomeini's forces a severe setback to the US position and thus a strategic victory for them. At the same time, their ability to capitalize on the new situation is complicated by the anti-Soviet proclivities of the new Iranian regime and by seeming inconsistencies in their own objectives. (U)

The Soviets would like to establish a good working relationship with the Iranian regime to protect their own economic assets, encourage continuation of an anti-Western policy by the Islamic government, and help prevent a crackdown against the Tudeh Communist Party. At the same time, they hope that continuing instability within Iran will, in time, produce a more secular, leftist regime with a pro-Soviet bias. (U)

In the broader Gulf region, the Soviets are clearly gratified by the new regime's decision to end its close military relationship with the United States, withdraw from CENTO, and abandon active involvement in Oman. They undoubtedly also expect Iran to abandon its sponsorship of a Persian Gulf security pact and an Indian Ocean "zone of peace" (which the Soviets have viewed as being directed against them). (U)

The Soviets would undoubtedly like to take advantage of this new power vacuum in the region and the possible vulnerability of established governments. Their support for South Yemen's moves against North Yemen in February, an action they had sought to restrain last fall, suggests both an increased Soviet perception of the area's vulnerability and a willingness to exploit it.

Recent developments in Afghanistan indicate, however, that the new situation in the Gulf also raises problems for the Soviets. Islamic resurgence exemplified in the Iranian revolution is as much anti-Soviet as anti-West. Muslim insurgents are mounting a challenge to the pro-Soviet regime in Afghanistan, and the Soviets have become increasingly involved in efforts to counter this threat. The Soviets have already criticized the Iranian Government because of its sympathy for the Afghan insurgents, and the situation may complicate Soviet-Iranian relations. (U)

The Soviets must also realize that their support for any aggressive activities in the region, even if indirect, increases the concern and vigilance of most of the Arab nations. The concerted Arab effort to halt the Yemeni conflict suggested a strong desire to contain the Soviets in the area. The Soviets are certainly aware that they may provoke counteraction by pursuing a seemingly interventionist policy, whether it be armed intervention to support the Afghan regime or disguised backing of subversion elsewhere. (U)

Current Soviet Policy Options

Response to the Treaty

Limited Diplomatic Options. Despite their current alliance with the overwhelming majority of Arab countries in opposition to the Egyptian-Israeli treaty, the opportunities the Soviets have to seize the diplomatic initiative are severely limited. The momentum in negotiations for a peaceful solution to the region's problems lies, after all, with the United States, and the impetus for unified Arab opposition to these moves lies with the rejectionist Arab states. The Soviets are, therefore, placed in the position of trying to maintain their own status as defender of Arab interests and to encourage continued opposition to the separate treaty. At the same time, however, they remain committed to a negotiated settlement and would like to keep open the possibility of a return to a broad negotiating forum in which they would play a major role. This perceived need to encourage opposition to the separate treaty while continuing to call for a comprehensive settlement further limits the scope of their policy options. (U)

The Soviets are also trying to ease relations with Iraq; at their initiative, Soviet foreign ministry official Oleg Grinyevskiy visited Baghdad for consultations in mid-May. The talks accomplished little, however, and chances for progress are not promising. Although Iraq has thrust itself to the forefront of Arab opposition to the treaty, it seems determined to keep the Soviets at arm's length. The Iraqis virtually ignored Gromyko's visit to Syria, suggesting their opposition to any Soviet interference in the area on the eve of the late-March Baghdad Conference. They have continued to repress the Iraqi Communist Party and were anxious to halt the Soviet-backed South Yemeni incursion into North Yemen. (U)

Soviet opportunities to strengthen ties with other Arab associates also appear limited. Although the USSR has expressed firm continuing support for the Palestinian cause, the Palestine Liberation Organization has little need for more Soviet aid at this time. Similarly, Algeria, Libya, and South Yemen are united in opposition to the treaty, but their position is peripheral and they have no need for assistance in this context. (U)

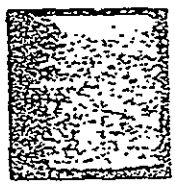
Efforts To Profit From Iran Revolution

Attempts To Undermine the US Position. The Soviets are trying to exploit the anti-US aspect of the Iranian revolution, depicting the United States as both perfidious (seeking to manipulate the situation) and impotent (heralding the setback to US interests as an indication of the trend against imperialism in the region). They have tried to take credit for the US failure to intervene on the Shah's behalf, citing Brezhnev's November 1978 warning against outside interference. They are backing OPEC's policy of raising oil prices that creates economic problems for the West and increases Soviet hard currency income from oil sales to Western Europe. (U)

Courtship of New Government. The Soviets moved quickly to express support of the Khomeini-backed regime and to establish good bilateral relations. While they were undoubtedly disappointed by the somewhat cool reception they received, they were pleased by Iran's moves to cut ties with the United States, and they remain committed to pursuing good relations with whatever government is in power there. They were cautious in their treatment of the Shah for many years because they wanted to expand economic relations, and they are now equally anxious to protect and, if possible, extend the assets they have built—particularly in the energy field. (U)

It is clear that the Soviets do not consider the Khomeini government completely desirable and that they are willing to risk offending it for objectives to which they assign higher priority. This was reflected in their inclusion of Iran among those countries they warned in authoritative *Pravda* articles in mid-March against interfering in the affairs of Afghanistan. Soviet press articles have become increasingly outspoken in their criticism of the regime and more willing to defend the role of Tudeh. (U)

Covert Support for Leftists. While the Soviets will continue to pursue smooth relations with the Khomeini regime, they would certainly prefer to see a more pro-Soviet regime eventually prevail. In addition, if there is to be a change, they very much want to be on the winning side. Thus, if they believe that the vulnerability of the regime is increasing, they will be tempted to increase aid to their current clients and step up their search for new clients within Iran. They will undoubtedly stay in the background, however, in order to preserve relations with the Iranian Government, maintain their international legitimacy, and protect the leftist movement from charges of "puppetism." (U)



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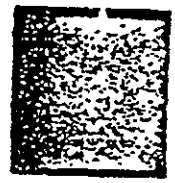
This is obviously a difficult policy for Moscow to pursue satisfactorily, as the Soviets risk damaging their relations with the Khomeini regime should their support for activities aimed at undermining the Iranian regime be detected. They have frequently pursued such seemingly inconsistent tactics, however, and they will probably continue to do so. (U)

Because they hope to see a more pro-Soviet government emerge in Iran if the current regime is unable to control the situation, the Soviets have an interest in preventing the regime from stabilizing the country. For this reason, they sympathize with the activities of Iranian minorities (the Kurds, Azerbayzhanis, and others) who are currently posing problems for the central government. Given their own minority situation and the complex and overlapping nature of the minorities in the region, however, outright Soviet support for the separatist objectives of such groups is unlikely. Soviet commentary consistently draws a distinction between the "legitimate" desires of these minorities and the "imperialist-backed separatist" demands. While ambivalent about the objectives of the minorities, the Soviets probably would not oppose support funneled discreetly to them by third parties in the interest of maintaining instability and keeping the central Iranian Government weak. (U)



The Soviets have also resumed criticism of the Government of Oman; in late April 1979, for the first time since 1975, they publicly welcomed a delegation from the Popular Front for the Liberation of Oman, a guerrilla organization operating against Oman from South Yemen. In recent weeks, Soviet press items have referred to Oman's agreement to permit US warships to call at its ports and have charged that Egyptian troops are being deployed to Oman, where "the people are waging a stubborn struggle against the rotten regime of Sultan Qabus." These incidents suggest Moscow's probable approval of renewed PFLO and South Yemeni subversive moves against the Omani regime. (U)

In backing such objectives, the Soviets will undoubtedly avoid direct involvement in any operations. Rather, as long as South Yemen or some other cooperative actor has compatible interests and the inclination to pursue these interests actively, the Soviets can remain aloof. In the Yemeni conflict, the South Yemenis were the direct participants (behind a puppet National Front) and the Soviets maintained a very low key posture; they were thus able to project an almost neutral and seemingly benign public position. (U)

This Soviet preference for third-party involvement in activities that might become embarrassing or risky is also evident elsewhere in the Middle East. The use of Syrian and North Korean pilots to train Libyan pilots to fly Soviet aircraft and possibly to fly the planes themselves provides another current example. This approach has a number of advantages for the Soviets:

- They can plausibly deny involvement and intent.
- They run little risk of direct confrontation.

- They have increased flexibility and can either support or withdraw with little loss of face.

- They preserve their international respectability.
[redacted]

In spite of the protective coloration provided by this device, even indirect support for aggressive policies poses problems for the Soviets. While a facade is maintained, most leaders in the region are basically aware of Soviet objectives and techniques. Each new episode reinforces the fears and suspicions of both the traditional Arab states and Soviet associates opposed to any expanded superpower presence in the region. Their reaction may be to draw together in an effort to halt Soviet-backed operations—a reaction demonstrated in the coordinated Arab action to neutralize the Yemeni conflict and bring about a cease-fire. (U)

Prospects

It is possible that the Soviets will make some incremental gains as a result of the new, more favorable atmosphere created in the Middle East by recent events. Both the Saudis and Jordanians may be tempted to demonstrate their displeasure with US policies by expanding economic contacts with the USSR. In the Saudi case, this might mean the establishment of a Soviet presence (such as a consulate) on Saudi soil for the first time in more than 40 years. While such contacts in and of themselves would probably not be significant, they would give the Soviets a foot in the door and open the way to possible dealings with other conservative Gulf states. (U)

Their support for Arab opposition to the treaty and their role as arms supplier to many of these states should enable the Soviets to maintain current political relationships, if not to strengthen them somewhat. In addition, they may be able to earn more hard currency through arms sales, particularly if Syrian arms purchases are subsidized by Algeria, Iraq, or Libya. This arms relationship contains inherent problems for the Soviets; to sustain their image as backer of the Arab cause, they must help create a credible force on Israel's eastern front. Doing so, in turn, increases the danger of war and of confrontation with the United States. (U)

In the longer term, there are a number of hypothetical events that could strengthen the Soviet position in the Middle East. The Soviets would certainly consider it a victory if the isolation of Sadat and the pressures on him should lead to his fall from office. While there is little to suggest that a pro-Soviet regime would follow or that Egyptian policy would change greatly, it is safe to assume that the rabid anti-Sovietism of the current government would be mitigated and a less hostile course toward the USSR pursued. (U)

The Soviets do not currently appear to be in a position to benefit directly or substantially from the situation in Iran. The dominant personalities in that country appear uniformly anti-Communist and distrustful of the USSR. Should the chaos within the country intensify, however, it is possible that a secular leftist movement might emerge on top and that a more pro-Soviet policy would result. (U)

Soviet chances of successful exploitation of the new situation are probably highest in the Gulf region where Iran's withdrawal from a security role has clearly left a vacuum. A successful reunification of the Yemens under the aegis of the South would be considered an extension of Soviet influence and a potential threat to Saudi Arabia. The undermining of the Sultan's regime in Oman would similarly be viewed as a significant and symbolic advancement of Soviet interests. (U)

Short of these developments, it is unlikely that the Soviets will score dramatic gains in the Middle East in the foreseeable future. Even though disillusioned with US policies, most Arab states are not inclined to compensate by moving significantly closer to the USSR. Arab nationalism, buttressed by the rising tide of Islamic sentiment, militates against dependence on any outside power, and Communism as a philosophy is anathema. In addition, the Soviets have little, except arms, with which to tempt these nations. The region as a whole is becoming wealthier and, in general, prefers Western technology and civilian products. Politically, the Soviets still can provide only negative backing for Arab policies as they have no influence with Israel. In general, therefore, they must hope that US failures will redound to their benefit or that instability will eventually lead to more pro-Soviet regimes. (U)