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Since 2003 Shia-Sunni conflict has emerged as a major divide in Middle East politics, and radically changed the regional context for U.S. policy. Sectarian violence is no longer just limited to Iraq, but has expanded in scope to influence regional development from the Persian Gulf to Lebanon, adding new complexity to the conflicts in the region and presenting a serious foreign policy challenge to the United States. Taking stock of the risks and visible dangers that this change presents is a significant challenge facing U.S. policy in the Middle East.

In Iraq sectarian violence has derailed the effort to build a viable state, and is today the single most important threat to the future of that country. In Lebanon following the summer war between Israel and Hezbollah a sectarian rift opened between Shias on the one hand, and Sunnis and Christians on the other. That rift is deepening as Hezbollah pushes to unseat the Sunni-led government in Beirut. Lebanon and Iraq have in turn escalated tensions between Saudi Arabia and Iran. The competition between the two regional rivals has in recent months taken an increasingly sectarian tone. The sectarian competition even extends to extremist jihadi organizations associated with al-Qaeda. These groups have supported al-Qaeda elements in Iraq, and have intensified their anti-Shia rhetoric and attacks in the Middle East and South Asia.

All this suggests that Iraq has introduced sectarianism to conflicts and rivalries the Middle East. The Shia-Sunni rivalry in religious as well as secular arenas will likely be an important factor in the near future. This trend was clearly evident during the war in Lebanon last summer when Hezbollah's growing influence elicited a sectarian reaction from Arab capitals as well as a number of extremist jihadi web sites. The condemnation of Hezbollah as a Shia organization indicated that although the conflict itself was not new, the response to it was not decided by the Arab-Israeli issue alone but sectarian posturing.

For the United States the rising sectarian tensions present a number of challenges:

1. Sectarian violence will determine the fate of Iraq and what that will mean for U.S. standing and interests in the Middle East.
2. Sectarianism will play an important role in deciding regional alliances in the Middle East and how various states and sub-state actors will act. Sectarianism will compete with as well as interact with other concerns such as the Arab-Israeli issue, political and economic reform, and support for U.S. policies, most notably the global war on terror. This will complicate the management of U.S. interests.

3. Sectarian conflict will color relations of Middle East states, but conflicts where they occur are likely to be waged by non-state actors—militias and political organizations. This will contribute to regional instability and increases the likelihood of violence.
4. Sectarian conflict is a radicalizing force. Shia and Sunni militias will inevitably gravitate toward more radical ideas to justify their actions. In Iraq, the greatest violence against Shias was perpetuated by the Jordanian terrorist Abu Musab Zarqawi and his al-Qaeda forces. In the Arab world and Pakistan violent anti-Shiism is the domain of radical pro-al-Qaeda clerics, websites and armed groups. Sectarianism—especially among Sunnis—is a driver for radical jihadi ideology. Among the Shias in Iraq sectarian violence has had a similar effect. It has shifted power within that community to the radical forces of Muqtada al-Sadr and his Mahdi Army. The specter of U.S. confrontation with Shia militias and Iran will likely accelerate this trend.
5. The sectarian dimension of regional politics is of direct relevance to the growing tensions in U.S.-Iran relations. Conflict between the United States—in alliance with Sunni Arab regimes who view the Iranian challenge in sectarian terms—and Iran will exacerbate sectarian tensions, and further embed them in regional conflicts.

Roots of the Problem

Shias and Sunnis represent the oldest and most important sectarian divide in Islam, the origins of which go back to the seventh century to a disagreement about who the Prophet Muhammad's legitimate successors were. Over time, the two sects developed their own distinct conception of Islamic teachings and practice which has given each sect its identity and outlook on society and politics. Shias are a minority of 10-15 percent of the Muslim world, but constitute a sizable portion of those in the arc from Lebanon to Pakistan—some 150 million people in all. They account for about 90 percent of Iranians, 70 percent of Bahrainis, 65 percent of Iraqis, 40 percent of Lebanese, and a sizable portion of the people living in the Persian Gulf region. Despite their demographic weight outside Iran the Shias had never enjoyed power.

The Significance of Developments in Iraq

No where was the plight of the Shia more evident than in Iraq. Under Saddam Iraq was a sectarian state that had routinely brutalized Shias. After the first Iraq war in 1991 the Kurdish areas of Iraq were removed from Saddam's control. In the Arab south that he ruled the Shia portion of the population is even larger, approximating 80 percent. After that war the Shias in the south rose in a rebellion which was brutally suppressed with as many as 300,000 Shias dying and many more escaping to Iran. Between 1991 and 2003 Saddam's rule was sustained by suppression of Shias. The sectarianism that we see in Iraq has its roots in the sectarianism that was practiced by Saddam's regime.

The U.S. invasion and occupation of Iraq in 2003 was of symbolic importance to the Middle East. The war ended minority Sunni rule in Iraq and empowered Shias, and this has in turn led to a Shia revival across the Middle East that as a cultural and political force will shape regional politics. Iraq has encouraged the region's Shias to demand greater rights and representation, but also to identify themselves as members of a region-wide community that extends beyond state borders. The Shia revival has also raised Iran's status as the region's largest Shia actor. It was for this reason that Shias initially welcomed America's role in Iraq—the most important Shia spiritual leader, the Grand Ayatollah Ali al-Sistani encouraged the Shia to embrace the political process introduced to Iraq by the United States by voting and joining the newly established security forces.

However, the shift in the sectarian balance of power met with Sunni resistance, first in Iraq but increasingly in Arab capitals. The fall from power of Sunnis in Iraq has ended their hegemonic domination of regional politics and diminished the power of Sunni regimes and ruling communities. This has led to a Sunni backlash that is reflected in the ferocity of insurgent attacks in Iraq since 2003, criticism of U.S. policy in Iraq in friendly Arab capitals and unwillingness to help the new Shia-led Iraqi government, and growing anti-Shia and anti-Iranian tenor of radical jihadi propaganda.

The insurgency that the United States confronted during the first two years of the occupation was largely Sunni in character. It drew on the Sunni belief in manifest destiny to rule, anger at loss of power in Baghdad, and the resources of Sunni tribes, foreign fighters, radical ideologies, and Ba'ath party and former Sunni officer corps to wage a campaign of violence against the U.S. occupation and also to prevent the Shia consolidation of power in the belief that a hasty U.S. departure will lead to a collapse of the current government and restoration of Sunni rule.

For the first two years of the occupation the Shia showed great restraint in the face of insurgent attacks on Shia targets, heeding the call of Ayatollah Sistani not to “fall into the trap of a sectarian war,” but also trusting that the United States would defeat the insurgency. All that changed in 2006 as Shias abandoned restraint favoring retaliation. Radical voices of the like of Muqtada al-Sadr drowned Sistani's call for restraint and moderation. Two developments were instrumental in changing Shia attitude:

1. The bombing of the Shia holy shrine in Samarra in February 2006. The Samarra bombing was a psychological turning point for Iraqi Shias. It gravely threatened the Shia's sense of security and put to question the feasibility of reconciliation with Sunnis. It also raised doubts in Shia minds about the United States' ability and willingness to defeat the insurgency—whose violent capabilities and ferocious anti-Shiism was undeniable. Many also questioned the wisdom of exercising restraint, arguing that it had only emboldened the insurgency. The doubt provided an opening for Shia militias to step into the breach to provide security to Shia communities, but also to establish a “balance of terror” by attacking Sunni civilians. Iraq never recovered from the impact of

Samarrah and fell victim to the vicious cycle of sectarian violence. The political process failed to focus the country back on reconciliation.

2. The Shia anger and reaction to the Samarrah bombing was aggravated by a shift in U.S. strategy in Iraq that would alienate the Shia and deepen their distrust of the United States. This would in turn reduce American influence over Shia politics—now at its lowest point—and raise the stock of anti-American forces of Muqtada al-Sadr, and his Mahdi Army, which would escalate attacks on Sunnis as it spread its control over Baghdad and the Shia south.

The United States had hoped that the December 2005 elections would turn Iraq around. The United States had persuaded Sunnis to participate in the elections and join a national unity government, hoping to thereby end or at least damp down the insurgency, but that did not come to pass. Hoping to win the support of Sunni politicians Washington began to distance itself from the Shia. It pressured the Shia on the issue of their militias, as well as the unpopular notion of amnesty for former Ba'athists. Shias resisted. Especially after Samarrah they saw the insurgency rather than their own militias as the problem—Shia militias, they pointed out, were often the only forces effectively defending Shia neighborhoods against car bombs. Shias also saw the overt U.S. push for a national-unity government as coddling the Sunnis and, worse yet, rewarding the insurgency. With the insurgency in full swing, Shias worried that American resolve was weakening. This convinced them more than before that they needed their armed militias—reflected in their cool reception to the surge of 20,000 troops announced by the administration.

2006 proved to be a turning point in U.S.-Shia relations. U.S. strategy during that year became one of shifting the focus of its military operations from fighting the insurgency to contain Shia militias in the sectarian fight in Baghdad. The Shia saw this as a tilt away from them toward the Sunnis—addressing their security demands rather than those of Shias. That this happened at a time of great anxiety in the Shia community following the Samarrah bombing did not help the U.S. position. In particular, that a year on the U.S. strategy of working more closely with Sunnis had not weakened the insurgency—which still by some estimates accounts for 80 percent of U.S. casualties in Iraq—nor had it reduced the rate of attacks on Shia targets. What it achieved was to create doubts as to whether the United States was a reliable ally. Those doubts benefited Muqtada al-Sadr and weakened moderate Shia voices.

It is now clear that Shias are not willing to give up on their militias—which they believe is the only credible bulwark against sectarian attacks by the insurgency without security guarantees from the United States. That means that the United States will get cooperation from Shias on the issue of militias only after it has shown gains in containing the insurgency. Shias will resist disarming so long as the insurgency is a threat.

The radicalization of Shia politics is likely to worsen if the U.S. military directly targets Shias forces in Baghdad. That could provoke a Shia insurgency in Baghdad and the Iraqi south—among the largest population group in Iraq—which would present the United States with a vastly broader security challenge, one that can overwhelm U.S. forces. The United States today is hard pressed to defeat the insurgency that it is facing, but runs the danger of provoking a potentially larger one.

Broader Regional Implications

The radicalization of Shia politics in Iraq has coincided with developments elsewhere in the region to make 2006 the fateful year during which the sectarianism that began in Iraq turned into a regional dynamic. That the United States was slow to understand the convergence of sectarianism and regional politics accounts for its limited ability to coherently manage the cascading conflicts in Lebanon, Iraq, and over Iran's nuclear program.

In summer 2006 the war with Israel emboldened Hezbollah just as it divided Lebanon along sectarian lines. The Lebanon war marked the regionalization of sectarian tensions that were manifest in Iraq. The reaction of Arab governments and a number of pro-al-Qaeda jihadi leaders and websites to Hezbollah's campaign was unexpectedly sectarian, departing from the customary unity against Israel. Since the war Lebanese politics has taken an increasingly sectarian tone as Hezbollah's drive to topple the Lebanese government has viewed as a Shia power play by Lebanon's other communities; and since the regional reaction to developments in Lebanon has pitted Iran against the traditional Sunni power brokers in the region: Egypt, Jordan and Saudi Arabia.

What is evident in the aftermath of the Lebanon war is that the sectarian rivalries that first surfaced in Iraq now compete with the Arab-Israeli conflict to determine regional alliances and political attitudes of ordinary people. Hezbollah and Iran would prefer to focus the region on the Arab-Israeli issue and to gain support as champions of the Palestinian cause. However, they have faced resistance in pursuing this agenda from regimes and radical Sunni groups who see Iran and the sectarian issue as more important. In this environment the intensification of sectarian conflict in Iraq and its growing regional dimension has led Hezbollah and Iran to intensify their campaign against Israel in the hope of diverting attention from the divisive role that Iraq is playing in the region.

2006 also witnessed a dramatic turn in U.S.-Iran relations. In 2005 Iran elected a hard-line president, who invigorated Iran's determination to pursue its nuclear program just as he escalated tensions with the United States and Israel. This confident and provocative attitude is reflective of change in the strategic environment in the region, and Iran's belief that it enjoys a stronger position than it did in 2003. Iran benefited from regime changes in Afghanistan and Iraq. The fall of the Taliban and the Saddam regime provided Iran with greater space to assert its influence in the region, and the destruction of the Iraqi army removed a significant bulwark against Iranian ambition and influence in the Persian Gulf. The occupation of Iraq has depleted American power and prestige,

making it harder to contain Iran, which has seized the opportunity to spread its wings. Rising Iranian clout has fed and been fed by the Shia revival that swept across the Middle East in the wake of the Iraq war. Iran today has hegemonic ambitions in the Persian Gulf and sees itself as a great-power, and it views nuclear capability as the means to attain that goal. What Iran seeks is for the United States to accept Central Asia, Afghanistan, and the Persian Gulf as Iran's "near abroad"—a zone of influence in which Iran's interests would determine ebbs and flows of politics—and to recognize Iranian presence in Syria and Lebanon.

The specter of Iranian hegemony has been a source of concern for Iran's neighbors. Saudi Arabia in particular has viewed Iran's gains in Iraq and its growing influence in Lebanon and over the Palestinian issue with alarm. Intensification of the rivalry between the two threatens regional stability, and more importantly can fuel pro-al-Qaeda jihadi activism. The rivalry between the two in Afghanistan and South Asia in the 1980s and 1990s served as the context for radicalization that ultimately led to 9/11.

There is no doubt that managing Iran poses an important challenge to U.S. foreign policy, one that extends beyond the nuclear issue and the threat to Israel. The question before Washington has been whether to engage Iran to influence the course of its development or to contain it. In the past three years Iranian involvement in Iraq has been an irritant to Washington. Many, including the Iraq Study Group, have suggested that securing Iranian cooperation is important to stabilizing Iraq—and success in that arena may translate into success in dealing with the nuclear issue. Iraq presented an opening in part because U.S. and Iranian interests in Iraq, even today, appear to converge on key issues: Iran does not want Iraq to fail or break up (fearing an independent Kurdish state), and a civil war in Iraq is worrisome to Tehran. Iran wants the Shia government in Baghdad to succeed, and for Shias to consolidate the gains that they have made since 2003. In fact, since 2003 Iran has supported the political process—elections, constitution, and governments—that the United States introduced to Iraq. The possibility of engagement, despite the potential for positive benefits for Iraq, has so far remained remote, and now seems to be disappearing altogether.

It now appears that U.S. policy is gravitating toward confrontation with Iran, not only in Iraq but across the region. Washington appears to see rolling back Iranian influence as the key to resolving various regional problems. A policy that is focused on Iran rather than Iraq will escalate conflict in Iraq and across the Middle East, thereby deepening American involvement in the region with the potential for adversely impacting U.S. interests.

This policy is reminiscent of the containment strategy of the 1980s and early 1990s when the United States rallied Iran's neighbors to contain the spread of the Iranian revolution. However at that time, Iran was weaker, and containment of Iran was anchored in Iraq's military capability, and Taliban and radical Sunni ideology's ability to counter Shia Iran's influence. But today the Iraqi military bulwark is no longer there. The task of militarily confronting and containing Iran will fall on U.S. shoulders. Moreover, in 2001

it became evident that the cost of Sunni containment of Shia Iran was the rise of radical Sunni jihadi ideology, al-Qaeda and 9/11.

Reverting to the old containment strategy today, given the current capability of Iran's neighbors in the Middle East and the balance of power in the region, would mean a long time American commitment to staying in the Persian Gulf and deploying to other arenas of conflict in an environment of growing radicalism. It would place the United States at the heart of the region's conflicts and vulnerable to ideological extremism and terrorism, all of which will likely only escalate as a consequence.

The consequences of conflict with Iran will be grave for the region and U.S. interests. Conflict will radicalize the Iranian regime, and more important the Iranian public. Conflict will adversely impact political developments in Iran, entrenching and strengthening the Iranian regime, which will rally the population to the flag. Anti-Americanism and ideological radicalism has not been a staple of popular politics in Iran for some time now. It has been the quest for democracy that has dominated Iranian imagination—sharply contrasting with the popular mood in the rest of the Middle East. That trend will likely be reversed in the advent of conflict.

The Iranian regime today sees regional stability in its interest. Iran abandoned the goal of exporting its revolution to its Persian Gulf neighbors at the end of 1980s, and has since acted as a status-quo power. It seeks influence within the existing regional power structure. It improved its relations with its Persian Gulf neighbors throughout the 1990s, and in particular normalized relations with Saudi Arabia. Iran supported stabilization of Afghanistan in 2001 and that of Iraq during the early phase of the occupation. Conflict will change the direction that Iranian foreign policy has been following. The process of greater engagement of Iran with the region, and its inclusion in its political and economic structures that has characterized the past decade will be reversed. Iran will likely become more dangerous to its neighbors, a trend which the United States will be hard-pressed to control or reverse without escalating conflict even further and committing itself to greater presence in the region.

Confrontation with Iran will likely worsen the situation in Iraq, but its impact will not remain limited to Iraq. It will unfold in different arenas across a large expanse of territory from Afghanistan to the Persian Gulf, the Palestinian territories and Lebanon, as well as in various forms outside of the Middle East. It will inflame anti-Americanism in the Muslim world. The costs of such a conflict will far exceed what the United States confronts in the region today, in particular if the conflict leads to a war with Iran—a country that is vastly larger and more populous than Iraq. Conflict will also make Iran more determined to acquire WMD and to destabilize the Middle East. That will expand the scope and intensity of conflicts that impact U.S. interests, as well as reverse gains made so far in the war on terror.

There are serious areas of disagreement between the United States and Iran over the nuclear issue, and Iran's role in Lebanon, the Palestinian conflict, and Iraq. U.S. concerns with Iranian ambition and policies must be addressed. However, for so long as

Iran sees benefit in stability in Afghanistan, Iraq and the Persian Gulf, engagement could provide a path to influencing its behavior to serve U.S. interests and those of its neighbors. Although engagement is not likely to quickly or cheaply yield what the United States wants from Iran, it still has the benefit of deepening Iranian involvement in and commitment to the regional order that the United States is seeking to bolster.

Contending with the Challenge

U.S. interests would be best served by a policy approach that is premised on the following:

1. In Iraq, it is imperative to work for a political settlement that would limit the scope of sectarian violence. The chaos in Iraq is a consequence of the absence of a credible political process and road map to sectarian peace and state-building. The violence cannot be brought under control through military means. Only a political plan of action, which can credibly move the fighting parties toward compromise will remove the incentive for violence and change the dynamic on the ground.

The national unity plan that was conceived at the end of 2005 was put before Iraqis at a different time when violence had not deepened animosities on both sides and when the United States had much more leverage with Shia leaders as well as their followers. The time for that plan has passed, and pressuring the Iraqi government by placing benchmarks before it will not change that fact. If national unity is still attainable it will have to come through a new plan.

There exists a danger that in the coming months the “surge strategy” will extend the scope of the conflict by provoking a Shia insurgency. Shia militias have so far not been fighting U.S. troops; but direct confrontation can transform their sectarian war into a Shia insurgency—something Iraq has so far not faced. The majority of Iraq’s population, especially in the critical Arab regions, is Shia. An anti-American Shia insurgency, at a time when the Sunni insurgency continues, will significantly increase the burden on the U.S. military in Iraq. It will also further radicalize Shias in the region. Radicalization of Shias will mark a significant expansion in the scope and intensity of threat to U.S. security and interests, and will adversely impact the global effort to contain radicalism and terrorism. Shia militias are a problem for Iraq, but an escalation of the conflict by turning them into an anti-American force will benefit neither Iraq nor the United States.

2. Anchoring United States’ Middle East policy in containing Iran will expand scope the conflict in the region rather than reduce it. It will also increase the scope of the terrorist threat to the United States rather than reduce it. Such a policy will also require a long-term U.S. presence in the Middle East. The United States should rather seek to de-escalate tensions in the region by promoting political solutions to crises in the Palestinian territories, Lebanon, Iraq, and the nuclear stand-off with Iran. The United States should not tie all these conflicts to the challenge of Iranian

hegemony, and not view a broader conflict with Iran as a solution to challenges facing the Palestinian issue, Lebanon and Iraq. No two countries matter more to the future of the Middle East than the United States and Iran. The importance of stability in U.S.-Iranian relations for the future of the Middle East cannot be overemphasized. Engagement rather than conflict presents the most realistic chance for achieving that goal.

3. The United States must take steps to discourage regional actors from using sectarianism as a foreign policy tool. Investment in sectarian voices and especially radical Sunni organizations of the al-Qaeda type most closely tied to sectarian ideology and violence will not only intensify the conflict but promote extremism to the detriment of the broader U.S. interests in the region. As great a challenge as Shia ascendancy and Iranian aggressiveness is to the United States and its allies strengthening the ideological and organizational bases of Sunni extremism will only further threaten U.S. interests.