

By Peter Zeihan

As students of geopolitics, we at Stratfor tend not to get overexcited when this or that plan for regional peace is tabled. Many of the world's conflicts are geographic in nature, and changes in government or policy only rarely supersede the hard topography that we see as the dominant sculptor of the international system. Island states tend to exist in tension with their continental neighbors. Two countries linked by flat arable land will struggle until one emerges dominant. Land-based empires will clash with maritime cultures, and so on.

#### Petit vs. Grand Geopolitic

But the grand geopolitic -- the framework which rules the interactions of regions with one another -- is not the only rule in play. There is also the petit geopolitic that occurs among minor players within a region. Think of the grand geopolitic as the rise and fall of massive powers -- the onslaught of the Golden Horde, the imperial clash between England and France, the U.S.-Soviet Cold War. By contrast, think of the petit geopolitic as the smaller powers that swim alongside or within the larger trends -- Serbia versus Croatia, Vietnam versus Cambodia, Nicaragua versus Honduras. The same geographic rules apply, just on a smaller scale, with the added complexity of the grand geopolitic as backdrop.

The Middle East is a region rife with petit geopolitics. Since the failure of the Ottoman Empire, the region has not hosted an indigenous grand player. Instead, the region serves as a battleground for extra-regional grand powers, all attempting to grind down the local (petit) players to better achieve their own aims. Normally, Stratfor looks at the region in that light: an endless parade of small players and local noise in an environment where most trends worth watching are those implanted and shaped by outside forces. No peace deals are easy, but in the Middle East they require agreement not just from local powers, but also from those grand players beyond the region. The result is, well, the Middle East we all know.

All the more notable, then, that a peace deal -- and a locally crafted one at that -- has moved from the realm of the improbable to not merely the possible, but perhaps even the imminent.

Israel and Syria are looking to bury the hatchet, somewhere in the Golan Heights most likely, and they are doing so for their own reasons. Israel has secured deals with Egypt and Jordan already, and the Palestinians -- by splitting internally -- have defeated themselves as a strategic threat. A deal with Syria would make Israel the most secure it has been in millennia.

Syria, poor and ruled by its insecure Alawite minority, needs a basis of legitimacy that resonates with the dominant Sunni population better than its current game plan: issuing a shrill shriek whenever the name "Israel" is mentioned. The Alawites believe there is no guarantee of support better than cash, and their largest and most reliable source of cash is in Lebanon. Getting Lebanon requires an end to Damascus' regional isolation, and the agreement of Israel.

The outline of the deal, then, is surprisingly simple: Israel gains military security from a peace deal in exchange for supporting Syrian primacy in Lebanon. The only local loser would be the entity that poses an economic challenge (in Lebanon) to Syria, and a military challenge (in Lebanon) to Israel -- to wit, Hezbollah.

Hezbollah, understandably, is more than a little perturbed by the prospect of this tightening noose. Syria is redirecting the flow of Sunni militants from Iraq to Lebanon, likely for use against Hezbollah. Damascus also is working with the exiled leadership of the Palestinian group Hamas as a gesture of goodwill to Israel. The French -- looking for a post-de Gaulle diplomatic victory -- are re-engaging the Syrians and, to get Damascus on board, are dangling everything from aid and trade deals with Europe to that long-sought stamp of international approval. Oil-rich Sunni Arab states, sensing an opportunity to weaken Shiite Hezbollah, are flooding petrodollars in bribes -- that is, investments -- into Syria to underwrite a deal with Israel.

While the deal is not yet a fait accompli, the pieces are falling into place quite rapidly. Normally we would not be so optimistic, but the hard decisions -- on Israel surrendering the Golan Heights and Syria laying preparations for cutting Hezbollah down to size -- have already been made. On July 11 the leaders of Israel and Syria will be attending the same event in Paris, and if the French know anything about flair, a handshake may well be on the agenda.

It isn't exactly pretty -- and certainly isn't tidy -- but peace really does appear to be breaking out in the Middle East.

#### A Spoiler-Free Environment

Remember, the deal must please not just the petit players, but the grand ones as well. At this point, those with any interest in disrupting the flow of events normally would step in and do what they could to rock the boat. That, however, is not happening this time around. All of the normal cast members in the Middle Eastern drama are either unwilling to play that game at present, or are otherwise occupied.

The country with the most to lose is Iran. A Syria at formal peace with Israel is a Syria that has minimal need for an alliance with Iran, as well as a Syria that has every interest in destroying Hezbollah's military capabilities. (Never forget that while Hezbollah is Syrian-operated, it is Iranian-founded and -funded.) But using Hezbollah to scupper the Israeli-Syrian talks would come with a cost, and we are not simply highlighting a possible military confrontation between Israel and Iran.

Iran is involved in negotiations far more complex and profound than anything that currently occupies Israel and Syria. Tehran and Washington are attempting to forge an understanding about the future of Iraq. The United States wants an Iraq sufficiently strong to restore the balance of power in the Persian Gulf and thus prevent any Iranian military incursion into the oil fields of the Arabian Peninsula. Iran wants an Iraq that is sufficiently weak that it will never again be able to launch an attack on Persia. Such unflinching national interests are proving difficult to reconcile, but do not confuse "difficult" with "impossible" -- the positions are not mutually exclusive. After all, while both want influence, neither demands domination.

Remarkable progress has been made during the past six months. The two sides have cooperated in bringing down violence in Iraq, now at its lowest level since the aftermath of the 2003 invasion itself. Washington and Tehran also have attacked the problems of rogue Shiite militias from both ends, most notably with the neutering of Muqtada al-Sadr and his militia, the Medhi Army. Meanwhile, that ever-enlarging pot of Sunni Arab oil money has been just as active in Baghdad in drawing various groups to the table as it has been in Damascus. Thus, while the U.S.-Iranian understanding is not final, formal or imminent, it is taking shape with remarkable speed. There are many ways it still could be derailed, but none would be so effective as Iran using Hezbollah to launch another war with Israel.

China and Russia both would like to see the Middle East off balance -- if not on fire in the case of Russia -- although it is hardly because they enjoy the bloodshed. Currently, the United States has the bulk of its ground forces loaded down with Afghan and Iraqi operations. So long as that remains the case -- so long as Iran and the United States do not have a meeting of the minds -- the United States lacks the military capability to deploy any large-scale ground forces anywhere else in the world. In the past, Moscow and Beijing have used weapons sales or energy deals to bolster Iran's position, thus delaying any embryonic deal with Washington.

But such impediments are not being seeded now.

Rising inflation in China has turned the traditional question of the country's shaky financial system on its head. Mass employment in China is made possible not by a sound economic structure, but by de facto subsidization via ultra-cheap loans. But such massive availability of credit has artificially spiked demand, for 1.3 billion people no less, creating an inflation nightmare that is difficult to solve. Cut the loans to rein in demand and inflation, and you cut business and with it employment. Chinese governments have been toppled by less. Beijing is desperate to keep one step ahead of either an inflationary spiral or a credit meltdown -- and wants nothing more than for the Olympics to go off as hitch-free as possible. Tinkering with the Middle East is the furthest thing from Beijing's preoccupied mind.

Meanwhile, Russia is still growing through its leadership "transition," with the Kremlin power clans still going for each other's throats. Their war for control of the defense and energy industries still rages, their war for control of the justice and legal systems is only now beginning to rage, and their efforts to curtail the powers of some of Russia's more independent-minded republics such as Tatarstan has not yet begun to rage. Between a much-needed resettling, and some smacking of out-of-control egos, Russia still needs weeks (or months?) to get its own house in order. The Kremlin can still make small gestures -- Russian Prime Minister Vladimir Putin chatted briefly by phone July 7 with Iranian President Mahmoud Ahmadinejad on the topic of the nuclear power plant that Russia is building for Iran at Bushehr -- but for the most part, the Middle East will have to wait for another day.

But by the time Beijing or Moscow have the freedom of movement to do anything, the Middle East may well be as "solved" as it can be.

The New Era

For those of us at Stratfor who have become rather inured to the agonies of the Middle East,

such a sustained stream of constructive, positive news is somewhat unnerving. One gets the feeling that if the progress could hold up for just a touch longer, not only would there be an Israeli-Syrian deal and a U.S.-Iranian understanding, the world itself would change. Those of us here who are old enough to remember haven't sensed such a fateful moment since the weeks before the tearing down of the Berlin Wall in 1989. And -- odd though it may sound -- we have been waiting for just such a moment for some time. Certainly since before 9/11.

Stratfor views the world as working in cycles. Powers or coalitions of powers form and do battle across the world. Their struggles define the eras through which humanity evolves, and those struggles tend to end in a military conflict that lays the groundwork for the next era. The Germans defeated Imperial France in the Franco-Prussian War in 1871, giving rise to the German era. That era lasted until a coalition of powers crushed Germany in World Wars I and II. That victorious coalition split into the two sides of the Cold War until the West triumphed in 1989.

New eras do not form spontaneously. There is a brief -- historically speaking -- period between the sweeping away of the rules of the old era and the installation of the rules of the new. These interregnums tend to be very dangerous affairs, as the victorious powers attempt to entrench their victory as new powers rise to the fore -- and as many petit powers, suddenly out from under the thumb of any grand power, try to carve out a niche for themselves.

The post-World War I interregnum witnessed the complete upending of Asian and European security structures. The post-World War II interregnum brought about the Korean War as China's rise slammed into America's efforts to entrench its power. The post-Cold War interregnum produced Yugoslav wars, a variety of conflicts in the former Soviet Union (most notably in Chechnya), the rise of al Qaeda, the jihadist conflict and the Iraq war.

All these conflicts are now well past their critical phases, and in most cases are already sewn up. All of the pieces of Yugoslavia are on the road to EU membership. Russia's borderlands -- while hardly bastions of glee -- have settled. Terrorism may be very much alive, but al Qaeda as a strategic threat is very much not. Even the Iraq war is winding to a conclusion. Put simply, the Cold War interregnum is coming to a close and a new era is dawning.

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